UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended **June 30, 2013**

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 0-19034

REGENERON PHARMACEUTICALS, INC.
(Exact name of registrant as specified in its charter)

New York	13-3444607
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
777 Old Saw Mill River Road, Tarrytown, New York	10591-6707
(Address of principal executive offices)	(Zip Code)

(914) 847-7000
(Registrant's telephone number, including area code)

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 X 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 X No _____

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

Large accelerated filer	X	Accelerated filer	_____
Non-accelerated filer	_____ (Do not check if a smaller reporting company)	Smaller reporting company	_____

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes _____ No X

Number of shares outstanding of each of the registrant's classes of common stock as of July 17, 2013:

Class of Common Stock	Number of Shares
Class A Stock, $0.001 par value	2,038,920
Common Stock, $0.001 par value	96,710,115

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QUARTERLY REPORT ON FORM 10-Q
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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

REGENERON PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)
(In thousands, except share data)

	June 30, 2013	December 31, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	$ 381,675	$ 230,276
Marketable securities	155,831	77,819
Accounts receivable - trade, net	767,865	593,207
Accounts receivable from Sanofi	108,151	99,913
Deferred tax assets	38,927	148,134
Prepaid expenses and other current assets	108,913	56,663
Total current assets	1,561,362	1,206,012
Restricted cash and marketable securities		8,186
Marketable securities	173,328	271,230
Property, plant, and equipment, at cost, net of accumulated depreciation and amortization	419,651	379,940
Deferred tax assets	208,707	192,022
Other assets	15,211	23,100
Total assets	$ 2,378,259	$ 2,080,490
LIABILITIES and STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 153,826	$ 111,345
Deferred revenue from Sanofi, current portion	14,916	17,022
Deferred revenue - other, current portion	34,266	33,809
Facility lease obligations, current portion	794	1,374
Total current liabilities	203,802	163,550
Deferred revenue from Sanofi	78,740	76,520
Deferred revenue - other	119,672	131,822
Facility lease obligations	164,392	159,436
Convertible senior notes	308,116	296,518
Other long term liabilities	10,200	7,259
Total liabilities	884,922	835,105
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $.01 par value; 30,000,000 shares authorized; issued and outstanding - none		
Class A Stock, convertible, $.001 par value; 40,000,000 shares authorized; shares issued and outstanding - 2,038,920 at June 30, 2013 and 2,069,187 at December 31, 2012	2	2
Common Stock, $.001 par value; 160,000,000 shares authorized; shares issued and outstanding - 96,662,313 at June 30, 2013 and 95,223,525 at December 31, 2012	97	95
Additional paid-in capital	1,827,471	1,763,508
Accumulated deficit	(330,804)	(517,054)
Accumulated other comprehensive loss	(3,429)	(1,166)
Total stockholders' equity	1,493,337	1,245,385
Total liabilities and stockholders' equity	$ 2,378,259	$ 2,080,490

The accompanying notes are an integral part of the financial statements.

REGENERON PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (Unaudited)
(In thousands, except per share data)

	Three months ended June 30,		Six months ended June 30,	
	2013	**2012**	**2013**	**2012**
Statements of Operations				
Revenues:				
Net product sales	$ 333,893	$ 199,519	$ 652,633	$ 327,450
Sanofi collaboration revenue	85,529	88,988	184,802	173,993
Bayer HealthCare collaboration revenue	31,104	9,124	46,011	21,607
Technology licensing	5,893	5,893	11,786	11,786
Other revenue	1,223	875	2,074	1,352
	457,642	304,399	897,306	536,188
Expenses:				
Research and development	187,463	147,373	367,762	286,235
Selling, general, and administrative	72,463	47,705	149,723	106,133
Cost of goods sold	27,283	21,843	55,304	34,141
Cost of collaboration manufacturing	12,330		13,364	
	299,539	216,921	586,153	426,509
Income from operations	158,103	87,478	311,153	109,679
Other income (expense):				
Investment income	954	501	1,410	1,111
Interest expense	(11,365)	(11,236)	(23,040)	(22,396)
	(10,411)	(10,735)	(21,630)	(21,285)
Income before income taxes	147,692	76,743	289,523	88,394
Income tax expense	(60,316)		(103,273)	
Net income	$ 87,376	$ 76,743	$ 186,250	$ 88,394
Net income per share - basic	$ 0.89	$ 0.81	$ 1.91	$ 0.94
Net income per share - diluted	$ 0.79	$ 0.70	$ 1.69	$ 0.81
Weighted average shares outstanding - basic	97,700	94,589	97,289	94,017
Weighted average shares outstanding - diluted	111,060	110,167	110,305	108,998
Statements of Comprehensive Income				
Net income	$ 87,376	$ 76,743	$ 186,250	$ 88,394
Other comprehensive loss:				
Unrealized loss on marketable securities	(1,785)	(1,034)	(2,263)	(509)
Comprehensive income	$ 85,591	$ 75,709	$ 183,987	$ 87,885

The accompanying notes are an integral part of the financial statements.

REGENERON PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (Unaudited)
For the Six Months Ended June 30, 2013 and 2012
(In thousands)

	Class A Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance, December 31, 2012	2,069	$ 2	95,223	$ 95	$1,763,508	$ (517,054)	$ (1,166)	$ 1,245,385
Issuance of Common Stock in connection with exercise of stock options			1,661	2	30,496			30,498
Common Stock tendered upon exercise of stock options in connection with employee tax obligations			(290)		(73,137)			(73,137)
Issuance of Common Stock in connection with Company 401(k) Savings Plan contribution			38					
Conversion of Class A Stock to Common Stock	(30)		30					
Stock-based compensation charges					98,728			98,728
Excess tax benefit from stock-based compensation					7,876			7,876
Net income						186,250		186,250
Other comprehensive loss							(2,263)	(2,263)
Balance, June 30, 2013	2,039	$ 2	96,662	$ 97	$1,827,471	$ (330,804)	$ (3,429)	$ 1,493,337
Balance, December 31, 2011	2,109	$ 2	90,692	$ 91	$1,754,824	$ (1,267,323)	$ (1,862)	$ 485,732
Issuance of Common Stock in connection with exercise of stock options			3,234	3	39,631			39,634
Common Stock tendered upon exercise of stock options in connection with employee tax obligations			(568)		(61,444)			(61,444)
Issuance of Common Stock in connection with Company 401(k) Savings Plan contribution			64					
Issuance of restricted Common Stock under Long-Term Incentive Plan			500					
Conversion of Class A Stock to Common Stock	(20)		20					
Stock-based compensation charges					42,850			42,850
Net income						88,394		88,394
Other comprehensive loss							(509)	(509)
Balance, June 30, 2012	2,089	$ 2	93,942	$ 94	$1,775,861	$ (1,178,929)	$ (2,371)	$ 594,657

The accompanying notes are an integral part of the financial statements.

REGENERON PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(In thousands)

	Six months ended June 30,	
	2013	**2012**
Cash flows from operating activities:		
Net income	$ 186,250	$ 88,394
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	19,109	17,833
Non-cash compensation expense	97,473	42,850
Non-cash interest expense	11,315	11,191
Other non-cash charges and expenses, net	18,323	11,056
Deferred taxes	92,522	
Changes in assets and liabilities:		
Increase in Sanofi and trade accounts receivable	(182,896)	(332,345)
Increase in prepaid expenses and other assets	(51,697)	(19,517)
Decrease in deferred revenue	(11,579)	(17,669)
Increase in accounts payable, accrued expenses, and other liabilities	35,592	32,789
Total adjustments	28,162	(253,812)
Net cash provided by (used in) operating activities	214,412	(165,418)
Cash flows from investing activities:		
Purchases of marketable securities	(282,643)	(270,907)
Sales or maturities of marketable securities	307,244	171,881
Purchase of restricted cash and marketable securities		(469)
Capital expenditures	(55,656)	(23,927)
Net cash used in investing activities	(31,055)	(123,422)
Cash flows from financing activities:		
Payments in connection with facility and capital lease obligations	(997)	(1,014)
Proceeds from issuance of Common Stock	34,300	39,631
Payments in connection with Common Stock tendered for employee tax obligations	(73,137)	(61,444)
Excess tax benefit from stock-based compensation	7,876	
Net cash used in financing activities	(31,958)	(22,827)
Net increase (decrease) in cash and cash equivalents	151,399	(311,667)
Cash and cash equivalents at beginning of period	230,276	483,610
Cash and cash equivalents at end of period	$ 381,675	$ 171,943

The accompanying notes are an integral part of the financial statements.

REGENERON PHARMACEUTICALS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(Unless otherwise noted, dollars in thousands, except per share data)

1. Interim Financial Statements

The interim Condensed Consolidated Financial Statements of Regeneron Pharmaceuticals, Inc. ("Regeneron" or the "Company") have been prepared in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all information and disclosures necessary for a presentation of the Company's financial position, results of operations, and cash flows in conformity with accounting principles generally accepted in the United States of America. In the opinion of management, these financial statements reflect all normal recurring adjustments and accruals necessary for a fair statement of the Company's financial position, results of operations, and cash flows for such periods. The results of operations for any interim periods are not necessarily indicative of the results for the full year. The December 31, 2012 Condensed Consolidated Balance Sheet data were derived from audited financial statements, but do not include all disclosures required by accounting principles generally accepted in the United States of America. These financial statements should be read in conjunction with the financial statements and notes thereto contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2012.

Certain reclassifications have been made to prior period amounts to conform with the current period's presentation.

2. Net Product Sales

EYLEA® net product sales totaled $329.8 million and $194.0 million for the three months ended June 30, 2013 and 2012, respectively, and $643.7 million and $317.5 million for the six months ended June 30, 2013 and 2012, respectively. In November 2011, the Company received marketing approval from the U.S. Food and Drug Administration ("FDA") for EYLEA (aflibercept) Injection for the treatment of neovascular age-related macular degeneration ("wet AMD"). In September 2012, the Company received marketing approval from the FDA for EYLEA for the treatment of macular edema following central retinal vein occlusion ("CRVO"). In addition, ARCALYST® net product sales totaled $4.1 million and $5.5 million for the three months ended June 30, 2013 and 2012, respectively, and $8.9 million and $9.9 million for the six months ended June 30, 2013 and 2012, respectively.

The Company recorded 76% and 79% for the three months ended June 30, 2013 and 2012, respectively, and 77% and 79% for the six months ended June 20, 2013 and 2012, respectively, of its total gross product revenue from sales to Besse Medical, a subsidiary of AmerisourceBergen Corporation.

Revenue from product sales is recorded net of applicable provisions for rebates and chargebacks under governmental programs (including Medicaid), distribution-related fees, prompt pay discounts, product returns, and other sales-related deductions. The following table summarizes the provisions, and credits/payments, for these sales-related deductions during the six months ended June 30, 2013.

	Rebates & Chargebacks	Distribution-Related Fees	Other Sales-Related Deductions	Total
Balance as of December 31, 2012	$ 2,983	$ 15,298	$ 545	$ 18,826
Provision related to current period sales	11,121	29,422	498	41,041
Credits/payments	(10,081)	(26,238)	(511)	(36,830)
Balance as of June 30, 2013	$ 4,023	$ 18,482	$ 532	$ 23,037

REGENERON PHARMACEUTICALS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(Unless otherwise noted, dollars in thousands, except per share data)

3. Collaboration Revenue

Sanofi Collaboration Revenue

The collaboration revenue the Company earned from Sanofi, as detailed below, consisted primarily of reimbursement for research and development expenses that the Company incurred, recognition of the Company's share of losses in connection with Sanofi's commercialization of ZALTRAP®, and recognition of revenue related to non-refundable up-front payments.

In addition, Sanofi collaboration revenue for the three months and six months ended June 30, 2013 was reduced by two $10.0 million up-front payments to Sanofi in connection with the Company's acquisition from Sanofi of full exclusive rights to two families of novel antibodies, as described below.

	Three months ended June 30,	
Sanofi Collaboration Revenue	**2013**	**2012**
ZALTRAP:		
Regeneron's share of losses in connection with commercialization of ZALTRAP	$ (8,216)	$ (8,430)
Reimbursement of Regeneron research and development and other expenses	2,835	4,225
Recognition of deferred revenue related to up-front payments	1,384	2,889
Total ZALTRAP	(3,997)	(1,316)
Antibody:		
Reimbursement of Regeneron research and development expenses	106,965	87,746
Up-front payments to Sanofi for acquisition of rights related to two antibodies	(20,000)	
Recognition of deferred revenue related to up-front and other payments	2,162	2,160
Recognition of revenue related to *VelociGene*® agreement	399	398
Total Antibody	89,526	90,304
Total Sanofi collaboration revenue	$ 85,529	$ 88,988

REGENERON PHARMACEUTICALS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(Unless otherwise noted, dollars in thousands, except per share data)

	Six months ended June 30,	
Sanofi Collaboration Revenue	**2013**	**2012**
ZALTRAP:		
Regeneron's share of losses in connection with commercialization of ZALTRAP	$ (16,005)	$ (12,135)
Reimbursement of Regeneron research and development and other expenses	5,398	7,045
Recognition of deferred revenue related to up-front payments	2,767	5,372
Total ZALTRAP	(7,840)	282
Antibody:		
Reimbursement of Regeneron research and development expenses	207,520	168,601
Up-front payments to Sanofi for acquisition of rights related to two antibodies	(20,000)	
Recognition of deferred revenue related to up-front and other payments	4,324	4,313
Recognition of revenue related to VelociGene agreement	798	797
Total Antibody	192,642	173,711
Total Sanofi collaboration revenue	$ 184,802	$ 173,993

Sanofi commenced sales of ZALTRAP (ziv-aflibercept) Injection for Intravenous Infusion, in combination with 5-fluorouracil, leucovorin, irinotecan ("FOLFIRI"), for patients with metastatic colorectal cancer (“mCRC”) that is resistant to or has progressed following an oxaliplatin-containing regimen, in the United States in the third quarter of 2012 and in certain countries in Europe in the first quarter of 2013. The Company and Sanofi globally collaborate on the development and commercialization of ZALTRAP. Under the terms of the companies' September 2003 collaboration agreement, as amended, Regeneron and Sanofi share co-promotion rights and profits and losses on sales of ZALTRAP outside of Japan. In Japan, the Company is entitled to a royalty on sales of ZALTRAP.

Acquisition from Sanofi of Rights to PDGF and Ang2 in Ophthalmology

In May 2013, the Company acquired from Sanofi full exclusive rights to two families of novel antibodies invented at Regeneron and previously included in the Company's antibody collaboration with Sanofi. The Company acquired full rights to antibodies targeting the PDGF (platelet derived growth factor) family of receptors and ligands in ophthalmology and all other indications and to antibodies targeting the Ang2 (angiopoietin-2) receptor and ligand in ophthalmology. Antibodies to the PDGF receptor and Ang2 are currently in preclinical development for use in ophthalmology.

With respect to PDGF antibodies, the Company made a $10.0 million up-front payment to Sanofi in May 2013, and will pay up to $40 million in potential development milestone payments and royalties on any future sales. With respect to Ang2 antibodies in ophthalmology, the Company also made a $10.0 million up-front payment to Sanofi in May 2013, and will pay a potential $5 million development milestone payment and royalties on any future sales.

Bayer HealthCare Collaboration Revenue

Bayer HealthCare commenced sales of EYLEA for the treatment of wet AMD in the fourth quarter of 2012 following receipt of regulatory approvals in the European Union and other regions. The Company and Bayer HealthCare globally collaborate on the development and commercialization of EYLEA outside of the United States.

REGENERON PHARMACEUTICALS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(Unless otherwise noted, dollars in thousands, except per share data)

The collaboration revenue the Company earned from Bayer HealthCare is detailed below:

	Three months ended June 30,	
Bayer HealthCare Collaboration Revenue	**2013**	**2012**
Regeneron's net profit in connection with commercialization of EYLEA outside the United States	$ 19,055	
Cost-sharing of Regeneron EYLEA development expenses	3,667	$ 7,147
Reimbursement of other Regeneron EYLEA expenses	6,405	
Recognition of deferred revenue related to up-front and other milestone payments	1,977	1,977
	$ 31,104	$ 9,124

	Six months ended June 30,	
Bayer HealthCare Collaboration Revenue	**2013**	**2012**
Regeneron's net profit in connection with commercialization of EYLEA outside the United States	$ 25,417	
Cost-sharing of Regeneron EYLEA development expenses	9,638	$ 17,653
Reimbursement of other Regeneron EYLEA expenses	7,002	
Recognition of deferred revenue related to up-front and other milestone payments	3,954	3,954
	$ 46,011	$ 21,607

REGENERON PHARMACEUTICALS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(Unless otherwise noted, dollars in thousands, except per share data)

4. Net Income Per Share

The Company's basic net income per share amounts have been computed by dividing net income by the weighted average number of shares of Common Stock and Class A Stock outstanding. Net income per share is presented on a combined basis, inclusive of Common Stock and Class A Stock outstanding, as each class of stock has equivalent economic rights. Diluted net income per share includes the potential dilutive effect of other securities as if such securities were converted or exercised during the period, when the effect is dilutive. The calculations of basic and diluted net income per share are as follows:

	Three Months Ended June 30,	
	2013	**2012**
Net income - basic and diluted	$ 87,376	$ 76,743
(Shares in thousands)		
Weighted average shares - basic	97,700	94,589
Effect of dilutive securities:		
Stock options	10,291	14,055
Restricted stock	424	692
Warrants	2,645	831
Dilutive potential shares	13,360	15,578
Weighted average shares - diluted	111,060	110,167
Net income per share - basic	$ 0.89	$ 0.81
Net income per share - diluted	$ 0.79	$ 0.70

	Six Months Ended June 30,	
	2013	**2012**
Net income - basic and diluted	$ 186,250	$ 88,394
(Shares in thousands)		
Weighted average shares - basic	97,289	94,017
Effect of dilutive securities:		
Stock options	10,296	13,964
Restricted stock	383	676
Warrants	2,337	341
Dilutive potential shares	13,016	14,981
Weighted average shares - diluted	110,305	108,998
Net income per share - basic	$ 1.91	$ 0.94
Net income per share - diluted	$ 1.69	$ 0.81

REGENERON PHARMACEUTICALS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(Unless otherwise noted, dollars in thousands, except per share data)

Shares which have been excluded from the June 30, 2013 and 2012 diluted per share amounts because their effect would have been antidilutive, include the following:

	Three Months Ended June 30,	
(Shares in thousands)	**2013**	**2012**
Stock options	1,247	89
Convertible senior notes	4,761	4,761

	Six Months Ended June 30,	
(Shares in thousands)	**2013**	**2012**
Stock options	3,599	47
Restricted stock		11
Convertible senior notes	4,761	4,761

5. Marketable Securities

Marketable securities at June 30, 2013 and December 31, 2012 consist of debt and equity securities. The Company also held restricted marketable securities at December 31, 2012, which consisted of debt securities, as detailed below, that collateralized letters of credit and lease obligations. During the second quarter of 2013, these collateral requirements were rescinded, either due to cancellation of the associated letter of credit or easing of lender requirements on the Company. As a result, during the second quarter of 2013, all formerly restricted marketable securities were reclassified as unrestricted on the Company's balance sheet which, for the purpose of the Company's Statement of Cash Flows, was treated as a non-cash investing transaction.

REGENERON PHARMACEUTICALS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(Unless otherwise noted, dollars in thousands, except per share data)

The following tables summarize the Company's investments in marketable securities at June 30, 2013 and December 31, 2012.

	Amortized	Unrealized		Fair
At June 30, 2013	**Cost Basis**	**Gains**	**Losses**	**Value**
Unrestricted				
U.S. government and government agency obligations	$ 85,662	$ 52	$ (309)	$ 85,405
Corporate bonds	157,593	6	(271)	157,328
Commercial paper	62,159			62,159
Municipal bonds	17,172	1	(22)	17,151
International government agency obligations	4,824		(8)	4,816
Equity securities	4,044		(1,744)	2,300
	$ 331,454	$ 59	$ (2,354)	$ 329,159
At December 31, 2012				
Unrestricted				
U.S. government and government agency obligations	$ 327,502	$ 661	$ (17)	$ 328,146
Municipal bonds	17,542		(32)	17,510
Equity securities	4,044		(651)	3,393
	349,088	661	(700)	349,049
Restricted				
U.S. government obligations	5,902	9	(2)	5,909
	$ 354,990	$ 670	$ (702)	$ 354,958

The Company classifies its debt securities based on their contractual maturity dates. The debt securities listed at June 30, 2013 mature at various dates through January 2016. The fair values of debt security investments by contractual maturity as of June 30, 2013 and December 31, 2012 consist of the following:

	June 30, 2013	December 31, 2012
Unrestricted		
Maturities within one year	$ 155,831	$ 77,819
Maturities after one year through five years	171,028	267,837
	326,859	345,656
Restricted		
Maturities within one year		2,781
Maturities after one year through five years		3,128
		5,909
	$ 326,859	$ 351,565

REGENERON PHARMACEUTICALS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(Unless otherwise noted, dollars in thousands, except per share data)

The following table shows the fair value of the Company's marketable securities that have unrealized losses and that are deemed to be only temporarily impaired, aggregated by investment category and length of time that the individual securities have been in a continuous unrealized loss position, at June 30, 2013 and December 31, 2012.

	Less than 12 Months		12 Months or Greater		Total	
At June 30, 2013	**Fair Value**	**Unrealized Loss**	**Fair Value**	**Unrealized Loss**	**Fair Value**	**Unrealized Loss**
Unrestricted						
U.S. government and government agency obligations	$ 69,106	$ (309)			$ 69,106	$ (309)
Corporate bonds	142,244	(271)			142,244	(271)
Municipal bonds	7,678	(22)			7,678	(22)
International government agency obligations	4,816	(8)			4,816	(8)
Equity security			$ 2,300	$ (1,744)	2,300	(1,744)
	$ 223,844	$ (610)	$ 2,300	$ (1,744)	$ 226,144	$ (2,354)
At December 31, 2012						
Unrestricted						
U.S. government and government agency obligations	$ 44,738	$ (17)			$ 44,738	$ (17)
Municipal bonds	17,510	(32)			17,510	(32)
Equity security			$ 3,393	$ (651)	3,393	(651)
	62,248	(49)	3,393	(651)	65,641	(700)
Restricted						
U.S. government obligations	1,194	(2)			1,194	(2)
	$ 63,442	$ (51)	$ 3,393	$ (651)	$ 66,835	$ (702)

Realized gains and losses are included as a component of investment income. For both the three and six months ended June 30, 2013, total realized gains on sales of marketable securities were $0.5 million and there were no realized losses. For both the three and six months ended June 30, 2012, total realized gains and losses on sales of marketable securities were not material.

(Unless otherwise noted, dollars in thousands, except per share data)

6. Fair Value Measurements

The Company's assets that are measured at fair value on a recurring basis, at June 30, 2013 and December 31, 2012, consist of the following:

		Fair Value Measurements at Reporting Date Using	
At June 30, 2013	**Fair Value**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**
Unrestricted			
Available-for-sale marketable securities:			
U.S. government and government agency obligations	$ 85,405		$ 85,405
Corporate bonds	157,328		157,328
Commercial paper	62,159		62,159
Municipal bonds	17,151		17,151
International government agency obligations	4,816		4,816
Equity security	2,300	$ 2,300	
	$ 329,159	$ 2,300	$ 326,859
At December 31, 2012			
Unrestricted			
Available-for-sale marketable securities:			
U.S. government and government agency obligations	$ 328,146		$ 328,146
Municipal bonds	17,510		17,510
Equity security	3,393	$ 3,393	
	349,049	3,393	345,656
Restricted			
Available-for-sale marketable securities:			
U.S. government obligations	5,909		5,909
	$ 354,958	$ 3,393	$ 351,565

Marketable securities included in Level 2 were valued using a market approach utilizing prices and other relevant information, such as interest rates, yield curves, prepayment speeds, loss severities, credit risks and default rates, generated by market transactions involving identical or comparable assets. The Company considers market liquidity in determining the fair value for these securities. The Company did not record any charges for other-than-temporary impairment of its Level 2 marketable securities during the three and six months ended June 30, 2013 and 2012.

There were no purchases, sales, or maturities of Level 3 marketable securities and no unrealized gains or losses related to Level 3 marketable securities for the three and six months ended June 30, 2013 and 2012. There were no transfers of marketable securities between Levels 1, 2, or 3 classifications during the three and six months ended June 30, 2013 and 2012.

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As of June 30, 2013 and December 31, 2012, the Company had $400.0 million in aggregate principal amount of 1.875% convertible senior notes that will mature on October 1, 2016 unless earlier converted or repurchased. The fair value of the outstanding convertible senior notes was estimated to be $1,117.5 million and $843.2 million as of June 30, 2013 and December 31, 2012, respectively, and was determined based on Level 2 inputs.

7. Inventory

Inventory, which was included in prepaid expenses and other current assets in the Company's balance sheets, consists of the following:

	June 30, 2013	December 31, 2012
Raw materials	$ 5,380	$ 4,862
Work in process	34,580	14,656
Finished goods	10,429	2,570
Deferred costs	6,770	6,550
	$ 57,159	$ 28,638

Deferred costs represent the costs of product manufactured and shipped to the Company's collaborators for which recognition of revenue has been deferred.

As of June 30, 2013 and December 31, 2012, inventory included reserves of $6.2 million and $3.6 million, respectively. For the three months ended June 30, 2013 and 2012, cost of goods sold included inventory write-downs and reserves totaling $1.7 million and $6.5 million, respectively. For the six months ended June 30, 2013 and 2012, cost of goods sold included inventory write-downs and reserves totaling $4.9 million and $8.4 million, respectively.

8. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of the following:

	June 30, 2013	December 31, 2012
Accounts payable	$ 24,418	$ 38,934
Accrued payroll and related costs	39,760	19,987
Accrued clinical trial expense	20,295	10,985
Accrued sales-related charges, deductions, and royalties	49,408	21,870
Other accrued expenses and liabilities	19,945	19,569
	$ 153,826	$ 111,345

With respect to non-cash investing activities in connection with the Company's Statements of Cash Flows, included in accounts payable and accrued expenses at June 30, 2013 and December 31, 2012 were $8.1 million and $8.6 million, respectively, of accrued capital expenditures. Included in accounts payable and accrued expenses at June 30, 2012 and December 31, 2011 were $5.9 million and $6.2 million, respectively, of accrued capital expenditures.

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9. Leases

In April 2013, the Company entered into a new lease agreement for additional laboratory and office space to be constructed in two new buildings (the "Buildings"), which are expected to be completed in late 2015, at the Company's current Tarrytown, New York location. The initial term of the lease, which is expected to commence in mid-2014, is approximately 15 years and contains three renewal options to extend the term of the lease by five years each. The lease provides for (i) monthly payments over its term, which will be based on the landlord's costs of construction and tenant allowances, and (ii) additional charges for utilities, taxes, and operating expenses. Based upon various factors, including the Company's involvement in the Buildings' construction and its responsibility for directly paying for a substantial portion of tenant improvements, the Company is deemed, in substance, to be the owner of the landlord's Buildings in accordance with the application of FASB authoritative guidance. Consequently, in addition to capitalizing the tenant improvements, the Company will capitalize the landlord's costs of constructing these new facilities, offset by a corresponding lease obligation on the Company's balance sheet. The Company will allocate a portion of its future lease payments to the Buildings and the land on which the Buildings are being constructed. The land element of the lease is treated for accounting purposes as an operating lease.

Commencing in the second quarter of 2013, the Company began capitalizing the landlord's costs of constructing the new Buildings, which totaled $4.7 million at June 30, 2013, and recognized a corresponding facility lease obligation of $4.7 million. Such amounts were included as a non-cash activity within the Company's Condensed Consolidated Statements of Cash Flows. Rent expense in connection with the land element of these new facilities commenced in April 2013 and is recorded as a deferred liability until lease payments commence in mid-2014.

In April 2013, the Company also executed an early renewal of certain laboratory and office space that it currently leases at its Tarrytown location. The early renewal extended the term of the lease from June 2024 to June 2029.

10. Income Taxes

The Company is subject to U.S. federal, state, and foreign income taxes. The Company's effective tax rate for the three and six months ended June 30, 2013 was 40.8% and 35.7%, respectively. The six month effective tax rate included, as a discrete item in the first quarter of 2013, the impact of enacting The American Taxpayer Relief Act in January 2013. The American Taxpayer Relief Act included a provision to extend the income tax credit for increased research activities retroactively to the tax year ended December 31, 2012. As a result, the Company's 2012 research tax credit reduced its effective tax rate for the six months ended June 30, 2013 by 6.0%.

For the three and six months ended June 30, 2013, the Company recorded an income tax provision of $60.3 million and $103.3 million, respectively.

Tax years subsequent to 2009 remain open to examination by federal tax authorities. In addition, New York state has commenced an examination of the Company's 2009, 2010, and 2011 tax years.

For the three and six months ended June 30, 2012, income tax expense relating to the Company's pre-tax income was fully offset by a reversal of a portion of the Company's valuation allowance. As of June 30, 2012, the Company continued to recognize a full valuation allowance against its net operating loss carry-forward and other deferred tax assets since the Company had an extended history of losses. In the fourth quarter of 2012, the Company recorded an income tax benefit attributable to the release of substantially all of the remaining valuation allowance against the Company's deferred tax assets. The decision to release this valuation allowance was made after the Company determined that it was more likely than not that these deferred tax assets would be realized.

11. Legal Matters

From time to time, the Company is a party to legal proceedings in the course of the Company’s business. The Company does not expect any such current ordinary course legal proceedings to have a material adverse effect on the Company’s business or financial condition. Costs associated with the Company’s involvement in legal proceedings are expensed as incurred.

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Genentech Patent Litigation

In November 2010, the Company commenced a lawsuit against Genentech in the U.S. District Court for the Southern District of New York (the "Court"), seeking a declaratory judgment that no activities relating to the Company's VEGF Trap infringe any valid claim of certain Genentech patents referred to as the Davis-Smyth patents (the "First Davis-Smyth Case"). Genentech answered the complaint and asserted counterclaims that the Company's prior or planned activities relating to VEGF Trap have infringed or will infringe claims of four of the Davis-Smyth patents and requested a judgment against the Company for damages, including for willful infringement, and other relief as the Court deems appropriate.

On December 31, 2011, the Company entered into a Non-Exclusive License and Partial Settlement Agreement with Genentech (the "Original Genentech Agreement") that covered making, using, and selling EYLEA in the United States for the prevention and treatment of human eye diseases and disorders in the United States, and ended the litigation relating to those matters. Under the Original Genentech Agreement, the Company received a non-exclusive license to the Davis-Smyth patents, and certain other patents owned or co-owned by Genentech. The Original Genentech Agreement did not cover any non-U.S. patent rights or non-U.S. patent disputes, and did not cover any use of aflibercept other than for prevention and treatment of human eye diseases and disorders in the United States. The Original Genentech Agreement provided for the Company to make payments to Genentech based on U.S. sales of EYLEA through May 7, 2016, the date the Davis-Smyth patents expire. Under the Original Genentech Agreement, the Company made a $60.0 million payment when cumulative U.S. sales of EYLEA reached $400 million, and is obligated to pay royalties of 4.75% on cumulative relevant sales of EYLEA between $400 million and $3 billion and 5.5% on any cumulative relevant sales of EYLEA over $3 billion.

As a result of the Original Genentech Agreement, on January 17, 2012, Genentech filed a second amended answer and counterclaim in the First Davis-Smyth Case, in which it amended its counterclaims alleging infringement of four of the Davis-Smyth patents. On December 23, 2011, Genentech initiated a related case in the Court against Regeneron and Sanofi alleging infringement of four of the Davis-Smyth Patents by activities relating to VEGF Trap (but excluding EYLEA) (the "Second Davis-Smyth Case"). As in the First Davis-Smyth Case, in the new complaint Genentech requested a judgment against the Company for damages, including for willful infringement, and other relief as the Court deems appropriate. On September 21, 2012, Genentech asserted two additional Davis-Smyth patents, and one additional application (which was allowed and issued as a patent on September 25, 2012) in both the First Davis-Smyth Case and the Second Davis-Smyth Case.

Effective May 17, 2013, the Company and Genentech entered into an Amended and Restated Non-Exclusive License and Settlement Agreement with Genentech (the "Amended Genentech Agreement"), which amended the Original Genentech Agreement to now include all sales of EYLEA worldwide and ended the litigation relating to those matters. Under the Amended Genentech Agreement, the Company received a worldwide non-exclusive license to the Davis-Smyth patents, and certain other patents, owned or co-owned by Genentech for the prevention or treatment of eye diseases and eye disorders in a human through administration of EYLEA to the eye. Under the Amended Genentech Agreement, the Company will make payments to Genentech based on sales of EYLEA in the United States, and EYLEA manufactured in the United States and sold outside the United States, through May 7, 2016 using the same milestone and royalty rates as in the Original Genentech Agreement. EYLEA is sold outside the United States by affiliates of Bayer HealthCare under the Company's license and collaboration agreement. All payments to Genentech under the Original Genentech Agreement and the Amended Genentech Agreement have been or will be made by the Company. Bayer HealthCare will share in all such payments based on the proportion of ex-U.S. EYLEA sales to worldwide EYLEA sales and determined consistent with the license and collaboration agreement.

Also on May 17, 2013, the Company entered into a Non-Exclusive License and Settlement Agreement (the "ZALTRAP Agreement") with Genentech and Sanofi under which the Company and Sanofi received a worldwide non-exclusive license to the Davis-Smyth patents, and certain other patents, in all indications for human use other than the prevention or treatment of eye diseases and eye disorders through administration to the eye. Under the terms of the ZALTRAP Agreement, payments will be made to Genentech based on sales of ZALTRAP in the United States and of ZALTRAP that is manufactured in the United States and sold outside the United States through May 7, 2016. A payment of $19 million will be made upon cumulative relevant sales of ZALTRAP reaching $200 million. In addition, royalty payments will be made to Genentech based upon 4.5% of cumulative relevant sales of ZALTRAP between $400 million and $1 billion and 6.5% of any cumulative relevant sales of ZALTRAP over $1 billion. All payments to Genentech under the ZALTRAP Agreement will be made by Sanofi, and the Company will share in all such payments. In connection with Amended Genentech Agreement and the ZALTRAP Agreement, both the First Davis-Smyth Case and the Second Davis-Smyth Case have been dismissed.

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The Company initiated patent-related actions against Genentech in Germany, the United Kingdom, and Italy relating in each case to a patent that expired on October 28, 2012. In the United Kingdom, an adverse decision at first instance dated March 22, 2012 was appealed to the UK Court of Appeal. The Court of Appeal decision dated February 21, 2013 found the designation of European patent EP 1 238 986 in the United Kingdom to be valid and that potential acts relating to VEGF Trap-Eye in the United Kingdom before expiration of the patent on October 28, 2012 would infringe this patent. The Company sought permission to appeal to the Supreme Court of the United Kingdom. On May 17, 2013, the Company entered into an agreement with Genentech, Bayer Pharma AG, Bayer Australia Limited and Regeneron UK Ltd., pursuant to which the parties agreed to dismiss proceedings involving these and certain other Genentech patents, and the Company and the Bayer HealthCare affiliates were granted certain covenants not to sue as to these and other patents. These proceedings have been dismissed.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The discussion below contains forward-looking statements that involve risks and uncertainties relating to future events and the future financial performance of Regeneron Pharmaceuticals, Inc., and actual events or results may differ materially from these forward-looking statements. These statements concern, and these risks and uncertainties include, among others, the nature, timing, and possible success and therapeutic applications of EYLEA®, ZALTRAP®, and ARCALYST® and our product candidates, potential new indications for marketed products, and research and clinical programs now underway or planned; the likelihood and timing of possible regulatory approval and commercial launch of our late-stage product candidates and new indications for marketed products; determinations by regulatory and administrative governmental authorities which may delay or restrict our ability to continue to develop or commercialize EYLEA, ZALTRAP, and ARCALYST and other product and drug candidates and possible new indications for marketed products; the ability for us to manufacture and manage supply chains for multiple products and product candidates; competing drugs and product candidates that may be superior to EYLEA, ZALTRAP, and ARCALYST and our product and drug candidates and possible new indications for marketed products; uncertainty of market acceptance of EYLEA, ZALTRAP, and ARCALYST and our product and drug candidates and possible new indications for marketed products; coverage and reimbursement determinations by third-party payers, including Medicare and Medicaid; unforeseen safety issues resulting from the administration of products and product candidates in patients; unanticipated expenses; the costs of developing, producing, and selling products; the ability for us to meet any of our financial projections or guidance and changes to the assumptions underlying those projections or guidance; the potential for any license or collaboration agreement, including our agreements with Sanofi and Bayer HealthCare LLC, to be canceled or terminated without any further product success; and risks associated with third-party intellectual property and pending or future litigation relating thereto. These statements are made by us based on management's current beliefs and judgment. In evaluating such statements, shareholders and potential investors should specifically consider the various factors identified under the caption "Risk Factors" which could cause actual events and results to differ materially from those indicated by such forward-looking statements. We do not undertake any obligation to update publicly any forward-looking statement, whether as a result of new information, future events, or otherwise, except as required by law.

Overview

Regeneron Pharmaceuticals, Inc. is a fully integrated biopharmaceutical company that discovers, invents, develops, manufactures, and commercializes medicines for the treatment of serious medical conditions. Our total revenues were $457.6 million in the second quarter and $897.3 million in the first half of 2013, compared to $304.4 million in the second quarter and $536.2 million in the first half of 2012. Our net income was $87.4 million, or $0.79 per diluted share, in the second quarter and $186.3 million, or $1.69 per diluted share, in the first half of 2013, compared to net income of $76.7 million, or $0.70 per diluted share, in the second quarter and $88.4 million, or $0.81 per diluted share, in the first half of 2012.

We currently have three marketed products:

- EYLEA® (aflibercept) Injection, known in the scientific literature as VEGF Trap-Eye, which is available in the United States for the treatment of neovascular age-related macular degeneration (wet AMD) and macular edema following central retinal vein occlusion (CRVO), and in the United Kingdom, Germany, Switzerland, Australia, Japan, and certain other countries for the treatment of wet AMD. Net product sales of EYLEA in the United States were $329.8 million in the second quarter and $643.7 million in the first half of 2013, compared to $194.0 million in the second quarter and $317.5 million in the first half of 2012. EYLEA net product sales outside of the United States, which are recorded by Bayer HealthCare, commenced in the fourth quarter of 2012, and were $95.6 million in the second quarter and $160.4 million in the first half of 2013.

  We commenced sales of EYLEA for the treatment of wet AMD in November 2011 and for the treatment of macular edema following CRVO in September 2012, following receipt of regulatory approval in the United States. Bayer HealthCare commenced sales of EYLEA for the treatment of wet AMD in the fourth quarter of 2012 following receipt of regulatory approvals in the European Union (EU) and other regions. Bayer HealthCare has additional regulatory applications for EYLEA for the treatment of wet AMD pending in other countries. In addition, Bayer HealthCare has submitted applications for marketing authorization for EYLEA in Europe, Japan, and other countries for the treatment of macular edema following CRVO. In July 2013, the European Committee for Medicinal Products for Human Use (CHMP) recommended approval of EYLEA to the European Medicines Agency (EMA) for the treatment of macular edema secondary to CRVO.

In August 2013, we and Bayer HealthCare announced positive week 52 results from the Phase 3 VIVID-DME and VISTA-DME trials of EYLEA for the treatment of diabetic macular edema (DME), as described below under "Clinical Programs: *EYLEA - Ophthalmologic Diseases.*" Based on discussions with the U.S. Food and Drug Administration (FDA), we now expect to submit an application for U.S. marketing approval for the treatment of DME in 2013, approximately one year ahead of the previously announced timeline. Bayer HealthCare plans to submit an application for marketing approval for the treatment of DME in Europe in 2013.

We are collaborating with Bayer HealthCare on the global development and commercialization of EYLEA outside the United States. Bayer HealthCare markets EYLEA outside the United States, where, for countries other than Japan, the companies share equally the profits and losses from sales of EYLEA. In Japan, we are entitled to a royalty on sales of EYLEA, as described below. We maintain exclusive rights to EYLEA in the United States and are entitled to all profits from any such sales.

- ZALTRAP® (ziv-aflibercept) Injection for Intravenous Infusion, known in the scientific literature as VEGF Trap, which is available in the United States for treatment, in combination with 5-fluorouracil, leucovorin, irinotecan (FOLFIRI), of patients with metastatic colorectal cancer (mCRC) that is resistant to or has progressed following an oxaliplatin-containing regimen. In February 2013, the European Commission (EC) granted marketing authorization in the European Union for ZALTRAP 25mg/ml concentrate for solution for infusion in combination with FOLFIRI chemotherapy in adults with mCRC that is resistant to or has progressed after an oxaliplatin-containing regimen. Regulatory applications for marketing authorization of ZALTRAP for the treatment of previously treated mCRC patients in other countries have also been submitted and are currently under review by the respective regulatory agencies.

  We and Sanofi globally collaborate on the development and commercialization of ZALTRAP, and share profits and losses from commercialization of ZALTRAP, except for Japan, where we are entitled to a royalty on sales of ZALTRAP, as described below. ZALTRAP net product sales, which are recorded by Sanofi, commenced in the United States in August 2012 and in Europe in the first quarter of 2013, and were $18.6 million in the second quarter and $32.7 million in the first half of 2013.

- ARCALYST® (rilonacept) Injection for Subcutaneous Use, which is available in the United States for the treatment of Cryopyrin-Associated Periodic Syndromes (CAPS), including Familial Cold Auto-inflammatory Syndrome (FCAS) and Muckle-Wells Syndrome (MWS), in adults and children 12 and older. CAPS are a group of rare, inherited, auto-inflammatory conditions characterized by life-long, recurrent symptoms of rash, fever/chills, joint pain, eye redness/pain, and fatigue. Intermittent, disruptive exacerbations or flares can be triggered at any time by exposure to cooling temperatures, stress, exercise, or other unknown stimuli.

  Net product sales of ARCALYST totaled $4.1 million in the second quarter and $8.9 million in the first half of 2013, compared to $5.5 million in the second quarter and $9.9 million in the first half of 2012.

We have 14 product candidates in clinical development, all of which were discovered in our research laboratories. Our Trap-based clinical programs are:

- EYLEA, which is in clinical trials for the treatment of DME and macular edema following branch retinal vein occlusion (BRVO), in collaboration with Bayer HealthCare; and
- ZALTRAP, which is being studied in combination with our angiopoietin-2 inhibitor (nesvacumab) in oncology in collaboration with Sanofi.

Our antibody-based clinical programs include twelve fully human monoclonal antibodies. The following seven are being developed in collaboration with Sanofi:

- Sarilumab (REGN88), an antibody to the interleukin-6 receptor (IL-6R), which is being developed in rheumatoid arthritis and non-infectious uveitis;
- Alirocumab (REGN727), an antibody to Proprotein Convertase Subtilisin/Kexin type 9 (PCSK9), which is being developed for low-density lipoprotein (LDL) cholesterol reduction;
- Dupilumab (REGN668), an antibody to the interleukin-4 receptor (IL-4R), which is being developed in atopic dermatitis and allergic asthma;
- Enoticumab (REGN421), an antibody to Delta-like ligand-4 (Dll4), a novel angiogenesis target, which is being developed in oncology;
- Nesvacumab (REGN910), an antibody to angiopoietin-2 (Ang2), another novel angiogenesis target, which is being developed in oncology;
- REGN1033, an antibody to myostatin (GDF8), which is being developed in metabolic disorders; and

- REGN2009, an antibody in clinical development against an undisclosed target.

In addition, we are developing the following five antibodies independently:

- REGN1400, an antibody to ErbB3, which is being developed in oncology;
- REGN1154, an antibody in clinical development against an undisclosed target;
- REGN1500, an antibody in clinical development against an undisclosed target;
- REGN1193, an antibody in clinical development against an undisclosed target; and
- Fasinumab (REGN475), an antibody to Nerve Growth Factor (NGF), which is being developed for the treatment of pain and which is currently on clinical hold by the FDA.

Development of REGN846, which completed a Phase 1 study against an undisclosed target, was discontinued in the second quarter of 2013.

Our core business strategy is to maintain a strong foundation in basic scientific research and discovery-enabling technologies, and to combine that foundation with our clinical development, manufacturing, and commercial capabilities. Our long-term objective is to build a successful, integrated, multi-product biopharmaceutical company that provides patients and medical professionals with innovative options for preventing and treating human diseases.

We believe that our ability to develop product candidates is enhanced by the application of our *VelociSuite™* technology platforms. Our discovery platforms are designed to identify specific proteins of therapeutic interest for a particular disease or cell type and validate these targets through high-throughput production of genetically modified mice using our *VelociGene®* technology to understand the role of these proteins in normal physiology, as well as in models of disease. Our human monoclonal antibody technology (*VelocImmune®*) and cell line expression technologies (*VelociMab®*) may then be utilized to discover and produce new product candidates directed against the disease target. Our antibody product candidates currently in clinical trials were developed using *VelocImmune*. Under the terms of our antibody collaboration with Sanofi, which was expanded during 2009, we plan to advance a total of 20 to 30 candidates into clinical development over the life of the agreement. We continue to invest in the development of enabling technologies to assist in our efforts to identify, develop, manufacture, and commercialize new product candidates.

Clinical Programs:

1. EYLEA - Ophthalmologic Diseases

Vascular Endothelial Growth Factor (VEGF) is a naturally occurring protein in the body. Its normal role in a healthy organism is to trigger formation of new blood vessels (angiogenesis) supporting the growth of the body's tissues and organs. However, in certain diseases, such as wet AMD, it is also associated with the growth of abnormal new blood vessels in the eye, which exhibit abnormal increased permeability that leads to edema. Scarring and loss of fine-resolution central vision often results. In CRVO and BRVO, a blockage occurs in the main blood vessel that transports deoxygenated blood away from the retina. VEGF levels are elevated in response, contributing to macular edema. For clinically significant DME, VEGF-mediated leakage of fluid from blood vessels in the eye results in interference with vision.

EYLEA is a recombinant fusion protein, consisting of portions of human VEGF receptors 1 and 2 extracellular domains fused to the Fc portion of human IgG1 and formulated as an iso-osmotic solution for intravitreal administration. EYLEA acts as a soluble decoy receptor that binds VEGF-A and placental growth factor (PlGF) and thereby can inhibit the binding and activation of these cognate VEGF receptors. EYLEA is specially purified and contains iso-osmotic buffer concentrations, allowing for injection into the eye.

We, together with our ex-U.S. collaborator Bayer HealthCare, are evaluating EYLEA in Phase 3 programs in patients with DME, macular edema following BRVO, and, in Asia, myopic choroidal neovascularization (mCNV) of the retina as a result of pathologic myopia. Wet AMD, diabetic retinopathy (which includes DME), and retinal vein occlusion are three of the leading causes of adult blindness in the developed world. In these conditions, severe visual loss is caused by neovascular proliferation and/or retinal edema.

In August 2013, we and Bayer HealthCare announced that in the Phase 3 VIVID-DME and VISTA-DME trials of EYLEA for the treatment of DME, EYLEA 2 milligrams (mg) dosed monthly and EYLEA 2 mg dosed every two months (after 5 initial monthly injections) achieved the primary endpoint of a significantly greater improvement in best-corrected visual acuity (BCVA) from baseline compared to laser photocoagulation at 52 weeks. Both EYLEA treatment arms demonstrated similar improvements in BCVA.

Based on discussions with the FDA, we now expect to submit an application for U.S. marketing approval for the treatment of DME in 2013, approximately one year ahead of the previously announced timeline. Bayer HealthCare plans to submit an application for marketing approval for the treatment of DME in Europe in 2013.

We are conducting the VISTA-DME study in the United States. Bayer HealthCare is conducting the VIVID-DME study in Europe, Japan, and Australia. These two trials are similarly designed, randomized, double-masked, active control trials to evaluate the safety and efficacy of EYLEA in patients with DME. Patients in both trials were randomized to receive either EYLEA 2 mg monthly, EYLEA 2 mg every two months (after 5 initial monthly injections), or the comparator treatment of laser photocoagulation.

In the VISTA-DME trial, after one year patients receiving EYLEA 2 mg monthly had a mean change from baseline in BCVA of 12.5 letters ($p<0.0001$ compared to laser) and patients receiving EYLEA 2 mg every other month (after 5 initial monthly injections) had a mean change from baseline in BCVA of 10.7 letters ($p<0.0001$ compared to laser), compared to patients receiving laser photocoagulation who had a mean change from baseline in BCVA of 0.2 letters. In the VIVID-DME trial, after one year patients receiving EYLEA 2 mg monthly had a mean change from baseline in BCVA of 10.5 letters ($p<0.0001$ compared to laser) and patients receiving EYLEA 2 mg every other month (after 5 initial monthly injections) had a mean change from baseline in BCVA of 10.7 letters ($p<0.0001$ compared to laser), compared to patients receiving laser photocoagulation who had a mean change from baseline in BCVA of 1.2 letters.

In these trials, EYLEA was generally well tolerated with a similar overall incidence of adverse events (AEs), ocular serious AEs, and non-ocular serious AEs across the treatment groups and the laser control group. Arterial thromboembolic events as defined by the Anti-Platelet Trialists' Collaboration (non-fatal stroke, non-fatal myocardial infarction, and vascular death) also occurred at similar rates across the treatment groups and the laser control group. AEs were typical of those seen in other studies in patients with diabetes receiving intravitreal anti-VEGF therapy. The most frequent ocular treatment emergent AEs (TEAEs) observed in the VIVID-DME and VISTA-DME trials included conjunctival hemorrhage, eye pain, and vitreous floaters. The most frequent non-ocular TEAEs included hypertension and nasopharyngitis, which occurred with similar frequency in the treatment groups and the laser control group.

Full one-year data from the VIVID-DME and VISTA-DME trials will be presented at upcoming medical conferences. Both trials are planned to continue up to 148 weeks. An additional Phase 3 safety study in Japan (VIVID-Japan) was initiated in the first quarter of 2012 and is required for approval in Japan. In February 2013, we and Bayer HealthCare also initiated another Phase 3 study to evaluate the efficacy and safety of EYLEA in DME in Russia, China, and other Asian countries (VIVID EAST-DME).

In the fourth quarter of 2011, we and Bayer HealthCare initiated a Phase 3 trial in China evaluating the efficacy and safety of EYLEA in wet AMD (SIGHT). The trial is expected to include approximately 300 patients.

In the second quarter of 2012, we initiated a multinational study of EYLEA in patients with macular edema following BRVO (VIBRANT). This study is fully enrolled, and primary endpoint data are expected by the end of 2013.

In the fourth quarter of 2012, we initiated a study to fulfill a post-marketing requirement by the FDA, RE-VIEW, which will evaluate the effect of EYLEA on corneal endothelium.

In June 2013, we and Bayer HealthCare announced positive top-line results for EYLEA from the Phase 3 MYRROR study in mCNV. In this trial, patients receiving EYLEA at an initial dose of 2 mg, followed by treatment on an as-needed (PRN) basis, had a mean improvement in BCVA from baseline at week 24 of 12.1 letters, compared to a loss of 2.0 letters in patients receiving sham injections ($p < 0.0001$). The most common adverse events observed in the MYRROR trial that occurred with a frequency of 2% or more were conjunctival hemorrhage, dry eye, eye pain, headache, and nasopharyngitis. Data from this study will be presented at an upcoming medical conference. Bayer HealthCare expects to submit the first application for regulatory approval for this indication in Asia by the end of 2013.

2. ZALTRAP (ziv-aflibercept) - Oncology

ZALTRAP is a fusion protein that is designed to bind all forms of VEGF-A, VEGF-B, and P1GF, and prevent their interaction with cell surface receptors. VEGF-A (and to a lesser degree, P1GF) is required for the growth of new blood vessels (a process known as angiogenesis) that are needed for tumors to grow.

During the third quarter of 2012, we and Sanofi initiated a Phase 1b study of a combination of ZALTRAP and our angiopoietin-2 inhibitor (nesvacumab) in patients with advanced solid malignancies.

3. Sarilumab (REGN88; IL-6R Antibody) for inflammatory diseases

IL-6 is a key cytokine involved in the pathogenesis of rheumatoid arthritis, causing inflammation and joint destruction. A therapeutic antibody to IL-6R, ACTEMRA® (tocilizumab), a registered trademark of Chugai Seiyaku Kabushiki Kaisha, has been approved for the treatment of rheumatoid arthritis.

Sarilumab is a fully human monoclonal antibody to IL-6R generated using our *VelocImmune* technology. In July 2011, we and Sanofi announced that in the Phase 2b stage of the SARIL-RA-MOBILITY trial in rheumatoid arthritis (RA), patients treated with sarilumab in combination with a standard RA treatment, methotrexate (MTX), achieved a significant and clinically meaningful improvement in signs and symptoms of moderate-to-severe RA compared to patients treated with MTX alone. The primary endpoint of the study was the proportion of patients achieving at least a 20% improvement in RA symptoms (ACR20) after 12 weeks.

The Phase 3 Part B SARIL-RA-MOBILITY study in patients with RA is fully enrolled. This trial will assess the improvement in signs and symptoms at 24 weeks and the treatment effect of sarilumab on radiographic progression at one year. In addition, we and Sanofi have initiated additional Phase 3 studies, SARIL-RA-TARGET, SARIL-RA-COMPARE, and SARIL-RA- ASCERTAIN. The broad SARIL-RA clinical development program is focused on adult populations with moderate-to-severe RA who are inadequate responders to either MTX or tumor necrosis factor alpha (TNF-alpha) inhibitor therapy. SARIL-RA-TARGET is a randomized, double-blind, placebo-controlled study evaluating sarilumab in combination with non-biologic, disease-modifying anti-rheumatic drugs (DMARDS) in moderate-to-severe active RA patients with inadequate responses to, or who are intolerant of, one or more TNF-alpha inhibitors. The SARIL-RA-COMPARE study is evaluating the safety and efficacy of sarilumab plus MTX compared to etanercept (a TNF-alpha inhibitor) plus MTX in adult patients with moderate-to-severe RA who demonstrate an inadequate response to adalimumab as their first TNF-alpha inhibitor therapy. The SARIL-RA-ASCERTAIN study is evaluating the safety and tolerability of sarilumab versus a calibrator, tocilizumab, both in combination with MTX, in patients with RA who are inadequate responders to, or intolerant of, TNF-alpha inhibitors.Patients who complete SARIL-RA-MOBILITY, SARIL-RA-TARGET, or SARIL-RA-ASCERTAIN are offered enrollment into the ongoing SARIL-RA-EXTEND, which is an open-label, long-term safety study of sarilumab.

A Phase 1 study was initiated in May 2013 in Japan assessing the safety and tolerability of sarilumab in patients with RA.

In addition, a Phase 2 study, SARIL-NIU-SATURN, will commence in the third quarter of 2013 and is a placebo-controlled proof of concept study evaluating the safety and efficacy of sarilumab in non-infectious uveitis.

4. Alirocumab (REGN727; PCSK9 Antibody) for LDL cholesterol reduction

Elevated LDL cholesterol (“bad cholesterol”) level is a validated risk factor leading to cardiovascular disease. Statins are a class of drugs that lower LDL through inhibition of HMG-CoA, an enzyme regulating the early and rate-limiting step in cholesterol biosynthesis. PCSK9 is a secreted protein that plays a key role in modulating LDL cholesterol levels in the body. PCSK9 binds to and induces the destruction of the LDL receptor, thereby interfering with cellular uptake and increasing circulating levels of LDL cholesterol. In a landmark study published in the *New England Journal of Medicine* in March 2006, patients with lower than normal PCSK9 levels due to a genetic abnormality not only had significantly lower levels of LDL cholesterol, but also a significant reduction in the risk of coronary heart disease. We used our *VelocImmune* technology to generate a fully human monoclonal antibody inhibitor of PCSK9, called alirocumab, that is intended to lower LDL cholesterol.

Alirocumab has been studied in three Phase 2 clinical studies, two in patients with primary hypercholesterolemia and one in patients with heterozygous familial hypercholesterolemia (heFH). In the Phase 2 studies, alirocumab significantly reduced LDL-cholesterol from baseline up to 72% on top of standard of care statin therapy. Consistent and robust reductions in other lipid parameters, including a reduction in lipoprotein-a (Lp(a)) were also observed. Lp(a) is another form of bad cholesterol which is believed to be a risk factor for coronary heart disease and strokes when elevated. In the Phase 2 program, injection site reactions were the most common adverse events with alirocumab, and were rare. Rare cases of hypersensitivity reaction were also reported. Serious adverse events (SAEs) were reported in 1.8% of patients (5/275) in the active treatment arms and 2.6% of patients (2/77) in the placebo groups.

We and Sanofi initiated the global Phase 3 ODYSSEY program for alirocumab in June 2012. The ODYSSEY program will enroll more than 22,000 patients. This includes eleven clinical trials evaluating the effect of alirocumab, dosed every two weeks, on lowering LDL cholesterol. The 18,000 patient ODYSSEY OUTCOMES trial, assessing reduction in serious cardiovascular events, and several other trials in the ODYSSEY program, are currently enrolling patients. LDL cholesterol reduction is expected to be the primary efficacy endpoint for initial regulatory filings. In addition, a trial of alirocumab dosed every four weeks (ODYSSEY CHOICE) will commence by the end of 2013. The ODYSSEY studies are being conducted in clinical centers around the world including the United States, Canada, Western and Eastern Europe, South America, Australia, and Asia.

We expect to report initial results from the Phase 3 ODYSSEY MONO trial by the end of 2013. The ODYSSEY MONO trial is evaluating the efficacy and safety of alirocumab monotherapy versus ezetimibe monotherapy in patients with primary hypercholesterolemia.

5. Dupilumab (REGN668; IL-4R Antibody) for allergic and immune conditions

IL-4R is required for signaling by the cytokines IL-4 and IL-13. Both of these cytokines are critical mediators of immune response, which, in turn, drives the formation of Immunoglobulin E (IgE) antibodies and the development of allergic responses, as well as the atopic state that underlies atopic dermatitis and allergic asthma. Dupilumab is a fully human monoclonal antibody generated using our *VelocImmune* technology that is designed to bind to IL-4R.

Dupilumab demonstrated positive proof of concept in patients with atopic dermatitis and allergic asthma. Data from two Phase 1b trials in atopic dermatitis was presented at the American Academy of Dermatology annual meeting in March 2013. The efficacy data showed that treatment with four weekly subcutaneous injections of dupilumab at either 150 mg or 300 mg per week, significantly improved the signs and symptoms of patients with moderate-to-severe atopic dermatitis whose disease was not adequately controlled with topical medications. The most common AEs were nasopharyngitis (19.6% vs 12.5% for placebo) and headache (11.8% vs 6.3% for placebo).

Data from a Phase 2a trial in allergic asthma were presented at the American Thoracic Society in May 2013, and were also published in the *New England Journal of Medicine* in June 2013. In this study, patients receiving dupilumab experienced an 87% reduction in the incidence of asthma exacerbations compared to patients receiving placebo ($p<0.0001$). Clinically meaningful and statistically significant improvements were observed for lung function and other asthma control parameters, such as forced expiratory volume over one second (FEV_1) (difference from baseline to week 12 between dupilumab and placebo of 0.27 L, $p < 0.001$). Treatment-emergent AEs were reported by a similar proportion of patients in both groups (76.9% placebo; 80.8% dupilumab). AEs were generally non-specific and of mild-to-moderate intensity. The most common AEs for placebo and dupilumab were injection-site reaction (9.6% and 28.8%), nasopharyngitis (3.8% and 13.5%), upper respiratory tract infection (17.3% and 13.5%), headache (5.8% and 11.5%) and nausea (1.9% and 7.7%).

In the second quarter of 2013, a Phase 2b trial in allergic asthma and a Phase 2b trial in atopic dermatitis were both initiated and are currently enrolling patients.

6. Enoticumab (REGN421; Dll4 Antibody) for advanced malignancies

In many clinical settings, positively or negatively regulating blood vessel growth could have important therapeutic benefits, as could the repair of damaged and leaky vessels. VEGF was the first growth factor shown to be specific for blood vessels, by virtue of having its receptor primarily expressed on blood vessel cells. In the December 21, 2006 issue of the journal *Nature*, we reported data from a preclinical study demonstrating that blocking an important cell signaling molecule, known as Dll4, inhibited the growth of experimental tumors by interfering with their ability to produce a functional blood supply. The inhibition of tumor growth was seen in a variety of tumor types, including those that were resistant to blockade of VEGF, suggesting a novel anti-angiogenesis therapeutic approach. Moreover, inhibition of tumor growth is enhanced by the combination of Dll4 and VEGF blockade in many preclinical tumor models.

Enoticumab is a fully human monoclonal antibody to Dll4 generated using our *VelocImmune* technology, and is in Phase 1 clinical development.

7. Nesvacumab (REGN910; Ang2 Antibody) for oncology and ophthalmology

The angiopoietins, which were discovered at Regeneron, are ligands for the endothelial cell receptor Tie2 and are essential for vascular development and angiogenesis. Unlike other family members, angiopoietin-2 (Ang2) is strongly upregulated by endothelial cells at sites of angiogenesis and vascular remodeling, including tumors. Enhanced anti-tumor effects have been observed in preclinical models with combined blockade of both VEGF and Ang2.

Nesvacumab is a fully human monoclonal antibody generated using our *VelocImmune* technology that is designed to block Ang2. Nesvacumab is in Phase 1 clinical development in oncology. In addition, during the third quarter of 2012, we and Sanofi initiated a Phase 1b study evaluating nesvacumab in combination with ZALTRAP in patients with advanced solid malignancies.

In May 2013, we acquired from Sanofi full rights to antibodies targeting the Ang2 receptor and ligand in ophthalmology, as described below. We expect to file an investigational new drug application (IND) for Ang2 in ophthalmology by the end of 2013.

8. REGN1033 (GDF8 Antibody)

In January 2012, we initiated a Phase 1 clinical study for REGN1033, a fully human monoclonal GDF8 antibody generated using our *VelocImmune* technology. Myostatin has been validated as a target to increase muscle mass and strength through genetic mutations in both animals and humans that abrogate its bioactivity.

9. REGN2009

REGN2009 is a fully human monoclonal antibody generated using our *VelocImmune* technology, against an undisclosed target. In June 2013, we initiated a Phase 1 clinical study.

10. REGN1400 (ErbB3 Antibody) for oncology

REGN1400 is a fully human monoclonal antibody generated using our *VelocImmune* technology, against ErbB3. In the fourth quarter of 2012, REGN1400 entered into Phase 1 clinical development in oncology.

11. REGN1154

REGN1154 is a fully human monoclonal antibody generated using our *VelocImmune* technology, against an undisclosed target. In March 2012, we initiated a Phase 1 clinical study in Australia. Sanofi decided not to opt-in to the REGN1154 program and we have sole global rights. Under the terms of our agreement, Sanofi is entitled to receive a mid-single digit royalty on any future sales of REGN1154.

12. REGN1500

REGN1500 is a fully human monoclonal antibody generated using our *VelocImmune* technology, against an undisclosed target. In December 2012, we initiated a Phase 1 clinical study. Sanofi decided not to opt-in to the REGN1500 program and we have sole global rights. Under the terms of our agreement, Sanofi is entitled to receive a mid-single digit royalty on any future sales of REGN1500.

13. REGN1193

REGN1193 is a fully human monoclonal antibody generated using our *VelocImmune* technology, against an undisclosed target. A Phase 1 clinical study of REGN1193 will commence in the third quarter of 2013. Sanofi decided not to opt-in to the REGN1193 program and we have sole global rights. Under the terms of our agreement, Sanofi is entitled to receive a mid-single digit royalty on any future sales of REGN1193.

14. Fasinumab (REGN475; NGF Antibody) for pain (on clinical hold)

Fasinumab is a fully human monoclonal antibody to NGF, generated using our *VelocImmune* technology, which is designed to block pain sensitization in neurons. Preclinical experiments indicate that fasinumab specifically binds to and blocks NGF activity and does not bind to or block cell signaling for the closely related neurotrophins NT-3 and BDNF.

In December 2012, the FDA placed fasinumab and other investigational agents targeting NGF on clinical hold based on preclinical findings with other anti-NGF agents in development. Prior to the FDA clinical hold action, we were planning to initiate late-stage clinical trials with fasinumab. There are currently no ongoing trials with fasinumab that are either enrolling or treating patients.

Sanofi elected not to continue co-development of fasinumab, and we have sole global rights. Under the terms of our agreement, Sanofi is entitled to receive a mid-single digit royalty on any future sales of fasinumab.

Acquisition of Ophthalmology Development Programs from Sanofi

In May 2013, we acquired from Sanofi full exclusive rights to two families of novel antibodies invented at Regeneron and previously included in our antibody collaboration with Sanofi. We acquired full rights to antibodies targeting the PDGF (platelet derived growth factor) family of receptors and ligands in ophthalmology and all other indications and to antibodies targeting the Ang2 receptor and ligand in ophthalmology. Antibodies to the PDGF receptor and Ang2 are currently in preclinical development for use in ophthalmology.

With respect to PDGF antibodies, we made a $10.0 million up-front payment to Sanofi in May 2013, and will pay up to $40 million in potential development milestone payments and royalties on any future sales. With respect to Ang2 antibodies in ophthalmology, we also made a $10.0 million up-front payment to Sanofi in May 2013, and will pay a potential $5 million development milestone payment and royalties on any future sales.

We and Sanofi will continue to develop antibodies to Ang2 outside of ophthalmology under our antibody collaboration agreement, including nesvacumab, as described above.

Research Programs

Our preclinical research programs are in the areas of oncology and angiogenesis, ophthalmology, metabolic and related diseases, muscle diseases and disorders, inflammation and immune diseases, bone and cartilage, pain, cardiovascular diseases, and infectious diseases.

Research and Development Technologies

Many proteins that are either on the surface of or secreted by cells play important roles in biology and disease. One way that a cell communicates with other cells is by releasing specific signaling proteins, either locally or into the bloodstream. These proteins have distinct functions and are classified into different "families" of molecules, such as peptide hormones, growth factors, and cytokines. All of these secreted (or signaling) proteins travel to and are recognized by another set of proteins, called "receptors," which reside on the surface of responding cells. These secreted proteins impact many critical cellular and biological processes, causing diverse effects ranging from the regulation of growth of particular cell types to inflammation mediated by white blood cells. Secreted proteins can at times be overactive and thus result in a variety of diseases. In these disease settings, blocking the action of specific secreted proteins can have clinical benefit. In other cases, proteins on the cell-surface can mediate the interaction between cells, such as the processes that give rise to inflammation and autoimmunity.

Our scientists have developed two different technologies to design protein therapeutics to block the action of specific cell surface or secreted proteins. The first technology, termed the "Trap" technology, was used to generate our three approved products, EYLEA, ZALTRAP, and ARCALYST. These novel "Traps" are composed of fusions between two distinct receptor components and the constant region of an antibody molecule called the "Fc region," resulting in high affinity product candidates. *VelociSuite* is our second technology platform; it is used for discovering, developing, and producing fully human monoclonal antibodies that can address both secreted and cell-surface targets.

VelociSuite. *VelociSuite* consists of *VelocImmune, VelociGene, VelociMouse®, and VelociMab*. The *VelocImmune* mouse platform is utilized to produce fully human monoclonal antibodies. *VelocImmune* was generated by exploiting our *VelociGene* technology (see below), in a process in which six megabases of mouse immune gene loci were replaced, or "humanized," with corresponding human immune gene loci. *VelocImmune* mice can be used to generate efficiently fully human monoclonal antibodies to targets of therapeutic interest. *VelocImmune* and our entire *VelociSuite* offer the potential to increase the speed and efficiency through which human monoclonal antibody therapeutics may be discovered and validated, thereby improving the overall efficiency of our early stage drug development activities. We are utilizing the *VelocImmune* technology to produce our next generation of drug candidates for preclinical and clinical development.

Our *VelociGene* platform allows custom and precise manipulation of very large sequences of DNA to produce highly customized alterations of a specified target gene, or genes, and accelerates the production of knock-out and transgenic expression models without using either positive/negative selection or isogenic DNA. In producing knock-out models, a color or fluorescent marker may be substituted in place of the actual gene sequence, allowing for high-resolution visualization of precisely where the gene is active in the body during normal body functioning as well as in disease processes. For the optimization of preclinical development and pharmacology programs, *VelociGene* offers the opportunity to humanize targets by replacing the mouse gene with the human homolog. Thus, *VelociGene* allows scientists to rapidly identify the physical and biological effects of deleting or over-expressing the target gene, as well as to characterize and test potential therapeutic molecules.

Our *VelociMouse* technology platform allows for the direct and immediate generation of genetically altered mice from embryonic stem cells (ES cells), thereby avoiding the lengthy process involved in generating and breeding knockout mice from chimeras. Mice generated through this method are normal and healthy and exhibit a 100% germ-line transmission. Furthermore, mice developed using our *VelociMouse* technology are suitable for direct phenotyping or other studies. We have also developed our *VelociMab* platform for the rapid screening of antibodies and rapid generation of expression cell lines for our Traps and our *VelocImmune* human monoclonal antibodies.

Collaboration Agreements

Collaborations with Sanofi

ZALTRAP. We and Sanofi globally collaborate on the development and commercialization of ZALTRAP. Under the terms of our September 2003 collaboration agreement, as amended, we and Sanofi share co-promotion rights and share profits and losses from commercialization of ZALTRAP outside of Japan. In Japan, we are entitled to a royalty of approximately 35% on sales of ZALTRAP, subject to certain potential adjustments.

Under the ZALTRAP collaboration agreement, as amended, agreed upon worldwide development expenses incurred by both companies during the term of the agreement are funded by Sanofi. If the collaboration becomes profitable, we will be obligated to reimburse Sanofi out of our share of ZALTRAP profits (including royalties on sales of ZALTRAP in Japan) for 50% of the development expenses that they funded. The reimbursement payment in any quarter will equal 5% of the then outstanding repayment obligation, but never more than our share of the ZALTRAP profits in the quarter unless we elect to reimburse Sanofi at a faster rate. As a result, we expect that, initially, our share of any ZALTRAP profits will be used to reimburse Sanofi for this repayment obligation.

Antibodies. In November 2007, we and Sanofi entered into a global, strategic collaboration to discover, develop, and commercialize fully human monoclonal antibodies. The collaboration is governed by a Discovery and Preclinical Development Agreement and a License and Collaboration Agreement. In connection with the execution of the discovery agreement in 2007, we received a non-refundable, up-front payment of $85.0 million from Sanofi. Pursuant to the collaboration, Sanofi is funding our research to identify and validate potential drug discovery targets and develop fully human monoclonal antibodies against these targets. We lead the design and conduct of research activities under the collaboration, including target identification and validation, antibody development, research and preclinical activities through filing of an IND or its equivalent, toxicology studies, and manufacture of preclinical and clinical supplies.

For each drug candidate identified through discovery research under the discovery agreement, Sanofi has the option to license rights to the candidate under the license agreement. If it elects to do so, Sanofi will co-develop the drug candidate with us through product approval. Development costs for the drug candidate are shared between the companies, with Sanofi generally funding these costs up front, except that following receipt of the first positive Phase 3 trial results for a co-developed drug candidate, subsequent Phase 3 trial-related costs for that drug candidate are shared 80% by Sanofi and 20% by us. We are generally responsible for reimbursing Sanofi for half of the total development costs for all collaboration antibody products from our share of profits from commercialization of collaboration products to the extent they are sufficient for this purpose. However, we are not required to apply more than 10% of our share of the profits from collaboration products in any calendar quarter towards reimbursing Sanofi for these development costs.

Sanofi will lead commercialization activities for products developed under the license agreement, subject to our right to co-promote such products. The parties will equally share profits and losses from sales within the United States. The parties will share profits outside the United States on a sliding scale based on sales starting at 65% (Sanofi)/35% (us) and ending at 55% (Sanofi)/45% (us), and will share losses outside the United States at 55% (Sanofi)/45% (us). In addition to profit sharing, we are entitled to receive up to $250 million in sales milestone payments, with milestone payments commencing after aggregate annual sales outside the United States exceed $1.0 billion on a rolling 12-month basis.

In November 2009, we and Sanofi amended these agreements to expand and extend our antibody collaboration. The goal of the expanded collaboration is to advance a total of 20 to 30 new antibody product candidates into clinical development from 2010 through 2017.

Under the amended discovery agreement, Sanofi agreed to fund up to $160 million per year of our antibody discovery activities over the period from 2010-2017. Sanofi has an option to extend the discovery program for up to an additional three years after 2017 for further antibody development and preclinical activities. Pursuant to the collaboration, Sanofi funded $30 million of agreed-upon costs we incurred to expand our manufacturing capacity at our Rensselaer, New York facilities.

In August 2008, we entered into an agreement with Sanofi, which extended through December 2012, to use our *VelociGene* platform to supply Sanofi with genetically modified mammalian models of gene function and disease. Under this agreement, Sanofi is paying us a total of $21.5 million for knock-out and transgenic models of gene function for target genes identified by Sanofi. These models are used by Sanofi for its internal research programs that are outside of the scope of our antibody collaboration.

Collaboration with Bayer HealthCare

In October 2006, we entered into a license and collaboration agreement with Bayer HealthCare for the global development and commercialization outside the United States of EYLEA. Under the agreement, we and Bayer HealthCare collaborate on, and share the costs of, the development of EYLEA through an integrated global plan. Bayer HealthCare markets EYLEA outside the United States, where, for countries other than Japan, the companies share equally in profits and losses from sales of EYLEA. In May 2012, Bayer HealthCare's Japanese subsidiary, Bayer Yakuhin, Ltd., and Santen Pharmaceutical Co., Ltd. entered into an agreement to co-promote EYLEA in Japan. In conjunction with this agreement, we and Bayer HealthCare amended our existing global license and collaboration agreement for EYLEA to convert the 50/50 profit share for Japan into a royalty agreement under which we are entitled to receive a tiered royalty of between 33.5% and 40.0% of EYLEA annual net sales in Japan. In certain specified circumstances, the Japan royalty may revert to a profit share arrangement.

We may also receive up to $25 million in additional milestone payments related to marketing approvals of EYLEA in other indications in major market countries outside the United States, and can earn up to $135 million in sales milestone payments if twelve-month sales of EYLEA outside the United States achieve certain specified levels starting at $200 million.

Commencing with the first commercial sale of EYLEA in a major market country outside the United States, we became obligated to reimburse Bayer HealthCare for 50% of the development costs that it has incurred under the agreement from our share of the collaboration profits (including royalties on sales of EYLEA in Japan). The reimbursement payment in any quarter will equal 5% of the then outstanding repayment obligation, but never more than our share of the collaboration profits in the quarter unless we elect to reimburse Bayer HealthCare at a faster rate. As a result, we expect that, initially, a portion of our share of EYLEA profits outside the United States will be used to reimburse Bayer HealthCare for this repayment obligation.

Within the United States, we retain exclusive commercialization rights to EYLEA and are entitled to all profits from any such sales.

License Agreement with Astellas

In March 2007, we entered into a six-year, non-exclusive license agreement with Astellas Pharma Inc. to allow Astellas to utilize our *VelocImmune* technology in its internal research programs to discover human monoclonal antibodies. In July 2010, the license agreement with Astellas was amended and extended through June 2023. Under the terms of the amended agreement, Astellas made a $165.0 million up-front payment to us in August 2010. In addition, Astellas will make a $130.0 million second payment to us in June 2018 unless the license agreement has been terminated prior to that date. Astellas has the right to terminate the agreement at any time by providing 90 days' advance written notice. Under certain limited circumstances, such as our material breach of the agreement, Astellas may terminate the agreement and receive a refund of a portion of its up-front payment or, if such termination occurs after June 2018, a portion of its second payment, to us under the July 2010 amendment to the agreement. We are entitled to receive a mid-single digit royalty on any future sales of antibody products discovered by Astellas using our *VelocImmune* technology.

Royalty Agreement with Novartis Pharma AG

Under a June 2009 agreement with Novartis (that replaced a previous collaboration and license agreement), we receive royalties on worldwide sales of Novartis' canakinumab, a fully human anti-interleukin-IL1ß antibody. The royalty rates in the agreement start at 4% and reach 15% when annual sales exceed $1.5 billion. Canakinumab is marketed for the treatment of CAPS and gouty arthritis, and is in earlier stage development for atherosclerosis and other inflammatory diseases. We are unable to predict whether these royalties will ever contribute materially to our results of operations or financial condition.

General

Developing and commercializing new medicines entails significant risk and expense. Before significant revenues from the commercialization of our antibody candidates or new indications for our marketed products can be realized, we (or our collaborators) must overcome a number of hurdles which include successfully completing research and development and obtaining regulatory approval from the FDA and regulatory authorities in other countries. In addition, the biotechnology and pharmaceutical industries are rapidly evolving and highly competitive, and new developments may render our products and technologies uncompetitive or obsolete.

Beginning in the first quarter of 2012, we reported profitability; prior to that, we generally incurred net losses. Our ability to continue to generate profits and to generate positive cash flow from operations over the next several years depends significantly on our success in commercializing EYLEA. We expect to continue to incur substantial expenses related to our research and development activities, a significant portion of which we expect to be reimbursed by our collaborators. Also, our research and development activities outside our collaborations, the costs of which are not reimbursed, will expand and require additional resources. Our operating results may fluctuate from quarter to quarter and will depend on, among other factors, the net sales of our marketed products, the scope and progress of our research and development efforts, the timing of certain expenses, and the continuation of our collaborations with Sanofi and Bayer HealthCare, including our share of collaboration profits or losses, or royalties, from sales of commercialized products and the amount of reimbursement of our research and development expenses that we receive from collaborators. We cannot predict whether or when new products or new indications for our marketed products will receive regulatory approval or, if any such approval is received, whether we will be able to successfully commercialize such product(s) and whether or when they may become profitable.

The planning, execution, and results of our clinical programs are significant factors that can affect our operating and financial results. In our clinical programs, key events in 2013 to date were, and plans for the next 12 months are, as follows:

Trap-based Clinical Programs:

2013 Events to Date	2013-14 Plans (next 12 months)
EYLEA	
Ÿ Bayer HealthCare received regulatory approval for EYLEA in New Zealand, South Korea, and other countries for the treatment of patients with wet AMD and continued to pursue regulatory applications for marketing approval in other countries	Ÿ Regulatory agency decisions on additional applications outside the United States for the treatment of wet AMD and macular edema following CRVO
Ÿ Bayer HealthCare received regulatory approval for EYLEA in first country outside the United States for the treatment of patients with macular edema following CRVO and continued to pursue regulatory applications for marketing approval in other countries	Ÿ Report six month primary endpoint results for VIBRANT study in macular edema following BRVO
Ÿ Completed enrollment of VIBRANT study in macular edema following BRVO	Ÿ File for regulatory approval in the United States for the treatment of DME
Ÿ Initiated Phase 3 VIVID EAST-DME study in Russia, China, and other Asian countries	Ÿ Bayer HealthCare to file for ex-US regulatory approval in DME and myopic CNV
Ÿ Reported positive one year results from the Phase 3 VIVID-DME and VISTA-DME studies	
Ÿ Reported positive results from the Phase 3 MYRROR study in myopic CNV	
ZALTRAP	
Ÿ European Commission granted marketing authorization in the European Union for ZALTRAP for patients with mCRC that is resistant to or has progressed following an oxaliplatin-containing regimen	Ÿ Regulatory agency decisions outside the United States on additional applications for ZALTRAP in the treatment of previously treated mCRC patients

Antibody-based Clinical Programs:

	2013 Events to Date	2013-14 Plans (next 12 months)
Sarilumab (IL-6R Antibody)	Ÿ Continued enrollment in Phase 3 SARIL-RA program Ÿ Initiated SARIL-RA-ASCERTAIN and SARIL-RA-COMPARE Phase 3 studies in rheumatoid arthritis	Ÿ Report results from SARIL-RA- MOBILITY study Ÿ Commence SARIL-NIU-SATURN Phase 2 study in non-infectious uveitis
Alirocumab (PCSK9 Antibody)	Ÿ Continued patient enrollment in Phase 3 ODYSSEY trials	Ÿ Continue enrollment of the Phase 3 ODYSSEY trials Ÿ Report results from several Phase 3 ODYSSEY trials, including results from ODYSSEY MONO trial Ÿ Initiate Phase 3 ODYSSEY CHOICE trial
Dupilumab (IL-4R Antibody)	Ÿ Reported results for Phase 1b studies in atopic dermatitis Ÿ Reported results from Phase 2a study in allergic asthma. Results were also published online in the *New England Journal of Medicine* Ÿ Initiated patient enrollment in Phase 2b trials in allergic asthma and atopic dermatitis	Ÿ Report results from Phase 2a study in atopic dermatitis
Enoticumab (Dll4 Antibody)	Ÿ Continued patient enrollment in Phase 1 program	Ÿ Complete patient enrollment in the expansion of the Phase 1 program
Nesvacumab (Ang2 Antibody)	Ÿ Continued patient enrollment in Phase 1 program	Ÿ Complete patient enrollment in the Phase 1b program in advanced malignancies Ÿ Initiate clinical development in ophthalmology
REGN1033 (GDF8 Antibody)	Ÿ Continued patient enrollment in Phase 1 program	Ÿ Initiate Phase 2a study
REGN1400 (ErbB3 Antibody)	Ÿ Continued patient enrollment in Phase 1 program	Ÿ Continue patient enrollment in Phase 1 program
REGN1154 (target not disclosed)	Ÿ Completion of Phase 1 program	
REGN1500 (target not disclosed)	Ÿ Continued patient enrollment in Phase 1 program	Ÿ Continue patient enrollment in Phase 1 program
REGN1193 (target not disclosed)	Ÿ Initiated Phase 1 program	Ÿ Initiate and continue patient enrollment in Phase 1 program
REGN2009 (target not disclosed)	Ÿ Initiated patient enrollment in Phase 1 program	Ÿ Continue patient enrollment in Phase 1 program
Fasinumab (NGF Antibody)	Ÿ On clinical hold	Ÿ Determine future development plan

Results of Operations

Three Months Ended June 30, 2013 and 2012

Net Income

We reported net income of $87.4 million, or $0.79 per diluted share, for the second quarter of 2013, compared to $76.7 million, or $0.70 per diluted share, for the second quarter of 2012. The increase in net income resulted primarily from an increase in net product sales of EYLEA, which we launched in November 2011, partly offset by higher operating and income tax expenses, as described below.

Revenues

Revenues for the three months ended June 30, 2013 and 2012 consist of the following:

(In millions)	2013	2012
Net product sales	$ 333.9	$ 199.5
Collaboration revenue:		
Sanofi	85.5	89.0
Bayer HealthCare	31.1	9.1
Total collaboration revenue	116.6	98.1
Technology licensing revenue	5.9	5.9
Other revenue	1.2	0.9
Total revenue	$ 457.6	$ 304.4

Net Product Sales

Net product sales consist of U.S. sales of EYLEA and ARCALYST. In November 2011, we received marketing approval from the FDA for EYLEA for the treatment of wet AMD, at which time product sales commenced. In addition, in September 2012, we received marketing approval from the FDA for EYLEA for the treatment of macular edema following CRVO. For the three months ended June 30, 2013 and 2012, we recognized EYLEA net product sales of $329.8 million and $194.0 million, respectively. For the three months ended June 30, 2013 and 2012, we also recognized ARCALYST net product sales of $4.1 million and $5.5 million, respectively.

For the three months ended June 30, 2013 and 2012, we recorded 76% and 79%, respectively, of our total gross product revenue from sales to Besse Medical, a subsidiary of AmerisourceBergen Corporation.

We record product sales net of allowances and accruals for rebates and chargebacks under governmental programs (including Medicaid), distribution-related fees, prompt pay discounts, product returns, and other sales-related deductions. The following table summarizes the provisions, and credits/payments, for sales-related deductions for the three months ended June 30, 2013 and 2012.

(In millions)	Rebates & Chargebacks	Distribution-Related Fees	Other Sales-Related Deductions	Total
Balance as of March 31, 2013	$ 3.7	$ 17.7	$ 0.5	$ 21.9
Provision related to current period sales	5.6	15.5	0.3	21.4
Credits/payments	(5.2)	(14.7)	(0.3)	(20.2)
Balance as of June 30, 2013	$ 4.1	$ 18.5	$ 0.5	$ 23.1
Balance as of March 31, 2012	$ 2.8	$ 5.5	$ 0.5	$ 8.8
Provision related to current period sales	3.8	11.0	1.6	16.4
Credits/payments	(1.8)	(5.4)	(0.6)	(7.8)
Balance as of June 30, 2012	$ 4.8	$ 11.1	$ 1.5	$ 17.4

Sanofi Collaboration Revenue

The collaboration revenue we earned from Sanofi, as detailed below, consisted primarily of reimbursement for research and development expenses that we incurred, recognition of our share of losses in connection with Sanofi's commercialization of ZALTRAP, and recognition of revenue related to non-refundable up-front payments.

In addition, Sanofi collaboration revenue for the three months ended June 30, 2013 was reduced by two $10.0 million up-front payments to Sanofi in connection with our acquisition from Sanofi of full exclusive rights to two families of novel antibodies, as described below.

Sanofi Collaboration Revenue	**Three months ended June 30,**	
(In millions)	**2013**	**2012**
ZALTRAP:		
Regeneron's share of losses in connection with commercialization of ZALTRAP	$ (8.2)	$ (8.4)
Reimbursement of Regeneron research and development and other expenses	2.8	4.2
Recognition of deferred revenue related to up-front payments	1.4	2.9
Total ZALTRAP	(4.0)	(1.3)
Antibody:		
Reimbursement of Regeneron research and development expenses	107.0	87.8
Up-front payments to Sanofi for acquisition of rights related to two antibodies	(20.0)	
Recognition of deferred revenue related to up-front and other payments	2.1	2.1
Recognition of revenue related to *VelociGene* agreement	0.4	0.4
Total Antibody	89.5	90.3
Total Sanofi collaboration revenue	$ 85.5	$ 89.0

Sanofi commenced sales of ZALTRAP (ziv-aflibercept) Injection for Intravenous Infusion, in combination with FOLFIRI, for patients with mCRC that is resistant to or has progressed following an oxaliplatin-containing regimen, in the United States in the third quarter of 2012 and in certain countries in Europe in the first quarter of 2013. Regeneron's share of the loss in connection with commercialization of ZALTRAP, as shown in the table below, represents our 50% share of ZALTRAP net product sales less cost of goods sold and shared commercialization and other expenses.

Regeneron's share of losses in connection with commercialization of ZALTRAP	**Three months ended June 30,**	
(In millions)	**2013**	**2012**
Net product sales recorded by Sanofi	$ 18.6	
Regeneron's share of collaboration losses	(8.2)	$ (8.4)

Our share of the loss in the second quarter of 2013 consisted of costs in connection with launching ZALTRAP which were only partly offset by net product sales. Sanofi provides us with an estimate of our share of the profit or loss from commercialization of ZALTRAP for the most recent fiscal quarter. Sanofi's estimates of net products sales and related expenses for such quarter are reconciled to their actual net product sales and related expenses in the subsequent fiscal quarter, and our portion of the profit or loss is adjusted accordingly, as necessary.

Recognition of deferred revenue related to the ZALTRAP up-front payments from Sanofi decreased in the second quarter of 2013, compared to the same period of 2012, due to lengthening the estimated performance period over which this deferred revenue is being recognized, effective in the first quarter of 2013. In connection with recognition of deferred revenue related to ZALTRAP, as of June 30, 2013, $8.7 million of the original $105.0 million of up-front payments was deferred and will be recognized as revenue in future periods.

In the second quarter of 2013, Sanofi's reimbursement of our antibody expenses consisted of $44.0 million under our discovery agreement and $63.0 million of development costs under our license agreement, compared to $46.5 million and $41.3 million, respectively, in the second quarter of 2012. The higher reimbursement of development costs in the second quarter of 2013, compared to the same period of 2012, was primarily due to increased development activities for dupilumab and alirocumab.

In May 2013, we acquired from Sanofi full exclusive rights to two families of novel antibodies invented at Regeneron and previously included in our antibody collaboration with Sanofi. We acquired full rights to antibodies targeting the PDGF family of receptors and ligands in ophthalmology and all other indications and to antibodies targeting the Ang2 receptor and ligand in ophthalmology. With respect to PDGF antibodies, we made a $10.0 million up-front payment to Sanofi in May 2013. With respect to Ang2 antibodies in ophthalmology, we also made a $10.0 million up-front payment to Sanofi in May 2013.

As it relates to recognition of deferred revenue, in connection with the November 2009 amendment of the discovery agreement, Sanofi has funded $30 million of agreed-upon costs incurred by us to expand our manufacturing capacity at our Rensselaer, New York facilities. Revenue related to such funding from Sanofi was deferred and is being recognized as collaboration revenue prospectively over the related performance period in conjunction with the recognition of the original $85.0 million up-front payment. As of June 30, 2013, $64.9 million of the up-front and other payments was deferred and will be recognized as revenue in future periods.

Bayer HealthCare Collaboration Revenue

The collaboration revenue we earned from Bayer HealthCare, as detailed below, consisted of recognition of our share of profits in connection with commercialization of EYLEA outside the United States, cost-sharing of Regeneron EYLEA development expenses and reimbursement of other Regeneron EYLEA expenses, and recognition of revenue related to a non-refundable $75.0 million up-front payment received in 2006 and a $20.0 million milestone payment received in 2007 (which, for the purpose of revenue recognition, was not considered substantive).

Bayer HealthCare Collaboration Revenue	**Three months ended June 30,**	
(In millions)	**2013**	**2012**
Regeneron's net profit in connection with commercialization of EYLEA outside the United States	$ 19.0	
Cost-sharing of Regeneron EYLEA development expenses	3.7	$ 7.1
Reimbursement of other Regeneron EYLEA expenses	6.4	
Recognition of deferred revenue related to up-front and other milestone payments	2.0	2.0
Total Bayer HealthCare collaboration revenue	$ 31.1	$ 9.1

Bayer HealthCare commenced sales of EYLEA for the treatment of wet AMD in the fourth quarter of 2012 following receipt of regulatory approvals in the European Union, Japan, and other countries. Regeneron's net profit in connection with commercialization of EYLEA outside the United States is summarized below.

Regeneron's Net Profit from EYLEA Sales Outside the United States	**Three months ended**
(In millions)	**June 30, 2013**
Net product sales outside the United States recorded by Bayer HealthCare	$ 95.6
Regeneron's share of collaboration profit from sales outside the United States	34.2
Reimbursement of EYLEA development expenses incurred by Bayer HealthCare in accordance with Regeneron's payment obligation	(15.2)
Regeneron's net profit in connection with commercialization of EYLEA outside the United States	$ 19.0

Our share of the profit and the Japan royalties we earned from commercialization of EYLEA outside the United States were partly offset by our contractual obligation to reimburse Bayer HealthCare for a portion of the agreed-upon development expenses previously incurred by Bayer HealthCare. Bayer HealthCare provides us with an estimate of our share of the profit or loss from commercialization of EYLEA outside the United States for the most recent fiscal quarter. Bayer HealthCare's estimates of net product sales and related expenses for such quarter are reconciled to their actual net product sales and related expenses in the subsequent fiscal quarter, and our portion of the profit or loss is adjusted accordingly, as necessary.

Cost-sharing of our global EYLEA development expenses with Bayer HealthCare decreased in the second quarter of 2013 compared to the same period in 2012. In the second quarter of 2013, we incurred lower costs in connection with our EYLEA clinical development programs in wet AMD and macular edema following CRVO.

Reimbursement of other Regeneron EYLEA expenses in the second quarter of 2013 primarily related to Bayer HealthCare's share of royalties payable to Genentech in connection with ex-US sales of EYLEA.

As of June 30, 2013, $25.7 million of the up-front and 2007 milestone payments was deferred and will be recognized as revenue in future periods.

Technology Licensing Revenue

In connection with the amendment and extension of our *VelocImmune* license agreement with Astellas, in August 2010, we received a $165.0 million up-front payment, which was deferred upon receipt and is being recognized as revenue ratably over a seven-year period beginning in June 2011. In the second quarter of both 2013 and 2012, we recognized $5.9 million of technology licensing revenue related to this agreement. As of June 30, 2013, $116.4 million of the August 2010 technology licensing payment received from Astellas was deferred and will be recognized as revenue in future periods.

Other Revenue

Under a June 2009 agreement with Novartis, we receive royalties on worldwide sales of Novartis' canakinumab. In the second quarter of 2013 and 2012, other revenue included $1.1 million and $0.8 million, respectively, of royalties from Novartis.

Expenses

Total operating expenses increased to $299.5 million in the second quarter of 2013 from $216.9 million in the second quarter of 2012. Our average headcount in the second quarter of 2013 increased to 2,083 from 1,783 in the same period of 2012, principally in connection with expanding our research and development, and commercialization, activities.

Operating expenses in the second quarter of 2013 and 2012 included a total of $44.4 million and $19.6 million, respectively, of non-cash compensation expense related to employee stock option and restricted stock awards (Non-cash Compensation Expense). The increase in total Non-cash Compensation Expense in the second quarter of 2013 was primarily attributable to the higher fair market value of our Common Stock on the date of our annual employee option grants made in December 2012 compared to recent prior years.

Research and Development Expenses

Research and development expenses increased to $187.5 million in the second quarter of 2013 from $147.4 million in the same period of 2012. The following table summarizes the major categories of our research and development expenses for the three months ended June 30, 2013 and 2012:

Research and Development Expenses	**Three months ended June 30,**		**Increase**
(In millions)	**2013**	**2012**	**(Decrease)**
Payroll and benefits [1]	$ 71.2	$ 50.8	$ 20.4
Clinical trial expenses	27.1	19.3	7.8
Clinical manufacturing costs [2]	43.3	39.3	4.0
Research and other development costs	17.0	13.0	4.0
Occupancy and other operating costs	22.9	20.4	2.5
Cost-sharing of Bayer HealthCare EYLEA development expenses [3]	6.0	4.6	1.4
Total research and development expenses	$ 187.5	$ 147.4	$ 40.1

(1) Includes Non-cash Compensation Expense of $24.7 million for the three months ended June 30, 2013 and $10.3 million for the three months ended June 30, 2012.

(2) Represents the full cost of manufacturing drug for use in research, preclinical development, and clinical trials, including related payroll and benefits, Non-cash Compensation Expense, manufacturing materials and supplies, drug filling, packaging, and labeling costs, depreciation, and occupancy costs of our Rensselaer manufacturing facility. Includes Non-cash Compensation Expense of $3.0 million for the three months ended June 30, 2013 and $1.2 million for the three months ended June 30, 2012.

(3) Under our collaboration with Bayer HealthCare, in periods when Bayer HealthCare incurs EYLEA development expenses, we also recognize, as additional research and development expense, the portion of Bayer HealthCare's EYLEA development expenses that we are obligated to reimburse. Bayer HealthCare provides us with estimated EYLEA development expenses for the most recent fiscal quarter. Bayer HealthCare's estimate is reconciled to its actual expenses for such quarter in the subsequent fiscal quarter and our portion of its EYLEA development expenses that we are obligated to reimburse is adjusted accordingly.

Payroll and benefits increased principally due to the increase in employee headcount and Non-cash Compensation Expense, as described above. Clinical trial expenses increased due primarily to higher costs for clinical studies of alirocumab, dupilumab, and EYLEA, partly offset by lower costs related to our Phase 3 program for ARCALYST, which has concluded. Clinical manufacturing costs increased primarily due to higher costs related to manufacturing dupilumab and other antibody candidates, partly offset by lower costs related to manufacturing clinical supplies of ARCALYST.

We prepare estimates of research and development costs for projects in clinical development, which include direct costs and allocations of certain costs such as indirect labor, Non-cash Compensation Expense, and manufacturing and other costs related to activities that benefit multiple projects, and, under our collaboration with Bayer HealthCare, the portion of Bayer HealthCare's EYLEA development expenses that we are obligated to reimburse. Our estimates of research and development costs for clinical development programs are shown below.

Project Costs	**Three months ended June 30,**		**Increase**
(In millions)	**2013**	**2012**	**(Decrease)**
EYLEA	$ 32.0	$ 27.3	$ 4.7
ARCALYST	1.1	15.0	(13.9)
ZALTRAP	2.7	5.7	(3.0)
Alirocumab	26.9	18.0	8.9
Sarilumab	6.1	5.9	0.2
Dupilumab	20.7	5.7	15.0
Other antibody candidates in clinical development	22.0	9.5	12.5
Other research programs and unallocated costs	76.0	60.3	15.7
Total research and development expenses	$ 187.5	$ 147.4	$ 40.1

Drug development and approval in the United States is a multi-step process regulated by the FDA. The process begins with discovery and preclinical evaluation, leading up to the submission of an IND to the FDA which, if successful, allows the opportunity for study in humans, or clinical study, of the potential new drug. Clinical development typically involves three phases of study: Phases 1, 2, and 3. The most significant costs in clinical development are in Phase 3 clinical trials, as they tend to be the longest and largest studies in the drug development process. Following successful completion of Phase 3 clinical trials for a biological product, a Biologics License Application (BLA) must be submitted to, and accepted by, the FDA, and the FDA must approve the BLA prior to commercialization of the drug. It is not uncommon for the FDA to request additional data following its review of a BLA, which can significantly increase the drug development timeline and expenses. We may elect either on our own, or at the request of the FDA, to conduct further studies that are referred to as Phase 3b and 4 studies. Phase 3b studies are initiated and either completed or substantially completed while the BLA is under FDA review. These studies are conducted under an IND. Phase 4 studies, also referred to as post-marketing studies, are studies that are initiated and conducted after the FDA has approved a product for marketing. In addition, as discovery research, preclinical development, and clinical programs progress, opportunities to expand development of drug candidates into new disease indications can emerge. We may elect to add such new disease indications to our development efforts (with the approval of our collaborator for joint development programs), thereby extending the period in which we will be developing a product.

There are numerous uncertainties associated with drug development, including uncertainties related to safety and efficacy data from each phase of drug development, uncertainties related to the enrollment and performance of clinical trials, changes in regulatory requirements, changes in the competitive landscape affecting a product candidate, and other risks and uncertainties described in Part II, Item 1A, “Risk Factors”. The lengthy process of seeking FDA approvals, and subsequent compliance with applicable statutes and regulations, require the expenditure of substantial resources. Any failure by us to obtain, or delay in obtaining, regulatory approvals could materially adversely affect our business.

For these reasons and due to the variability in the costs necessary to develop a pharmaceutical product and the uncertainties related to future indications to be studied, the estimated cost and scope of the projects, and our ultimate ability to obtain governmental approval for commercialization, accurate and meaningful estimates of the total cost to bring our product candidates to market are not available. Similarly, we are currently unable to reasonably estimate if our product candidates or additional indications for our marketed products in clinical development will generate material product revenues and net cash inflows.

Selling, General, and Administrative Expenses

Selling, general, and administrative expenses increased to $72.5 million in the second quarter of 2013 from $47.7 million in the same period of 2012 due to higher expenses in connection with commercialization of EYLEA, including the Branded Prescription Drug Fee (as described in the Liquidity and Capital Resources section below) and contributions to a not-for-profit organization that assists patients with chronic disease conditions, and higher Non-cash Compensation Expense principally for the reason described above. Selling, general, and administrative expenses included $16.3 million and $7.8 million of Non-cash Compensation Expense in the second quarter of 2013 and 2012, respectively.

Cost of Goods Sold

Cost of goods sold increased to $27.3 million in the second quarter of 2013 from $21.8 million in the same period of 2012 due primarily to increased sales of EYLEA. Cost of goods sold primarily consisted of royalties, as well as costs in connection with producing EYLEA and ARCALYST commercial supplies. In addition, cost of goods sold in the second quarter of 2013 and 2012 included inventory write-downs and reserves totaling $1.7 million and $6.5 million, respectively. We record a charge to cost of goods sold to write down our inventory to its estimated realizable value if certain batches or units of product do not meet quality specifications or are expected to expire prior to sale.

Cost of Collaboration Manufacturing

We manufacture commercial supplies of product for our collaborators. Cost of collaboration manufacturing in the second quarter of 2013 was $12.3 million, which primarily consisted of third party royalties, as well as costs in connection with producing commercial supplies for our collaborators. When the product is sold by our collaborators to third-party customers, our risk of inventory loss no longer exists, and we therefore recognize our related manufacturing costs for the sold product as cost of collaboration manufacturing.

Other Income and Expense

Interest expense increased slightly to $11.4 million in the second quarter of 2013 from $11.2 million in the same period of 2012. In October 2011, we issued $400.0 million aggregate principal amount of 1.875% convertible senior notes. Total interest expense in the second quarter of 2013 and 2012 associated with these notes, including amortization of the note discount and debt issuance costs, was $7.3 million and $7.2 million, respectively.

Income Taxes

In the second quarter of 2013, we recorded a $60.3 million income tax provision. The effective tax rate for the second quarter was 40.8%.

In the second quarter of 2012, income tax expense relating to our pre-tax income was fully offset by a reversal of a portion of our valuation allowance. As of June 30, 2012, we continued to recognize a full valuation allowance against our net operating loss carry-forward and other deferred tax assets since we had an extended history of losses. In the fourth quarter of 2012, we recorded an income tax benefit attributable to the release of substantially all of the remaining valuation allowance against our deferred tax assets. The decision to release this valuation allowance was made after we determined that it was more likely than not that these deferred tax assets would be realized.

Six Months Ended June 30, 2013 and 2012

Net Income

We reported net income of $186.3 million, or $1.69 per diluted share, for the first half of 2013, compared to $88.4 million, or $0.81 per diluted share, for the first half of 2012. The increase in net income resulted primarily from an increase in net product sales of EYLEA, which we launched in November 2011, partly offset by higher operating and income tax expenses, as described below.

Revenues

Revenues for the six months ended June 30, 2013 and 2012 consist of the following:

(In millions)	2013	2012
Net product sales	$ 652.6	$ 327.4
Collaboration revenue:		
Sanofi	184.8	174.0
Bayer HealthCare	46.0	21.6
Total collaboration revenue	230.8	195.6
Technology licensing revenue	11.8	11.8
Other revenue	2.1	1.4
Total revenue	$ 897.3	$ 536.2

Net Product Sales

Net product sales consist of U.S. sales of EYLEA and ARCALYST. In November 2011, we received marketing approval from the FDA for EYLEA for the treatment of wet AMD, at which time product sales commenced. In addition, in September 2012, we received marketing approval from the FDA for EYLEA for the treatment of macular edema following CRVO. For the six months ended June 30, 2013 and 2012, we recognized EYLEA net product sales of $643.7 million and $317.5 million, respectively. For the six months ended June 30, 2013 and 2012, we also recognized ARCALYST net product sales of $8.9 million and $9.9 million, respectively.

For the six months ended June 30, 2013 and 2012, we recorded 77% and 79%, respectively, of our total gross product revenue from sales to Besse Medical, a subsidiary of AmerisourceBergen Corporation.

We record product sales net of allowances and accruals for rebates and chargebacks under governmental programs (including Medicaid), distribution-related fees, prompt pay discounts, product returns, and other sales-related deductions. The following table summarizes the provisions, and credits/payments, for sales-related deductions for the six months ended June 30, 2013 and 2012.

(In millions)	Rebates & Chargebacks	Distribution-Related Fees	Other Sales-Related Deductions	Total
Balance as of December 31, 2012	$ 3.0	$ 15.3	$ 0.5	$ 18.8
Provision related to current period sales	11.1	29.4	0.5	41.0
Credits/payments	(10.1)	(26.2)	(0.5)	(36.8)
Balance as of June 30, 2013	$ 4.0	$ 18.5	$ 0.5	$ 23.0
Balance as of December 31, 2011	$ 0.6	$ 1.5	$ 0.2	$ 2.3
Provision related to current period sales	6.2	17.9	2.4	26.5
Credits/payments	(2.0)	(8.3)	(1.1)	(11.4)
Balance as of June 30, 2012	$ 4.8	$ 11.1	$ 1.5	$ 17.4

Sanofi Collaboration Revenue

The collaboration revenue we earned from Sanofi, as detailed below, consisted primarily of reimbursement for research and development expenses that we incurred, recognition of our share of losses in connection with Sanofi's commercialization of ZALTRAP, and recognition of revenue related to non-refundable up-front payments.

In addition, Sanofi collaboration revenue for the six months ended June 30, 2013 was reduced by two $10.0 million up-front payments to Sanofi in connection with our acquisition from Sanofi of full exclusive rights to two families of novel antibodies, as described below.

Sanofi Collaboration Revenue	**Six months ended June 30,**	
(In millions)	**2013**	**2012**
ZALTRAP:		
Regeneron's share of losses in connection with commercialization of ZALTRAP	$ (16.0)	$ (12.1)
Reimbursement of Regeneron research and development and other expenses	5.4	7.0
Recognition of deferred revenue related to up-front payments	2.8	5.4
Total ZALTRAP	(7.8)	0.3
Antibody:		
Reimbursement of Regeneron research and development expenses	207.5	168.6
Up-front payments to Sanofi for acquisition of rights related to two antibodies	(20.0)	
Recognition of deferred revenue related to up-front and other payments	4.3	4.3
Recognition of revenue related to *VelociGene* agreement	0.8	0.8
Total Antibody	192.6	173.7
Total Sanofi collaboration revenue	$ 184.8	$ 174.0

Sanofi commenced sales of ZALTRAP (ziv-aflibercept) Injection for Intravenous Infusion, in combination with FOLFIRI, for patients with mCRC that is resistant to or has progressed following an oxaliplatin-containing regimen, in the United States in the third quarter of 2012 and in certain countries in Europe in the first quarter of 2013. Regeneron's share of the loss in connection with commercialization of ZALTRAP, as shown in the table below, represents our 50% share of ZALTRAP net product sales less cost of goods sold and shared commercialization and other expenses.

Regeneron's share of losses in connection with commercialization of ZALTRAP	**Six months ended June 30,**	
(In millions)	**2013**	**2012**
Net product sales recorded by Sanofi	$ 32.7	
Regeneron's share of collaboration losses	(16.0)	$ (12.1)

Our share of the loss increased in the first half of 2013, compared to the first half of 2012, because of higher costs in connection with launching ZALTRAP which were only partly offset by net product sales. Sanofi provides us with an estimate of our share of the profit or loss from commercialization of ZALTRAP for the most recent fiscal quarter. Sanofi's estimates of net products sales and related expenses for such quarter are reconciled to their actual net product sales and related expenses in the subsequent fiscal quarter, and our portion of the profit or loss is adjusted accordingly, as necessary.

Recognition of deferred revenue related to the ZALTRAP up-front payments from Sanofi decreased in the first half of 2013, compared to the same period of 2012, due to lengthening the estimated performance period over which this deferred revenue is being recognized, effective in the first quarter of 2013.

In the first half of 2013, Sanofi's reimbursement of our antibody expenses consisted of $88.7 million under our discovery agreement and $118.8 million of development costs under our license agreement, compared to $91.1 million and $77.5 million,

respectively, in the first half of 2012. The higher reimbursement of development costs in the first half of 2013, compared to the same period of 2012, was primarily due to increased development activities for alirocumab and dupilumab.

As described above, in May 2013, we made two $10.0 million up-front payments to Sanofi in connection with acquiring from Sanofi full exclusive rights to antibodies targeting the PDGF family of receptors and ligands in ophthalmology and all other indications and to antibodies targeting the Ang2 receptor and ligand in ophthalmology.

As it relates to recognition of deferred revenue, in connection with the November 2009 amendment of the discovery agreement, Sanofi has funded $30 million of agreed-upon costs incurred by us to expand our manufacturing capacity at our Rensselaer, New York facilities. Revenue related to such funding from Sanofi was deferred and is being recognized as collaboration revenue prospectively over the related performance period in conjunction with the recognition of the original $85.0 million up-front payment.

Bayer HealthCare Collaboration Revenue

The collaboration revenue we earned from Bayer HealthCare, as detailed below, consisted primarily of recognition of our share of profits in connection with commercialization of EYLEA outside the United States, cost-sharing of Regeneron EYLEA development expenses and reimbursement of other Regeneron EYLEA expenses, and recognition of revenue related to a non-refundable $75.0 million up-front payment received in 2006 and a $20.0 million milestone payment received in 2007 (which, for the purpose of revenue recognition, was not considered substantive).

Bayer HealthCare Collaboration Revenue	**Six months ended June 30,**	
(In millions)	**2013**	**2012**
Regeneron's net profit in connection with commercialization of EYLEA outside the United States	$ 25.4	
Cost-sharing of Regeneron EYLEA development expenses	9.6	$ 17.6
Reimbursement of other Regeneron EYLEA expenses	7.0	
Recognition of deferred revenue related to up-front and other milestone payments	4.0	4.0
Total Bayer HealthCare collaboration revenue	$ 46.0	$ 21.6

Bayer HealthCare commenced sales of EYLEA for the treatment of wet AMD in the fourth quarter of 2012 following receipt of regulatory approvals in the European Union, Japan, and other countries. Regeneron's net profit in connection with commercialization of EYLEA outside the United States is summarized below.

Regeneron's Net Profit from EYLEA Sales Outside the United States	**Six months ended**
(In millions)	**June 30, 2013**
Net product sales outside the United States recorded by Bayer HealthCare	$ 160.4
Regeneron's share of collaboration profit from sales outside the United States	53.8
Reimbursement of EYLEA development expenses incurred by Bayer HealthCare in accordance with Regeneron's payment obligation	(28.4)
Regeneron's net profit in connection with commercialization of EYLEA outside the United States	$ 25.4

Our share of the profit and the Japan royalties we earned from commercialization of EYLEA outside the United States were partly offset by our contractual obligation to reimburse Bayer HealthCare for a portion of the agreed-upon development expenses previously incurred by Bayer HealthCare. Bayer HealthCare provides us with an estimate of our share of the profit or loss from

commercialization of EYLEA outside the United States for the most recent fiscal quarter. Bayer HealthCare's estimates of net product sales and related expenses for such quarter are reconciled to their actual net product sales and related expenses in the subsequent fiscal quarter, and our portion of the profit or loss is adjusted accordingly, as necessary.

Cost-sharing of our global EYLEA development expenses with Bayer HealthCare decreased in the first half of 2013 compared to the same period in 2012. In the first half of 2013, we incurred lower costs in connection with our EYLEA clinical development programs in wet AMD and macular edema following CRVO.

Reimbursement of other Regeneron EYLEA expenses in the first half of 2013 primarily related to Bayer HealthCare's share of royalties payable to Genentech in connection with ex-US sales of EYLEA.

Technology Licensing Revenue

In connection with the amendment and extension of our *VelocImmune* license agreement with Astellas, in August 2010, we received a $165.0 million up-front payment, which was deferred upon receipt and is being recognized as revenue ratably over a seven-year period beginning in June 2011. In the first half of both 2013 and 2012, we recognized $11.8 million of technology licensing revenue related to this agreement.

Other Revenue

Under a June 2009 agreement with Novartis, we receive royalties on worldwide sales of Novartis' canakinumab. In the first half of 2013 and 2012, other revenue included $2.1 million and $1.3 million, respectively, of royalties from Novartis.

Expenses

Total operating expenses increased to $586.2 million in the first half of 2013 from $426.5 million in the first half of 2012. Our average headcount in the first half of 2013 increased to 2,039 from 1,756 in the same period of 2012, principally in connection with expanding our research and development, and commercialization, activities.

Operating expenses in the first half of 2013 and 2012 included a total of $97.5 million and $42.9 million, respectively, of Non-cash Compensation Expense. The increase in total Non-cash Compensation Expense in the first half of 2013 was primarily attributable to the higher fair market value of our Common Stock on the date of our annual employee option grants made in December 2012 compared to recent prior years.

Research and Development Expenses

Research and development expenses increased to $367.8 million in the first half of 2013 from $286.2 million in the same period of 2012. The following table summarizes the major categories of our research and development expenses for the six months ended June 30, 2013 and 2012:

Research and Development Expenses	Six months ended June 30,		Increase
(In millions)	2013	2012	(Decrease)
Payroll and benefits [1]	$ 140.3	$ 102.2	$ 38.1
Clinical trial expenses	51.8	42.6	9.2
Clinical manufacturing costs [2]	91.9	66.3	25.6
Research and other development costs	31.1	25.8	5.3
Occupancy and other operating costs	44.3	39.2	5.1
Cost-sharing of Bayer HealthCare EYLEA development expenses [3]	8.4	10.1	(1.7)
Total research and development expenses	$ 367.8	$ 286.2	$ 81.6

(1) Includes Non-cash Compensation Expense of $48.4 million for the six months ended June 30, 2013 and $19.8 million for the six months ended June 30, 2012.

(2) Represents the full cost of manufacturing drug for use in research, preclinical development, and clinical trials, including related payroll and benefits, Non-cash Compensation Expense, manufacturing materials and supplies, drug filling, packaging, and labeling costs, depreciation, and occupancy costs of our Rensselaer manufacturing facility. Includes Non-cash Compensation Expense of $6.1 million for the six months ended June 30, 2013 and $2.2 million for the six months ended June 30, 2012.

(3) Under our collaboration with Bayer HealthCare, in periods when Bayer HealthCare incurs EYLEA development expenses, we also recognize, as additional research and development expense, the portion of Bayer HealthCare's EYLEA development expenses that we are obligated to reimburse. Bayer HealthCare provides us with estimated EYLEA development expenses for the most recent fiscal quarter. Bayer HealthCare's estimate is reconciled to its actual expenses for such quarter in the subsequent fiscal quarter and our portion of its EYLEA development expenses that we are obligated to reimburse is adjusted accordingly.

Payroll and benefits increased principally due to the increase in employee headcount and Non-cash Compensation Expense, as described above. Clinical trial expenses increased due primarily to higher costs for clinical studies of alirocumab, dupilumab, and other early stage antibody candidates, partly offset by lower costs related to our Phase 3 trials of EYLEA in wet AMD and macular edema following CRVO, and ARCALYST, which have concluded. Clinical manufacturing costs increased primarily due to higher costs related to manufacturing alirocumab and dupilumab, partly offset by lower costs related to manufacturing sarilumab and clinical supplies of ARCALYST.

We prepare estimates of research and development costs for projects in clinical development, which include direct costs and allocations of certain costs such as indirect labor, Non-cash Compensation Expense, and manufacturing and other costs related to activities that benefit multiple projects, and, under our collaboration with Bayer HealthCare, the portion of Bayer HealthCare's EYLEA development expenses that we are obligated to reimburse. Our estimates of research and development costs for clinical development programs are shown below.

Project Costs	**Six months ended June 30,**		**Increase**
(In millions)	**2013**	**2012**	**(Decrease)**
EYLEA	$ 62.4	$ 62.2	$ 0.2
ARCALYST	3.7	25.8	(22.1)
ZALTRAP	5.7	8.5	(2.8)
Alirocumab	58.1	25.1	33.0
Sarilumab	11.6	17.2	(5.6)
Dupilumab	32.9	10.8	22.1
Other antibody candidates in clinical development	44.3	19.1	25.2
Other research programs and unallocated costs	149.1	117.5	31.6
Total research and development expenses	$ 367.8	$ 286.2	$ 81.6

For the reasons described above under "Research and Development Expenses" for the three months ended June 30, 2013 and 2012, and due to the variability in the costs necessary to develop a pharmaceutical product and the uncertainties related to future indications to be studied, the estimated cost and scope of the projects, and our ultimate ability to obtain governmental approval for commercialization, accurate and meaningful estimates of the total cost to bring our product candidates to market are not available. Similarly, we are currently unable to reasonably estimate if our product candidates or additional indications for our marketed products in clinical development will generate material product revenues and net cash inflows.

Selling, General, and Administrative Expenses

Selling, general, and administrative expenses increased to $149.7 million in the first half of 2013 from $106.1 million in the same period of 2012 due to higher expenses in connection with commercialization of EYLEA, including the Branded Prescription Drug Fee (as described in the Liquidity and Capital Resources section below) and contributions to a not-for-profit organization that assists patients with chronic disease conditions, and higher Non-cash Compensation Expense principally for the reason described above. Selling, general, and administrative expenses included $42.1 million and $20.4 million of Non-cash Compensation Expense in the first half of 2013 and 2012, respectively.

Cost of Goods Sold

Cost of goods sold increased to $55.3 million in the first half of 2013 from $34.1 million in the same period of 2012 due primarily to increased sales of EYLEA. Cost of goods sold primarily consisted of royalties, as well as costs in connection with producing EYLEA and ARCALYST commercial supplies. In addition, cost of goods sold in the first half of 2013 and 2012 included inventory write-downs and reserves totaling $4.9 million and $8.4 million, respectively. We record a charge to cost of goods sold to write down our inventory to its estimated realizable value if certain batches or units of product do not meet quality specifications or are expected to expire prior to sale.

Cost of Collaboration Manufacturing

We manufacture commercial supplies of product for our collaborators. Cost of collaboration manufacturing in the first half of 2013 was $13.4 million, which primarily consisted of third party royalties, as well as costs in connection with producing commercial supplies for our collaborators. When the product is sold by our collaborators to third-party customers, our risk of inventory loss no longer exists, and we therefore recognize our related manufacturing costs for the sold product as cost of collaboration manufacturing.

Other Income and Expense

Interest expense increased slightly to $23.0 million in the first half of 2013 from $22.4 million in the same period of 2012. In October 2011, we issued $400.0 million aggregate principal amount of 1.875% convertible senior notes. Total interest expense in

the first half of 2013 and 2012 associated with these notes, including amortization of the note discount and debt issuance costs, was $15.0 million and $14.3 million, respectively.

Income Taxes

In the first half of 2013, we recorded a $103.3 million income tax provision. The effective tax rate for the first half was 35.7%, which included, as a discrete item in the first quarter of 2013, the impact of enacting The American Taxpayer Relief Act in January 2013. The American Taxpayer Relief Act included a provision to extend the income tax credit for increased research activities retroactively to the tax year ended December 31, 2012. As a result, our 2012 research tax credit reduced our effective tax rate for the first half of 2013 by 6.0%.

In the first half of 2012, income tax expense relating to our pre-tax income was fully offset by a reversal of a portion of our valuation allowance. As of June 30, 2012, we continued to recognize a full valuation allowance against our net operating loss carry-forward and other deferred tax assets since we had an extended history of losses. In the fourth quarter of 2012, we recorded an income tax benefit attributable to the release of substantially all of the remaining valuation allowance against our deferred tax assets. The decision to release this valuation allowance was made after we determined that it was more likely than not that these deferred tax assets would be realized.

Liquidity and Capital Resources

In 2012, we became profitable and began to generate cash from our product sales of EYLEA. From our inception in 1988, we have financed our operations primarily through offerings of our equity securities, private placements of convertible debt, purchases of our equity securities by our collaborators, including Sanofi, revenue earned under our past and present research and development agreements, including our agreements with Sanofi and Bayer HealthCare, EYLEA and ARCALYST product revenue, our technology licensing agreements, our past contract manufacturing agreements, and investment income.

Sources and Uses of Cash for the Six Months Ended June 30, 2013 and 2012

At June 30, 2013, we had $710.8 million in cash, cash equivalents, and marketable securities compared with $587.5 million (including $8.2 million of restricted cash and marketable securities) at December 31, 2012. In connection with our product launch of EYLEA in November 2011, we have offered extended payment terms to our EYLEA customers. As a result, due to the growth of our EYLEA product sales, our net trade accounts receivable have increased to $767.9 million at June 30, 2013 from $593.2 million at December 31, 2012. During the six months ended June 30, 2013, we collected $508.7 million of EYLEA trade receivables, and we expect such collections to increase during the rest of the year.

Cash Provided by (Used in) Operating Activities

Net cash provided by operating activities was $214.4 million in the first half of 2013. Our net income of $186.3 million in the first half of 2013 included the following non-cash expenses: (i) Non-cash Compensation Expense of $97.5 million, (ii) depreciation and amortization of $19.1 million, (iii) non-cash interest expense of $11.3 million, resulting from the amortization of the discount and debt issuance costs in connection with our convertible senior notes, which were issued in October 2011, and (iv) other non-cash charges, including $4.9 million of inventory write-downs and reserves and $10.8 million of other non-cash tax related charges. In addition, deferred tax assets at June 30, 2013 decreased by $92.5 million, compared to end-of-year 2012, primarily due to utilization of these assets to offset income taxes payable for the first half of 2013.

At June 30, 2013, Sanofi and trade accounts receivable increased by $182.9 million, compared to end-of-year 2012, primarily due to higher trade accounts receivable in connection with EYLEA product sales, as described above. Prepaid expenses and other assets increased by $51.7 million, compared to end-of-year 2012, primarily due to higher balances of capitalized inventory costs, principally in connection with EYLEA commercial supplies, and a higher receivable balance due from Bayer HealthCare in connection with the launch of EYLEA outside the United States. Our deferred revenue at June 30, 2013 decreased by $11.6 million, compared to end-of-year 2012, primarily due to amortization of a previously deferred $165.0 million payment under our license agreement with Astellas and amortization of previously deferred payments under our Sanofi and Bayer HealthCare collaborations, partly offset by costs of product manufactured and shipped to Sanofi and Bayer HealthCare for which recognition of revenue has been deferred. Accounts payable, accrued expenses, and other liabilities increased by $35.6 million at June 30, 2013, compared to end-of-year 2012, primarily due to higher sales-related charges, deductions, and royalties related to EYLEA and higher payroll-related liabilities.

Net cash used in operating activities was $165.4 million in the first half of 2012. Our net income of $88.4 million in the first half of 2012 included the following non-cash expenses: (i) Non-cash Compensation Expense of $42.9 million, (ii) depreciation and amortization of $17.8 million, (iii) non-cash interest expense of $11.2 million, including $10.5 million resulting from the amortization of the discount and debt issuance costs in connection with our convertible senior notes, which were issued in October 2011, and (iv) other non-cash charges, including $8.4 million of inventory write-downs and reserves.

At June 30, 2012, Sanofi and trade accounts receivable increased by $332.3 million, compared to end-of-year 2011, primarily due to higher trade accounts receivable in connection with higher EYLEA product sales and the extended payment terms granted to our EYLEA customers, as described above. Prepaid expenses and other assets increased by $19.5 million, compared to end-of-year 2011, primarily due to due to higher balances of capitalized inventory costs, principally in connection with EYLEA commercial supplies. Our deferred revenue at June 30, 2012 decreased by $17.7 million, compared to end-of-year 2011, primarily due to amortization of a previously received and deferred $165.0 million payment under our license agreement with Astellas and amortization of previously deferred payments under our Sanofi and Bayer HealthCare collaborations. Accounts payable, accrued expenses, and other liabilities increased by $32.8 million at June 30, 2012, compared to end-of-year 2011, primarily due to higher sales-related deductions and royalties in connection with EYLEA.

Cash Used in Investing Activities

Net cash used in investing activities was $31.1 million and $123.4 million in the first half of 2013 and 2012, respectively. In the first half of 2013, sales or maturities of marketable securities exceeded purchases by $24.6 million. In the first half of 2012, purchases of marketable securities exceeded sales or maturities of marketable securities by $99.0 million. Capital expenditures of $55.7 million and $23.9 million in the first half of 2013 and 2012, respectively, included costs in connection with expanding our Rensselaer, New York manufacturing facilities and tenant improvement and associated costs related to our leased facilities in Tarrytown, New York.

Cash Used in Financing Activities

Net cash used in financing activities was $32.0 million and $22.8 million in the first half of 2013 and 2012, respectively. Proceeds from issuances of Common Stock were $34.3 million in the first half of 2013, compared to $39.6 million in the first half of 2012. In addition, payments for employee tax obligations in connection with stock option exercises were $73.1 million in the first half of 2013, compared to $61.4 million in the first half of 2012.

Fair Value of Marketable Securities

At June 30, 2013 and December 31, 2012, we held marketable securities whose aggregate fair value totaled $329.2 million and $354.9 million, respectively. The composition of our portfolio of marketable securities on these dates was as follows:

	June 30, 2013		December 31, 2012	
Investment type	**Fair Value**	**Percent**	**Fair Value**	**Percent**
Unrestricted				
U.S. government and government agency obligations	$ 85.4	26%	$ 328.1	92%
Corporate bonds	157.3	48%		
Commercial paper	62.2	19%		
Municipal bonds	17.2	5%	17.5	5%
International government agency obligations	4.8	1%		
Equity securities	2.3	1%	3.4	1%
Total unrestricted marketable securities	329.2	100%	349.0	98%
Restricted				
U.S. government obligations			5.9	2%
Total marketable securities	$ 329.2	100%	$ 354.9	100%

In addition, at June 30, 2013, we had $381.7 million of cash and cash equivalents, primarily held in bank deposits and money market funds. At December 31, 2012, we had $232.6 million of cash, cash equivalents, and restricted cash, primarily held in money market funds that invest in U.S. government securities. During the second quarter of 2013, either due to cancellation of the

associated letter of credit or easing of lender requirements, all formerly restricted marketable securities were reclassified as unrestricted on our balance sheet.

Capital Expenditures

Our cash expenditures for property, plant, and equipment totaled $55.7 million for the first six months of 2013 and $23.9 million in the first six months of 2012.

In July 2013, we reached preliminary agreement to acquire a 400,000 square foot facility in Limerick, Ireland, subject to entering into definitive agreements as well as securing permits from the local government in Limerick. We intend to renovate this facility to accommodate and support our growth, primarily in connection with expanding our manufacturing capacity to support our global supply chain.

We expect to incur capital expenditures of approximately $225 to $300 million during the remainder of 2013 and 2014 primarily in connection with expanding our manufacturing facilities at our Rensselaer facility, tenant improvements at our leased Tarrytown facilities, purchasing and commencing renovations on the new Limerick facility described above (predicated on finalizing its purchase), and purchases of equipment.

License and Settlement Agreements with Genentech

On December 31, 2011, we entered into a Non-Exclusive License and Partial Settlement Agreement with Genentech (the Original Genentech Agreement) that covered making, using, and selling EYLEA in the United States for the prevention and treatment of human eye diseases and disorders in the United States, and ended the litigation relating to those matters. The Original Genentech Agreement provided for us to make payments to Genentech based on U.S. sales of EYLEA through May 7, 2016, the date the Davis-Smyth patents expire. Under the Original Genentech Agreement, we made a $60 million milestone payment when cumulative U.S. sales reached $400 million and are obligated to pay royalties of 4.75% on cumulative relevant sales of EYLEA between $400 million and $3 billion and 5.5% on any cumulative relevant sales of EYLEA over $3 billion.

Effective May 17, 2013, we entered into an Amended and Restated Non-Exclusive License and Settlement Agreement with Genentech (the Amended Genentech Agreement), which amended the Original Genentech Agreement to now include all sales of EYLEA worldwide and ended the litigation relating to those matters. Under the Amended Genentech Agreement, we received a worldwide non-exclusive license to the Davis-Smyth patents, and certain other patents, owned or co-owned by Genentech for the prevention or treatment of human eye diseases and eye disorders through administration of EYLEA to the eye. Under the Amended Genentech Agreement, we will make payments to Genentech based on sales of EYLEA in the United States and EYLEA manufactured in the United States and sold outside the United States through May 7, 2016 using the same milestone and royalty rates as in the Original Genentech Agreement. EYLEA is sold outside the United States by affiliates of Bayer HealthCare under our license and collaboration agreement. All payments to Genentech under the Original Genentech Agreement and the Amended Genentech Agreement have been or will be made by Regeneron. Bayer HealthCare will share in all such payments based on the proportion of ex-U.S. EYLEA sales to worldwide EYLEA sales and determined consistent with the license and collaboration agreement.

Also on May 17, 2013, we entered into a Non-Exclusive License and Settlement Agreement (the ZALTRAP Agreement), with Genentech, Sanofi U.S. Services, Inc. and Sanofi-Aventis U.S. LLC (the latter two entities, collectively, Sanofi) under which we and Sanofi received a worldwide non-exclusive license to the Davis-Smyth patents, and certain other patents, in all indications for human use other than the prevention or treatment of eye diseases and eye disorders through administration to the eye. Under the terms of the ZALTRAP Agreement, payments will be made to Genentech based on sales of ZALTRAP in the United States and of ZALTRAP that is manufactured in the United States and sold outside the United States through May 7, 2016. A payment of $19 million will be made upon cumulative relevant sales of ZALTRAP reaching $200 million. In addition, royalty payments will be made to Genentech based upon 4.5% of cumulative relevant sales of ZALTRAP between $400 million and $1 billion and 6.5% of any cumulative relevant sales of ZALTRAP over $1 billion. All payments to Genentech under the ZALTRAP Agreement will be made by Sanofi, and we will share in all such payments.

Tarrytown, New York Leases

In April 2013, we entered into a new lease agreement for approximately 297,000 square feet of additional new laboratory and office space to be constructed in two new buildings (the Buildings), which are expected to be completed in late 2015, at our current Tarrytown, New York location. The initial term of the lease, which is expected to commence in mid-2014, is approximately 15 years and contains three renewal options to extend the term of the lease by five years each. The lease provides for (i) monthly payments over its term, which will be based on the landlord's costs of construction and tenant allowances, and (ii) additional charges for utilities, taxes, and operating expenses. Based upon various factors, including our involvement in the Buildings' construction and our responsibility for directly paying for a substantial portion of tenant improvements, we are deemed, in substance, to be the owner of the landlord's Buildings in accordance with the application of FASB authoritative guidance. Consequently, we

will capitalize the landlord's costs of constructing these new facilities a non-cash transaction, offset by a corresponding lease obligation on our balance sheet. We will allocate a portion of our future lease payments to the Buildings and the land on which the Buildings are being constructed. The land element of the lease is treated for accounting purposes as an operating lease.

In April 2013, we also executed an early renewal of approximately 360,000 square feet of space that we currently lease at our Tarrytown location. The early renewal extended the term of the lease from June 2024 to June 2029.

Funding Requirements

We expect continued growth in our expenditures, particularly in connection with our research and development activities (including preclinical and clinical testing), commercialization of EYLEA and ZALTRAP, and capital expenditures. We believe that our existing capital resources, funds generated by anticipated EYLEA net product sales, and funding for reimbursement of development costs that we are entitled to receive under our collaboration agreements will enable us to meet our projected operating needs for the foreseeable future. As described above, research and development expenses that we incur in connection with our ZALTRAP and antibodies collaborations are generally funded by Sanofi, except that following receipt of the first positive Phase 3 trial results for a co-developed antibody drug candidate, subsequent Phase 3 trial-related costs for that drug candidate are shared 80% by Sanofi and 20% by us. In addition, as described above, we and Bayer HealthCare share agreed-upon development expenses that both companies incur in connection with our EYLEA collaboration.

As described above, in May 2013, we acquired from Sanofi full exclusive rights to antibodies targeting the PDGF family of receptors and ligands in ophthalmology and all other indications and to antibodies targeting the Ang2 receptor and ligand in ophthalmology. With respect to PDGF antibodies, we made a $10.0 million up-front payment to Sanofi in May 2013, and will pay up to $40 million in potential development milestone payments and royalties on any future sales. With respect to Ang2 antibodies in ophthalmology, we also made a $10.0 million up-front payment to Sanofi in May 2013, and will pay a potential $5 million development milestone payment and royalties on any future sales.

Under our collaboration agreements with Sanofi and Bayer HealthCare, we and our collaborator will share profits and losses in connection with commercialization of drug products. Profits or losses under each collaboration are measured by calculating net sales less cost of goods sold and shared commercialization and other expenses. If the applicable collaboration becomes profitable, we have contingent contractual obligations to reimburse Sanofi and Bayer HealthCare for a defined percentage (generally 50%) of agreed-upon development expenses incurred by Sanofi and Bayer HealthCare, respectively. These reimbursements would be deducted each quarter, in accordance with a formula, from our share of the collaboration profits (and, for our ZALTRAP collaboration with Sanofi and our Bayer HealthCare collaboration, royalties on product sales in Japan) otherwise payable to us, unless, in some cases, we elect to reimburse these expenses at a faster rate. In particular, as of December 31, 2012, our reimbursement obligation to Sanofi for ZALTRAP was approximately $419 million, while our reimbursement obligation to Bayer HealthCare for EYLEA was approximately $264 million. Therefore, we expect that, initially, our share of profits from sales of ZALTRAP, and a portion of our share of profits from sales of EYLEA outside the United States, will be used to reimburse our collaborators for these obligations.

The amount we need to fund operations will depend on various factors, including revenues from net product sales, the potential regulatory approval and commercialization of our product candidates and new indications for our marketed products, and the timing thereof, the status of competitive products, the success of our research and development programs, the potential future need to expand our professional and support staff and facilities, the status of patents and other intellectual property rights (and future litigation related thereto), the delay or failure of a clinical trial of any of our potential drug candidates, and the continuation, extent, and success of our collaborations with Sanofi and Bayer HealthCare. Clinical trial costs are dependent, among other things, on the size and duration of trials, fees charged for services provided by clinical trial investigators and other third parties, the costs for manufacturing the product candidate for use in the trials, and for supplies, laboratory tests, and other expenses. The amount of funding that will be required for our clinical programs depends upon the results of our research and preclinical programs and early-stage clinical trials, regulatory requirements, the duration and results of clinical trials underway and of additional clinical trials that we decide to initiate, and the various factors that affect the cost of each trial as described above.

Our commercialization costs over the next few years will depend on, among other things, whether or not new indications for our marketed products or our antibody product candidates in later stage clinical development receive regulatory approval, the market potential for such new indications or product candidates, and the commercialization terms of our collaboration agreements, if applicable (whereby some or all commercialization costs may be shared with our collaborators). Currently, we are required to pay royalties on sales of commercial products. In the future, if we are able to successfully develop, market, and sell EYLEA for other indications, or certain of our product candidates, we may be required to pay additional royalties or share the profits from such sales pursuant to our license or collaboration agreements. In addition, under the provisions of the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010, a non-tax deductible annual fee (the Branded Prescription Drug Fee) is imposed on pharmaceutical manufacturers that sell branded prescription drugs to specified government

programs. This fee is allocated to companies, including Regeneron, based on their prior year market share of total branded prescription drug sales into these government programs.

As described above, in the first six months of 2013 and 2012, we made cash payments of $73.1 million and $61.4 million, respectively, for employee tax obligations in connection with stock option exercises. Future cash requirements for such payments will depend on various factors, including the level of stock option grants and exercises, the level of restricted stock grants, and the sales prices of our Common Stock, and may continue to be substantial.

We expect that expenses related to the filing, prosecution, defense, and enforcement of patents and other intellectual property will continue to be substantial.

Due to the amounts of our net operating loss and tax credit carry-forwards available for tax purposes, which totaled $876.6 million and $71.2 million, respectively, at December 31, 2012, we do not anticipate incurring significant cash obligations for federal and state corporate income taxes in the near future.

In connection with our collaboration with Bayer HealthCare, we are entitled to receive up to $25 million in future milestone payments related to marketing and pricing approvals of EYLEA in major market countries outside the United States, as well as up to $135 million in sales milestones based on total twelve-month sales of EYLEA outside the United States achieving certain specified levels starting at $200 million. Under the terms of our ZALTRAP collaboration agreement with Sanofi, we are also entitled to receive milestone payments upon receipt of additional specified marketing approvals.

Other than letters of credits totaling $1.5 million as of June 30, 2013, we have no off-balance sheet arrangements. A $3.4 million letter of credit was canceled in April 2013 in connection with the amendment of our Tarrytown lease, as described above. As of June 30, 2013, we had no other established banking arrangements through which we could obtain short-term financing or a line of credit. In October 2010, we filed a shelf registration statement on Form S-3, which will expire in October 2013, registering the sale, in one or more offerings, of an indeterminate amount of equity or debt securities, together or separately. There is no assurance, however, that we will be able to complete any offerings of securities under this shelf or other registration statements. Factors influencing the availability of additional financing include our progress in product development and commercialization, investor perception of our prospects, and the general condition of the financial markets.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our market risks, and the way we manage them, are summarized in Part II, Item 7A, "Quantitative and Qualitative Disclosures Around Market Risk" of our 2012 Form 10-K. There have been no material changes to our market risks or to our management of such risks during 2013.

ITEM 4. CONTROLS AND PROCEDURES

Our management, with the participation of our chief executive officer and chief financial officer, conducted an evaluation of the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)), as of the end of the period covered by this report. Based on this evaluation, our chief executive officer and chief financial officer each concluded that, as of the end of such period, our disclosure controls and procedures were effective in ensuring that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported on a timely basis, and is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

There has been no change in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended June 30, 2013 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

From time to time, we are a party to legal proceedings in the course of our business. We do not expect any such current ordinary course legal proceedings to have a material adverse effect on our business or financial condition.

Genentech Patent Litigation

In November 2010, we commenced a lawsuit against Genentech in the U.S. District Court for the Southern District of New York (the Court), seeking a declaratory judgment that no activities relating to our VEGF Trap infringe any valid claim of certain Genentech patents referred to as the Davis-Smyth patents (the First Davis-Smyth Case). Genentech answered the complaint and asserted counterclaims that our prior or planned activities relating to VEGF Trap have infringed or will infringe claims of four of the Davis-Smyth patents and requested a judgment against us for damages, including for willful infringement, and other relief as the Court deems appropriate.

On December 31, 2011, we entered into a Non-Exclusive License and Partial Settlement Agreement with Genentech (the Original Genentech Agreement) that covered making, using, and selling EYLEA in the United States for the prevention and treatment of human eye diseases and disorders in the United States, and ended the litigation relating to those matters. Under the Original Genentech Agreement, we received a non-exclusive license to the Davis-Smyth patents, and certain other patents owned or co-owned by Genentech. The Original Genentech Agreement did not cover any non-U.S. patent rights or non-U.S. patent disputes, and did not cover any use of aflibercept other than for prevention and treatment of human eye diseases and disorders in the United States. The Original Genentech Agreement provided for us to make payments to Genentech based on U.S. sales of EYLEA through May 7, 2016, the date the Davis-Smyth patents expire. Under the Original Genentech Agreement, we made a $60.0 million milestone payment when cumulative U.S. sales of EYLEA reached $400 million and are obligated to pay royalties of 4.75% on cumulative relevant sales of EYLEA between $400 million and $3 billion and 5.5% on any cumulative relevant sales of EYLEA over $3 billion.

As a result of the Original Genentech Agreement, on January 17, 2012, Genentech filed a second amended answer and counterclaim in the First Davis-Smyth Case, in which it amended its counterclaims alleging infringement of four of the Davis-Smyth patents. On December 23, 2011, Genentech initiated a related case in the Court against Regeneron and Sanofi alleging infringement of four of the Davis-Smyth Patents by activities relating to VEGF Trap (but excluding EYLEA) (the Second Davis-Smyth Case). As in the First Davis-Smyth Case, in the new complaint Genentech requested a judgment against us for damages, including for willful infringement, and other relief as the Court deems appropriate. On September 21, 2012, Genentech asserted two additional Davis-Smyth patents, and one additional application (which was allowed and issued as a patent on September 25, 2012) in both the First Davis-Smyth Case and the Second Davis-Smyth Case.

Effective May 17, 2013, we entered into an Amended and Restated Non-Exclusive License and Settlement Agreement with Genentech (the Amended Genentech Agreement), which amended the Original Genentech Agreement to now include all sales of EYLEA worldwide and ended the litigation relating to those matters. Under the Amended Genentech Agreement, we received a worldwide non-exclusive license to the Davis-Smyth patents, and certain other patents, owned or co-owned by Genentech for the prevention or treatment of human eye diseases and eye disorders through administration of EYLEA to the eye. Under the Amended Genentech Agreement, we will make payments to Genentech based on sales of EYLEA in the United States and EYLEA manufactured in the United States and sold outside the United States through May 7, 2016 using the same milestone and royalty rates as in the Original Genentech Agreement. EYLEA is sold outside the United States by affiliates of Bayer HealthCare under our license and collaboration agreement. All payments to Genentech under the Original Genentech Agreement and the Amended Genentech Agreement have been or will be made by Regeneron. Bayer HealthCare will share in all such payments based on the proportion of ex-U.S. EYLEA sales to worldwide EYLEA sales and determined consistent with the license and collaboration agreement.

Also on May 17, 2013, we entered into a Non-Exclusive License and Settlement Agreement (the ZALTRAP Agreement), with Genentech, Sanofi U.S. Services, Inc. and Sanofi-Aventis U.S. LLC (the latter two entities, collectively, Sanofi) under which we and Sanofi received a worldwide non-exclusive license to the Davis-Smyth patents, and certain other patents, in all indications for human use other than the prevention or treatment of eye diseases and eye disorders through administration to the eye. Under the terms of the ZALTRAP Agreement, payments will be made to Genentech based on sales of ZALTRAP in the United States and of ZALTRAP that is manufactured in the United States and sold outside the United States through May 7, 2016. A payment of $19 million will be made upon cumulative relevant sales of ZALTRAP reaching $200 million. In addition, royalty payments will be made to Genentech based upon 4.5% of cumulative relevant sales of ZALTRAP between $400 million and $1 billion and 6.5% of any cumulative relevant sales of ZALTRAP over $1 billion. All payments to Genentech under the ZALTRAP Agreement

will be made by Sanofi, and we will share in all such payments. In connection with Amended Genentech Agreement and the ZALTRAP Agreement, both the First Davis-Smyth Case and the Second Davis-Smyth Case have been dismissed.

We initiated patent-related actions against Genentech in Germany, the United Kingdom, and Italy relating in each case to a patent that expired on October 28, 2012. In the United Kingdom, an adverse decision at first instance dated March 22, 2012 was appealed to the UK Court of Appeal. The Court of Appeal decision dated February 21, 2013 found the designation of European patent EP 1 238 986 in the United Kingdom to be valid and that potential acts relating to VEGF Trap-Eye in the United Kingdom before expiration of the patent on October 28, 2012 would infringe this patent. We sought permission to appeal to the Supreme Court of the United Kingdom. On May 17, 2013, we entered into an agreement with Genentech, Bayer Pharma AG, Bayer Australia Limited and Regeneron UK Ltd., pursuant to which the parties agreed to dismiss proceedings involving these and certain other Genentech patents, and Regeneron and the Bayer HealthCare affiliates were granted certain covenants not to sue as to these and other patents. These proceedings have been dismissed.

ITEM 1A. RISK FACTORS

We operate in an environment that involves a number of significant risks and uncertainties. We caution you to read the following risk factors, which have affected, and/or in the future could affect, our business, prospects, operating results, and financial condition. The risks described below include forward-looking statements, and actual events and our actual results may differ materially from these forward-looking statements. Additional risks and uncertainties not currently known to us or that we currently deem immaterial may also impair our business, prospects, operating results, and financial condition. Furthermore, additional risks and uncertainties are described under other captions in this report and should also be considered by our investors.

Risks Related to Our Financial Results and Need for Additional Financing

We have a history of operating losses and have only recently achieved profitability. If we cannot sustain profitability, our business, prospects, and financial condition would be materially harmed.

Beginning in the first quarter of 2012, we reported profitability; prior to that, we generally incurred net losses. From inception on January 8, 1988 through June 30, 2013, we had a cumulative loss of $330.8 million. If we cannot sustain profitability, we may be unable to continue our operations. In the absence of substantial revenue from the sale of products on an ongoing basis, including our current sales of EYLEA and ARCALYST, and our share of the profits from Sanofi's sales of ZALTRAP and Bayer HealthCare's sales of EYLEA outside the United States, or from other sources, the amount, timing, nature or source of which cannot be predicted, we may incur substantial losses again as we conduct our research and development activities, commercialize our approved products, and prepare for possible commercialization of our other product candidates and new indications of our marketed products.

We may need additional funding in the future, which may not be available to us, and which may force us to delay, reduce or eliminate our product development programs or commercialization efforts.

We expend substantial resources for research and development, including costs associated with clinical testing of our product candidates and new indications of our marketed products, the commercialization of products, and capital expenditures. We believe our existing capital resources, together with funds generated by current and anticipated EYLEA net product sales and funding we are entitled to receive under our collaboration agreements, will enable us to meet our anticipated operating needs for the foreseeable future; however, one or more of our collaboration agreements may terminate, our revenues may fall short of our projections or be delayed, or our expenses may increase, any of which could result in our capital being consumed significantly faster than anticipated. In addition, our expenses may increase for many reasons, including expenses in connection with the ongoing launch and marketing of EYLEA and the potential commercial launches of our late-stage product candidates and new indications for our marketed products, manufacturing scale-up, expenses related to clinical trials testing EYLEA, fasinumab, REGN1154, REGN 1193, REGN1400, or REGN1500, and expenses related to the potential requirement for us to fund 20% of Phase 3 clinical trial costs for any of our antibody product candidates being developed in collaboration with Sanofi.

We cannot be certain that our existing capital resources and our current and anticipated revenues will be sufficient to meet our operating needs. We may require additional financing in the future and we may not be able to raise additional funds. If additional financing is necessary and we are able to obtain it through the sale of equity securities, such sales will likely be dilutive to our shareholders. Debt financing arrangements may require us to pledge certain assets or enter into covenants that would restrict our business activities or our ability to incur further indebtedness and may be at interest rates and contain other terms that are not favorable to our shareholders. Should we require and be unable to raise sufficient funds (i) to complete the development of our product candidates, (ii) to successfully commercialize our late-stage product candidates or new indications for our marketed products if they obtain regulatory approval, and (iii) to continue our manufacturing and marketing of EYLEA for the treatment of wet AMD and macular edema following CRVO, we may face delay, reduction, or elimination of our research and development or preclinical or clinical programs and our commercialization activities, which would significantly limit our potential to generate revenue.

Changes in foreign currency exchange rates could have a material adverse effect on our operating results.

Our revenue from outside of the United States will increase as our products, whether marketed by us or our collaborators, gain marketing approval in such jurisdictions. If the U.S. dollar weakens against a specific foreign currency, our revenues will increase, having a positive impact on net income, but our overall expenses will increase, having a negative impact. Likewise, if the U.S. dollar strengthens against a specific foreign currency, our revenues will decrease, having a negative impact on net income, but our overall expenses will decrease, having a positive impact. Therefore, significant changes in foreign exchange rates can impact our operating results and the financial condition of our company.

Risks Related to Commercialization of EYLEA

We are substantially dependent on the success of EYLEA. If we are unable to continue to commercialize EYLEA or if we are unable to obtain additional marketing approvals, our business, prospects, operating results, and financial condition will be materially harmed.

EYLEA net sales make up a substantial portion of our revenues and this concentration of our net sales in a single product makes us substantially dependent on that product. If we were to experience difficulty with the commercialization of EYLEA in the United States, if Bayer HealthCare were to experience any difficulty with the commercialization of EYLEA outside the United States, or if we and Bayer HealthCare are unable to maintain current marketing approvals of EYLEA, we may experience a reduction in revenue and may not be able to sustain profitability, and our operating results and financial condition would be materially harmed. In addition, if we are unable to obtain approval of EYLEA in the United States for the treatment of DME and macular edema following BRVO, or if Bayer HealthCare is unable to obtain approval of EYLEA in additional countries or in additional indications, our prospects would be materially harmed.

We are subject to significant ongoing regulatory obligations and oversight with respect to EYLEA. If we fail to maintain regulatory compliance for EYLEA, we may lose marketing approval, which would materially harm our business, prospects, operating results, and financial condition.

EYLEA is currently available in the United States for treatment of wet AMD and macular edema following CRVO, and in the United Kingdom, Germany, Switzerland, Australia, Japan and certain other countries for the treatment of wet AMD. In addition, EYLEA has received regulatory approval in the first country outside of the United States for the treatment of macular edema following CRVO. We are subject to significant ongoing regulatory obligations with respect to EYLEA for the treatment of wet AMD and macular edema following CRVO in the United States, and, outside the United States, the commercialization of EYLEA is subject to significant ongoing regulatory obligations and oversight in those countries where the product is approved. If we fail to maintain regulatory compliance for EYLEA for the treatment of wet AMD and macular edema following CRVO, we may lose marketing approval, which would materially harm our business, prospects, operating results, and financial condition. Failure to comply may also subject us to sanctions, product recalls, or withdrawals of previously approved marketing applications. See also "*If we fail to meet the stringent requirements of governmental regulation in the manufacture of drug products or product candidates, we could incur substantial remedial costs, delays in the development or approval of our product candidates or new indications for our marketed products and/or in their commercial launch if they obtain regulatory approval, and a reduction in sales.*"

Serious complications or side effects in connection with the use of EYLEA could materially harm our business, prospects, operating results, and financial condition.

There are risks inherent in intravitreal injections, including intravitreal injections with EYLEA, such as intraocular inflammation, sterile and culture positive endophthalmitis, corneal decomposition, retinal detachment, retinal tear, and other side effects, all of which are reported from time to time to the FDA. Serious complications or serious, unexpected side effects in connection with the use of EYLEA could materially harm our business, prospects, operating results, and financial condition.

Our regulatory approval for sales of EYLEA is limited to the treatment of wet AMD and macular edema following CRVO and is limited geographically. If we don't receive approval for EYLEA for other indications, or if approvals are not obtained for sales in other countries, sales and profits will be limited.

We and Bayer HealthCare have received regulatory approvals for sale of EYLEA for the treatment of wet AMD and macular edema following CRVO in certain countries throughout the world. If we do not receive approval for EYLEA for other uses, or if approvals for sales in other countries are not obtained, sales will be limited and our potential for profits will be limited. As a result, our business, prospects, operating results, and financial condition would be materially impacted.

Our sales of EYLEA are dependent on the availability and extent of reimbursement from third party payers, and changes to such reimbursement may materially harm our sales and revenue and harm our business, prospects, operating results, and financial condition.

Our current sales in the United States of EYLEA are dependent, in part, on the availability and extent of reimbursement from third-party payers, including private payer healthcare and insurance programs and government programs such as Medicare and Medicaid. Sales of EYLEA in other countries are dependent, in part, on similar programs in those countries. In the United States, there is an increased focus from the federal government and others on analyzing the impact of various regulatory programs on the federal deficit, which could result in increased pressure on federal programs to reduce costs, including limiting federal healthcare expenditures. Economic pressure on state budgets may also have a similar impact. A reduction in the availability or extent of reimbursement from U.S. government programs could have a material adverse effect on the sales of EYLEA. Since EYLEA is too expensive for most patients to afford without health insurance coverage, if adequate coverage and reimbursement by third-party payers, including Medicare and Medicaid in the United States, is not available, our ability to successfully commercialize EYLEA will be materially adversely impacted. Our sales and potential profits and our business, prospects, operating results, and financial condition would be materially harmed. See also "*The successful commercialization of our marketed products, as well as our late-stage product candidates or new indications for our marketed products, if approved, will depend on obtaining coverage and reimbursement for use of these products from third-party payers, including Medicare and Medicaid in the United States, and these payers may not agree to cover or adequately reimburse for use of our products or may do so at levels that make our products uncompetitive and/or unprofitable, which would materially harm our business, prospects, operating results, and financial condition*."

The commercial success of EYLEA currently being marketed for the treatment of wet AMD and macular edema following CRVO is subject to strong competition.

The market for eye disease products is very competitive. Novartis and Genentech are collaborating on the commercialization and further development of a VEGF antibody fragment, Lucentis® for the treatment of wet AMD, macular edema following CRVO, DME, visual impairment due to mCNV, and other eye indications. Lucentis® was approved by the FDA in June 2006 for the treatment of wet AMD, in June 2010 for the treatment of macular edema following RVO, CRVO, and BRVO, and in August 2012 for the treatment of DME. Lucentis® was also approved by the EMA for wet AMD in January 2007, for DME in January 2011, for the treatment of macular edema following RVO, CRVO, and BRVO in June 2011, and for mCNV in July 2013. Many other companies are working on the development of product candidates and extended delivery devices for the potential treatment of wet AMD, DME and RVO including those that act by blocking VEGF and VEGF receptors, as well as small interfering ribonucleic acids (siRNAs) that modulate gene expression. For example, in January 2012, Genentech submitted an IND for such an extended delivery device. Ophthotech Corporation is developing Fovista™, an aptamer directed against platelet-derived growth factor subunit B (PDGF-B), as a product candidate intended to be used in combination with an anti-VEGF therapy in wet AMD. In June 2012, Ophthotech announced results of a Phase 2b study in wet AMD that it claimed demonstrated that Fovista™ administered in combination with Lucentis® resulted in increased visual outcomes compared to Lucentis® monotherapy. Allergan is developing an anti-VEGF-A DARPin®, as well as a dual anti-VEGF-A/PDGF-B DARPin®, and its corresponding backups for the treatment of wet AMD and related conditions. Novartis is developing ESBA1008, an antibody fragment targeting VEGF-A for the treatment of wet AMD.

In addition, ophthalmologists are using with success off-label, third-party repackaged versions of Genentech's approved VEGF antagonist, Avastin®, for the treatment of wet AMD, DME, and RVO. The relatively low cost of therapy with Avastin® in patients with wet AMD presents a significant competitive challenge in this indication. Long-term, controlled clinical trials comparing Lucentis® to Avastin® in the treatment of wet AMD are being conducted. One-year data from the Comparison of Age-Related Macular Degeneration Treatments Trial (CATT) were reported in April 2011 and indicated that Avastin® dosed monthly was non-inferior to Lucentis® dosed monthly in the primary efficacy endpoint of mean visual acuity gain at 52 weeks. Two-year data from CATT were reported in April 2012 and indicated that monthly Avastin® was non-inferior to monthly Lucentis® in mean visual acuity gain; as-needed dosing was *not* non-inferior to monthly dosing. Avastin® is also being evaluated in eye diseases in trials that have been initiated in the United Kingdom, Canada, Brazil, Mexico, Germany, Israel, and other countries. Furthermore, Lucentis® and off-label use of Avastin®, present significant competitive challenges as doctors and patients have had significant experience using these medicines. Moreover, the reported results of the CATT study, combined with the relatively low cost of Avastin® in treating patients with wet AMD, may well exacerbate the competitive challenge which EYLEA faces in this or other eye indications for which it may be approved. Finally, ZALTRAP has not been manufactured and formulated for use in intravitreal injections, and while we believe that ZALTRAP would not be well tolerated if administered directly to the eye, there is a risk that third parties may attempt to repackage ZALTRAP for off-label use and sale for the treatment of wet AMD and other diseases of the eye, which would present a potential low-cost competitive threat to EYLEA for wet AMD, macular edema following CRVO, or other eye indications. See also "*We may be unsuccessful in continuing the commercialization of our marketed products or in commercializing our product candidates or new indications for our marketed products, if approved, which would materially and adversely affect our business, profitability, and future prospects.*"

Our product sales could be reduced by imports from countries where our products are available at lower prices.

Our sales of products in the United States may be reduced if our products are imported into the United States from lower priced markets, whether legally or illegally. Under our arrangement with Bayer HealthCare, pricing and reimbursement for EYLEA outside the United States is the responsibility of Bayer HealthCare. Prices for EYLEA in territories outside the United States will be based on local market economics and competition and are likely to differ from country to country. In the United States, prices for pharmaceuticals are generally higher than in the bordering nations of Canada and Mexico and our sales of EYLEA in the United States may be reduced if EYLEA is marketed in those nations and imported into the United States. In addition, there have been proposals to legalize the import of pharmaceuticals from outside the United States. If such legislation were enacted, our future revenues could be reduced.

Risks Related to the Development and Approval of Our Product Candidates and New Indications for Our Marketed Products

If we do not obtain and maintain regulatory approval for our products and product candidates or new indications for our marketed products, we will not be able to market or sell them, which would materially and negatively impact our business, prospects, operating results, and financial condition.

We cannot sell or market products without regulatory approval. If we do not maintain regulatory approval for our products EYLEA, ZALTRAP, and ARCALYST, and obtain regulatory approval for our product candidates, or new indications of our marketed products, including EYLEA for the treatment of ophthalmologic diseases other than wet AMD and macular edema following CRVO, the value of our company, our operating results, and our prospects will be materially harmed. Our product candidates, including EYLEA for DME and macular edema following BRVO, may not receive regulatory approval. If we are unable to obtain regulatory approval for EYLEA in DME and macular edema following BRVO, or if we are materially delayed in doing so, our business, prospects, operating results, and financial condition will be materially harmed. In addition, if we fail to maintain regulatory approval for EYLEA for the treatment of wet AMD and macular edema following CRVO, we may lose marketing approval and the ability to generate EYLEA product sales revenue, which would materially and negatively impact our business, prospects, operating results, and financial condition.

Obtaining and maintaining regulatory approval for drug products is costly, time-consuming, and highly uncertain.

In the United States, we must obtain and maintain approval from the FDA for each drug we intend to sell. Obtaining FDA approval is typically a lengthy and expensive process, and approval is highly uncertain. Foreign governments also regulate drugs distributed in their country and approval in any country is likely to be a lengthy and expensive process, and approval is highly uncertain.

The FDA enforces Good Clinical Practices (GCPs) and other regulations through periodic inspections of trial sponsors, clinical research organizations (CROs), principal investigators, and trial sites. If we or any of the third parties conducting our clinical studies are determined to have failed to fully comply with GCPs, the study protocol or applicable regulations, the clinical data generated in those studies may be deemed unreliable. This could result in non-approval of our product candidates by the FDA, or we or the FDA may decide to conduct additional audits or require additional clinical studies, which would delay our development programs, require us to incur additional costs, and could substantially harm our business.

Before approving a new drug or biologic product, the FDA requires that the facilities at which the product will be manufactured or advanced through the supply chain be in compliance with current Good Manufacturing Practices, or cGMP, requirements and regulations governing the manufacture, shipment and storage of the product. Manufacturing product candidates in compliance with these regulatory requirements is complex, time-consuming, and expensive. To be successful, our products must be manufactured in compliance with regulatory requirements, and at competitive costs. If we or any of our product collaborators, or third-party manufacturers, product packagers, labelers, or other parties performing steps in the supply chain are unable to maintain regulatory compliance, the FDA can impose regulatory sanctions, including, among other things, refusal to approve a pending application for a new drug or biologic product, or revocation of a pre-existing approval. As a result, our business, prospects, operating results, and financial condition may be materially harmed.

In addition to the FDA and other regulatory agency regulations in the United States, we are subject to a variety of foreign regulatory requirements governing human clinical trials, manufacturing, marketing and approval of drugs, and commercial sale and distribution of drugs in foreign countries. The foreign regulatory approval process and requirements include all of the risks associated with FDA approval as well as country specific regulations, and actions by a regulatory agency in a country or region with respect to a product candidate may have an impact on the approval process for that product candidate in another country or region. Whether or not we obtain FDA approval for a product in the United States, we must obtain approval of the product by the comparable regulatory authorities in foreign countries before we can conduct clinical trials of or market that product or any other product in those countries.

Preclinical and clinical studies required for our product candidates and new indications of our marketed products are expensive and time-consuming, and their outcome is highly uncertain. If any such studies are delayed or yield unfavorable results, regulatory approval for our product candidates or new indications of our marketed products may be delayed or become unobtainable.

As described above, we must conduct extensive testing of our product candidates and new indications of our marketed products before we can obtain regulatory approval to market and sell them. We need to conduct both preclinical animal testing and human clinical trials. Conducting such studies is a lengthy, time-consuming, and expensive process. These tests and trials may not achieve favorable results for many reasons, including, among others, failure of the product candidate to demonstrate safety or efficacy, the development of serious or life-threatening adverse events (or side effects) caused by or connected with exposure to the product candidate, difficulty in enrolling and maintaining subjects in a clinical trial, lack of sufficient supplies of the product candidate or comparator drug, and the failure of clinical investigators, trial monitors, contractors, consultants, or trial subjects to comply with the trial plan, protocol, or applicable regulations related to Good Laboratory Practices (GLPs) or GCPs. A clinical trial may fail because it did not include and retain a sufficient number of patients to detect the endpoint being measured or reach statistical significance. A clinical trial may also fail because the dose(s) of the investigational drug included in the trial were either too low or too high to determine the optimal effect of the investigational drug in the disease setting.

We will need to reevaluate any drug candidate that does not test favorably and either conduct new studies, which are expensive and time consuming, or abandon that drug development program. If preclinical testing yields unfavorable results, product candidates may not advance to clinical trials. The failure of clinical trials to demonstrate the safety and effectiveness of our clinical candidates for the desired indication(s) would preclude the successful development of those candidates for such indication(s), in which event our business, prospects, operating results, and financial condition may be materially harmed.

Successful development of our current and future product candidates is uncertain.

Only a small minority of all research and development programs ultimately result in commercially successful drugs. We are testing EYLEA in late-stage clinical trials in additional indications. Clinical trials may not demonstrate statistically sufficient effectiveness and safety to obtain the requisite regulatory approvals for these product candidates in these indications. In a number of instances, we have terminated the development of product candidates due to a lack of or only modest effectiveness. Moreover, even if we obtain positive results from preclinical testing or clinical trials, we may not achieve the same success in future trials. Many companies in the biopharmaceutical industry, including our company, have suffered significant setbacks in clinical trials, even after promising results have been obtained in earlier trials.

In April 2011, we announced that our Phase 3 VELOUR trial of ZALTRAP met its primary endpoint of improving overall survival in the treatment of patients with previously treated mCRC. Based upon these positive results, we and Sanofi submitted regulatory applications for marketing approval to the FDA and EMA, and, in August 2012, the FDA approved ZALTRAP in combination with FOLFIRI chemotherapy regimen for patients with mCRC that is resistant to or has progressed following an oxaliplatin-containing regimen. However, in April 2011, we and Sanofi also announced the results from another randomized, double-blind Phase 3 trial (VENICE) that evaluated ZALTRAP as a first-line treatment for metastatic androgen-independent prostate cancer in combination with docetaxel/prednisone. The VENICE trial did not meet the pre-specified criterion of improvement in overall survival.

In January 2012, Roche announced that a Phase 3 trial of Avastin® (bevacizumab) had met the primary endpoint of overall survival in mCRC in patients who had previously received Avastin® with standard chemotherapy. The positive results of this trial in a similar patient population could impact the potential commercial opportunity for ZALTRAP in mCRC.

Based on the results of three Phase 3 studies, we submitted a supplemental BLA filing to the FDA seeking approval of ARCALYST for the prevention of gout flares in patients initiating uric acid-lowering drug therapy. In May 2012, the Arthritis Advisory Committee of the FDA voted to recommend against approval of ARCALYST for the prevention of gout flares in patients initiating uric acid-lowering drug therapy and, in July 2012, we received a Complete Response letter from the FDA requesting additional information, including clinical data, as well as additional CMC information related to a proposed new dosage form. We have discontinued development of ARCALYST for gout.

Many of our clinical trials are conducted under the oversight of Independent Data Monitoring Committees (IDMCs). These independent oversight bodies are made up of external experts who review the progress of ongoing clinical trials, including available safety and efficacy data, and make recommendations concerning a trial's continuation, modification, or termination based on interim, unblinded data. Any of our ongoing clinical trials may be discontinued or amended in response to recommendations made by responsible IDMCs based on their review of such interim trial results. For example, in September 2009, a Phase 3 trial that was evaluating ZALTRAP as a first-line treatment for metastatic pancreatic cancer in combination with gemcitabine was discontinued at the recommendation of an IDMC after a planned analysis of interim efficacy data determined that the trial would not meet its

efficacy endpoint. The recommended termination of any of our ongoing late-stage clinical trials by an IDMC could negatively impact the future development of our product candidate(s), and our business may be materially harmed.

We are studying our antibody candidates in a wide variety of indications in clinical trials. Many of these trials are exploratory studies designed to evaluate the safety profile of these compounds and to identify what diseases and uses, if any, are best suited for these product candidates. These product candidates may not demonstrate the requisite efficacy and/or safety profile to support continued development for some or all of the indications that are being, or are planned to be, studied, which would diminish our clinical "pipeline" and could negatively affect our future prospects and the value of our company.

Serious complications or side effects in connection with the use of our products and in clinical trials for our product candidates and new indications for our marketed products could cause our regulatory approvals to be revoked or limited or lead to delay or discontinuation of development of our product candidates or new indications for our marketed products, which could severely harm our business.

During the conduct of clinical trials, patients report changes in their health, including illnesses, injuries, and discomforts, to their study doctor. Often, it is not possible to determine whether or not the drug candidate being studied caused these conditions. Various illnesses, injuries, and discomforts have been reported from time-to-time during clinical trials of our product candidates and new indications for our marketed products. It is possible that as we test our drug candidates or new indications in larger, longer, and more extensive clinical programs, or as use of these drugs becomes more widespread if they receive regulatory approval, illnesses, injuries, and discomforts that were observed in earlier trials, as well as conditions that did not occur or went undetected in previous trials, will be reported by patients. Many times, side effects are only detectable after investigational drugs are tested in large scale, Phase 3 clinical trials or, in some cases, after they are made available to patients after approval. If additional clinical experience indicates that any of our product candidates or new indications for our marketed products has many side effects or causes serious or life-threatening side effects, the development of the product candidate may fail or be delayed, or if the product candidate has received regulatory approval such approval may be revoked, which would severely harm our business.

EYLEA is being studied in diseases of the eye in addition to wet AMD and macular edema following CRVO. There are many potential safety concerns associated with significant blockade of VEGF that may limit our ability to successfully develop and/or commercialize ZALTRAP and EYLEA. These serious and potentially life-threatening risks, based on clinical and preclinical experience of VEGF inhibitors, include bleeding, intestinal perforation, hypertension, proteinuria, congestive heart failure, heart attack, and stroke. In addition, patients given infusions of any protein, including ZALTRAP delivered through intravenous administration, may develop severe hypersensitivity reactions or infusion reactions. Other VEGF blockers have reported side effects that became evident only after large scale trials or after marketing approval when large numbers of patients were treated. There are risks inherent in the intravitreal administration of drugs like EYLEA, which can cause injury to the eye and other complications. For example, in our Phase 3 trials of EYLEA in wet AMD, the most frequent ocular adverse events were conjunctival hemorrhage, macular degeneration, eye pain, retinal hemorrhage, and vitreous floaters. These and other complications or side effects could harm the development and/or commercialization of ZALTRAP for the treatment of mCRC or EYLEA for the treatment of diseases of the eye.

We have studied fasinumab in a variety of pain indications, including osteoarthritis of the knee. In December 2010, the FDA placed fasinumab and other investigational agents targeting NGF on clinical hold after a case of rapidly progressive osteoarthritis leading to joint replacement was seen in another company's anti-NGF program. At that time, the FDA expressed concern that this case, which followed previously-reported cases of joint replacements in patients on an anti-NGF drug candidate being developed by a different pharmaceutical company, provided evidence to suggest a class effect. An FDA Arthritis Advisory Committee met on March 12, 2012 to discuss possible safety issues related to anti-NGF compounds and voted unanimously in favor of a role for the ongoing development of anti-NGF agents in osteoarthritis. The Arthritis Advisory Committee also voted twenty to one in favor of a role for development of anti-NGF agents to manage the pain associated with conditions for which there are no agents with demonstrated analgesic efficacy. In December 2012, the FDA removed the clinical hold on fasinumab after reviewing our proposed Phase 3 program in osteoarthritis. However, shortly thereafter, the entire class was again placed on clinical hold as a result of preclinical data from other investigational agents targeting NGF in development. There are currently no trials with fasinumab that are either enrolling or treating patients. Discussions with the FDA about fasinumab are ongoing.

Our product candidates in development are recombinant proteins that could cause an immune response, resulting in the creation of harmful or neutralizing antibodies against the therapeutic protein.

In addition to the safety, efficacy, manufacturing, and regulatory hurdles faced by our product candidates, the administration of recombinant proteins frequently causes an immune response, resulting in the creation of antibodies against the therapeutic protein. The antibodies can have no effect or can totally neutralize the effectiveness of the protein, or require that higher doses be used to obtain a therapeutic effect. In some cases, the antibody can cross react with the patient's own proteins, resulting in an "auto-immune" type disease. Whether antibodies will be created can often not be predicted from preclinical or clinical experiments, and their detection or appearance is often delayed, so neutralizing antibodies may be detected at a later date, in some cases even after pivotal clinical trials have been completed.

We may be unable to formulate or manufacture our product candidates in a way that is suitable for clinical or commercial use, which would delay or prevent continued development of such candidates and/or receipt of regulatory approval or commercial sale, which could materially harm our business.

If we are unable to continue to develop suitable product formulations or manufacturing processes to support large scale clinical testing of our product candidates, including our antibody candidates, we may be unable to supply necessary materials for our clinical trials, which would delay or prevent the development of our product candidates. Similarly, if we are unable, directly or through our collaborators or third parties, to supply sufficient quantities of our products or develop formulations of our product candidates suitable for commercial use, we will be unable to obtain regulatory approval for those product candidates.

Risks Related to Intellectual Property and Market Exclusivity

If we cannot protect the confidentiality of our trade secrets or our patents are insufficient to protect our proprietary rights, our business and competitive position will be harmed.

Our business requires using sensitive and proprietary technology and other information that we protect as trade secrets. We seek to prevent improper disclosure of these trade secrets through confidentiality agreements. If our trade secrets are improperly disclosed, by our own employees, our collaborators or otherwise, it would help our competitors and adversely affect our business. We will be able to protect our proprietary rights from unauthorized use by third parties only to the extent that our rights are covered by valid and enforceable patents or are effectively maintained as trade secrets. The patent position of biotechnology companies, including our company, involves complex legal and factual questions and, therefore, enforceability cannot be predicted with certainty. Our patents may be challenged, invalidated, or circumvented. Patent applications filed outside the United States may be challenged by third parties who file an opposition. Such opposition proceedings are increasingly common in the European Union and are costly to defend. We have pending patent applications in the European Patent Office and it is likely that we will need to defend patent applications from third-party challengers from time to time in the future. Certain patent applications filed in the United States may also be challenged by third parties who file a request for post-grant review under the America Invents Act of 2011. We expect that post-grant review proceedings will become common in the United States and will be costly to defend. We have pending patent applications in the United States Patent and Trademark Office and it is likely that we will need to defend patent applications from third-party challengers from time to time in the future. Our patent rights may not provide us with a proprietary position or competitive advantages against competitors. Furthermore, even if the outcome is favorable to us, the enforcement of our intellectual property rights can be extremely expensive and time consuming.

We may be restricted in our development, manufacturing, and/or commercialization activities by, and could be subject to damage awards if we are found to have infringed, third-party patents or other proprietary rights.

Our commercial success depends significantly on our ability to operate without infringing the patents and other proprietary rights of third parties. Other parties may allege that they have blocking patents to our products in clinical development or even to products that have received regulatory approval and are being or have been commercialized, either because they claim to hold proprietary rights to the composition of a product or the way it is manufactured or used. Moreover, other parties may allege that they have blocking patents to antibody products made using our *VelocImmune* technology, either because of the way the antibodies are discovered or produced or because of a proprietary composition covering an antibody or the antibody's target.

We have been in the past, and may be in the future, involved in patent litigation. We are aware of patents and pending applications owned by Roche that claim antibodies to IL-6R and methods of treating rheumatoid arthritis with such antibodies. We are developing sarilumab, an antibody to IL-6R, for the treatment of rheumatoid arthritis. Although we do not believe that sarilumab infringes any valid claim in these patents or patent applications, Roche could initiate a lawsuit for patent infringement and assert its patents are valid and cover sarilumab. We are also aware of a U.S. patent jointly owned by Genentech and City of Hope relating to the production of recombinant antibodies in host cells. We currently produce our antibody product candidates using recombinant antibodies from host cells and may choose to produce additional antibody product candidates in this manner. Neither ARCALYST, ZALTRAP, nor EYLEA are recombinant antibodies. If any of our antibody product candidates are produced in a manner subject to valid claims in the Genentech patent, then we may need to obtain a license from Genentech, should one be available. Genentech

has licensed this patent to several different companies under confidential license agreements. If we desire a license for any of our antibody product candidates and are unable to obtain a license on commercially reasonable terms or at all, we may be restricted in our ability to use Genentech's techniques to make recombinant antibodies in or to import them into the United States. Further, we are aware of a number of other third-party patent applications that, if granted with claims as currently drafted, may cover our current or planned activities. It could be determined that our products and/or actions in manufacturing or selling our product candidates infringe such patents.

Patent holders could assert claims against us for damages and seek to prevent us from manufacturing, selling, or developing our drug candidates, and a court may find that we are infringing validly issued patents of third parties. In the event that the manufacture, use, or sale of any of our drug candidates, or our other late-stage product candidates, infringes on the patents or violates other proprietary rights of third parties, we may be prevented from pursuing product development, manufacturing, and commercialization of those drugs and may be required to pay costly damages. Such a result may materially harm our business, prospects, operating results, and financial condition. In any event, legal disputes are likely to be costly and time consuming to defend.

We seek to obtain licenses to patents when, in our judgment, such licenses are needed or advisable. If any licenses are required, we may not be able to obtain such licenses on commercially reasonable terms, if at all. The failure to obtain any such license could prevent us from developing or commercializing any one or more of our product candidates, which could severely harm our business.

Loss or limitation of patent rights, and new regulatory pathways for biosimilar competition, could reduce the duration of market exclusivity for our products.

In the pharmaceutical and biotechnology industries, the majority of an innovative product's commercial value is usually realized during the period in which it has market exclusivity. In the United States and some other countries, when market exclusivity expires and generic versions of a product are approved and marketed, there usually are very substantial and rapid declines in the product's sales.

If our late-stage product candidates or other clinical candidates are approved for marketing in the United States or elsewhere, market exclusivity for those products will generally be based upon patent rights and/or certain regulatory forms of exclusivity. As described above under "*If we cannot protect the confidentiality of our trade secrets or our patents are insufficient to protect our proprietary rights, our business and competitive position will be harmed*", the scope and enforceability of our patent rights may vary from country to country. The failure to obtain patent and other intellectual property rights, or limitations on the use, or the loss, of such rights could be material to us. Absent patent protection or regulatory exclusivity for our products, it is possible, both in the United States and elsewhere, that generic and/or biosimilar versions of those products may be approved and marketed which would likely result in substantial and rapid reductions in revenues from sales of those products.

Under the federal Patient Protection and Affordable Care Act, or PPACA, enacted in 2010, there is now a new, abbreviated path in the United States for regulatory approval of biosimilar versions of biological products. The PPACA provides a regulatory mechanism that allows for FDA approval of biologic drugs that are similar to (but not generic copies of) innovative drugs on the basis of less extensive data than is required by a full BLA. Under this new regulation, an application for approval of a biosimilar may be filed four years after approval of the innovator product. However, qualified innovative biological products will receive 12 years of regulatory exclusivity, meaning that the FDA may not approve a biosimilar version until 12 years after the innovative biological product was first approved by the FDA. However, the term of regulatory exclusivity may not remain at 12 years in the United States and could be shortened.

The increased likelihood of biosimilar competition has increased the risk of loss of innovators' market exclusivity. Due to this risk, and uncertainties regarding patent protection, if our late-stage product candidates or other clinical candidates are approved for marketing, it is not possible to predict the length of market exclusivity for a particular product with certainty based solely on the expiration of the relevant patent(s) or the current forms of regulatory exclusivity. It is also not possible to predict changes in United States regulatory law that might reduce biological product regulatory exclusivity. The loss of market exclusivity for a product would likely materially and negatively affect revenues from product sales of that product and thus our financial results and condition.

Risks Related to Manufacturing and Supply

We rely on limited internal and contracted manufacturing and supply chain capacity, which could result in our being unable to continue to successfully commercialize EYLEA and to commercialize our other product candidates or other indications for our marketed products if they receive regulatory approval.

Our manufacturing facility would be inadequate to produce the active pharmaceutical ingredients of (a) EYLEA, ZALTRAP, and ARCALYST, and (b) our antibody product candidates in sufficient clinical quantities if our clinical pipeline advances as planned. In addition to expanding our internal capacity, we intend to rely on our corporate collaborators, as well as contract manufacturers, to produce commercial quantities of drug material needed for commercialization of our products to the extent such quantities are not manufactured at our own facility. We rely entirely on third-parties and our collaborators for filling and finishing services. Generally, in order for other parties to perform any step in the manufacturing and supply chain, we must transfer technology to the other party which can be time consuming and may not be successfully accomplished without considerable cost and expense, or at all. We will have to depend on these other parties to perform effectively on a timely basis and to comply with regulatory requirements. If for any reason they are unable to do so, and as a result we are unable to directly or through such third parties manufacture and supply sufficient commercial quantities of our products on acceptable terms, or if we should encounter delays or other difficulties in our relationships with our corporate collaborators, third-party manufacturers, or other parties involved in our supply chain which adversely affect the timely manufacture and supply of our products, our business, prospects, operating results, and financial condition may be materially harmed.

Expanding our manufacturing capacity will be costly and we may be unsuccessful in doing so in a timely manner, which could delay or prevent the launch and successful commercialization of our marketed products and late-stage product candidates or other indications for our marketed products if they are approved for marketing and could jeopardize our current and future clinical development programs.

We have commenced construction of additional manufacturing space at our Rensselaer, New York site to increase our manufacturing capacity and, in the future, we may lease, operate, purchase, or construct additional facilities to conduct expanded manufacturing activities. Expanding our manufacturing capacity to supply commercial quantities of the active pharmaceutical ingredients for our marketed products and our late-stage product candidates if they are approved for marketing, and to supply clinical drug material to support the continued growth of our clinical programs, will require substantial additional expenditures and various regulatory approvals and permits. In addition, we will need to hire and train significant numbers of employees and managerial personnel to staff our expanding manufacturing and supply chain operations. Start-up costs can be large and scale-up entails significant risks related to process development and manufacturing yields. In addition, we may face difficulties or delays in developing or acquiring the necessary production equipment and technology to manufacture sufficient quantities of our product candidates at reasonable costs and in compliance with applicable regulatory requirements. The FDA and analogous foreign regulatory authorities must determine that our existing and any expanded manufacturing facilities comply, or continue to comply, with cGMP requirements for both clinical and commercial production and license them, or continue to license them, accordingly, and such facilities must also comply with applicable environmental, safety, and other governmental permitting requirements. We may not successfully expand or establish sufficient manufacturing capabilities or manufacture our products economically or in compliance with cGMPs and other regulatory requirements, and we and our collaborators may not be able to build or procure additional capacity in the required timeframe to meet commercial demand for our late-stage product candidates if they receive regulatory approval, and to continue to meet the requirements of our clinical programs. This would interfere with our efforts to successfully commercialize EYLEA, ZALTRAP, and ARCALYST and could also delay or require us to discontinue one or more of our clinical development programs. As a result, our business, prospects, operating results, and financial condition could be materially harmed.

Our ability to manufacture our products may be impaired if any of our manufacturing activities, or the activities of third parties involved in our manufacture and supply chain, are found to infringe third-party patents.

Our ability to continue to manufacture EYLEA, ZALTRAP, and ARCALYST in our Rensselaer, New York facilities, or to utilize third parties to produce our products, to supply raw materials or other products, or to perform fill/finish services or other steps in our manufacture and supply chain, depends on our and their ability to operate without infringing the patents or other intellectual property rights of third parties. Other parties may allege that our manufacturing activities, or the activities of third parties involved in our manufacture and supply chain, infringe patents or other intellectual property rights. A judicial decision in favor of one or more parties making such allegations could preclude the manufacture of our products where those intellectual property rights apply which could materially harm our business, operating results, and financial condition.

If sales of EYLEA and ZALTRAP do not meet the levels currently expected, or if the launch of new indications for EYLEA or of any of our product candidates is delayed or unsuccessful, we may face costs related to unused capacity at our manufacturing facilities and at the facilities of third parties.

We have large-scale manufacturing operations in Rensselaer, New York. We use our facilities to produce bulk product of ARCALYST for the treatment of CAPS, bulk product of EYLEA for the treatment of wet AMD and macular edema following CRVO, bulk product of ZALTRAP for the treatment of patients with mCRC that is resistant to or has progressed following an oxaliplatin-containing regimen, and clinical and preclinical candidates for ourselves and our collaborations, and plan to use such facilities to produce bulk product for commercial supply of new indications of our marketed products and new product candidates if they are approved for marketing. If our clinical candidates are discontinued or their clinical development is delayed, if the launch of new indications for our marketed products or new product candidates is delayed or does not occur, or if such products are launched and the launch is unsuccessful or the product is subsequently recalled or marketing approval is rescinded, we may have to absorb one hundred percent of related overhead costs and inefficiencies, as well as similar costs of third-party contract manufacturers performing services for us.

Third-party service or supply failures, or other failures, business interruptions, or natural disasters affecting our manufacturing facilities in Rensselaer, New York or the facilities of any other party participating in the supply chain, would adversely affect our ability to supply our products.

We currently manufacture all of our bulk drug materials at our manufacturing facilities in Rensselaer, New York. We would be unable to manufacture these materials if our Rensselaer facilities were to cease production due to regulatory requirements or actions, business interruptions, labor shortages or disputes, contaminations, fire, natural disasters, acts of war or terrorism, or other problems at the facilities.

Also, certain raw materials or other products necessary for the manufacture and formulation of EYLEA, ZALTRAP, ARCALYST, and our product candidates are provided by single-source unaffiliated third-party suppliers. In addition, we rely on certain third parties to perform filling, finishing, distribution, laboratory testing, and other services related to the manufacture of EYLEA, ZALTRAP, and ARCALYST, and our product candidates, and to supply various raw materials and other products. We would be unable to obtain these raw materials, other products, or services for an indeterminate period of time if any of these third parties were to cease or interrupt production or otherwise fail to supply these materials, products, or services to us for any reason, including due to regulatory requirements or actions, adverse financial developments at or affecting the supplier, failure by the supplier to comply with cGMPs, business interruptions, or labor shortages or disputes. This, in turn, could materially and adversely affect our ability to manufacture or supply EYLEA, ZALTRAP, ARCALYST, and our product candidates, which could materially and adversely affect our business and future prospects.

Certain of the raw materials required in the manufacture and the formulation of our product candidates may be derived from biological sources, including mammalian tissues, bovine serum, and human serum albumin. There are certain European regulatory restrictions on using these biological source materials. If we are required to substitute for these sources to comply with European regulatory requirements, our clinical development activities may be delayed or interrupted.

If we fail to meet the stringent requirements of governmental regulation in the manufacture of drug products or product candidates, we could incur substantial remedial costs, delays in the development or approval of our product candidates or new indications for our marketed products and/or in their commercial launch if they obtain regulatory approval, and a reduction in sales.

We and our third-party providers are required to maintain compliance with cGMPs, and are subject to inspections by the FDA or comparable agencies in other jurisdictions to confirm such compliance. Changes of suppliers or modifications of methods of manufacturing may require amending our application(s) to the FDA or such comparable foreign agencies and acceptance of the change by the FDA or such comparable foreign agencies prior to release of product(s). Because we produce multiple products and product candidates at our facility in Rensselaer, New York, including EYLEA, ZALTRAP, and ARCALYST, there are increased risks associated with cGMP compliance. Our inability, or the inability of our third-party fill/finish or other service providers, to demonstrate ongoing cGMP compliance could require us to engage in lengthy and expensive remediation efforts, withdraw or recall product, halt or interrupt clinical trials, and/or interrupt commercial supply of any marketed products, and could also delay or prevent our obtaining regulatory approval for our late-stage product candidates or new indications for our marketed products. Any delay, interruption, or other issue that arises in the manufacture, fill/finish, packaging, or storage of any drug product or product candidate as a result of a failure of our facilities or the facilities or operations of third parties to pass any regulatory agency inspection or maintain cGMP compliance could significantly impair our ability to develop, obtain approval for, and successfully commercialize our products, which would substantially harm our business and prospects. Any finding of non-compliance could also increase our costs, cause us to delay the development of our product candidates, result in delay in our obtaining, or our not obtaining, regulatory approval of product candidates or new indications for our marketed products, and cause us to lose revenue from any marketed products, which could be seriously detrimental to our business, prospects, operating results, and financial condition.

Risks Related to Commercialization of Products

We may be unsuccessful in continuing the commercialization of our marketed products or in commercializing our product candidates or new indications for our marketed products, if approved, which would materially and adversely affect our business, profitability, and future prospects.

Even if clinical trials demonstrate the safety and effectiveness of any of our product candidates for a specific disease and the necessary regulatory approvals are obtained, the commercial success of any of our product candidates or new indications for our marketed products will depend upon, among other things, their acceptance by patients, the medical community, and third-party payers and on our and our collaborators' ability to successfully manufacture, market and distribute those products in substantial commercial quantities or to establish and manage the required infrastructure to do so, including large-scale information technology systems and a large-scale distribution network. Establishing and maintaining sales, marketing, and distribution capabilities are expensive and time-consuming. Even if we obtain regulatory approval for our product candidates or new indications, if they are not successfully commercialized, we will not be able to recover the significant investment we have made in developing such products and our business, prospects, operating results, and financial condition would be severely harmed.

Our product candidates are delivered either by intravenous infusion or by intravitreal or subcutaneous injections, which are generally less well received by patients than tablet or capsule delivery and this could adversely affect the commercial success of those products if they receive marketing approval.

Currently, we have three marketed products, EYLEA, ZALTRAP, and ARCALYST. While we have established our own sales and marketing organization for EYLEA in the United States for the treatment of wet AMD and macular edema following CRVO, we have limited commercialization experience and we have no sales, marketing, commercial, or distribution capabilities outside the United States. In addition, EYLEA faces intense competition from Lucentis® and from off-label use of Avastin®, both of which have been on the market for a number of years and, potentially, from new competitive products currently in clinical development. We expect that the continued commercial success of EYLEA will depend on many factors, including the following:

- effectiveness of the commercial strategy in and outside the United States for the launch and marketing of EYLEA, including pricing strategy and the effectiveness of efforts to obtain, and the timing of obtaining, adequate third-party reimbursements;
- maintaining and successfully monitoring commercial manufacturing arrangements for EYLEA with third parties who perform fill/finish or other steps in the manufacture of EYLEA to ensure that they meet our standards and those of regulatory authorities, including the FDA, which extensively regulate and monitor pharmaceutical manufacturing facilities;
- our ability to meet the demand for commercial supplies of EYLEA;
- our ability to effectively communicate to the marketplace the benefits of the dosing regimen of EYLEA as compared to the dosing regimen of Lucentis®, and the willingness of retinal specialists and patients to switch from Lucentis® or off-label use of Avastin® to EYLEA;

- the ability of patients, retinal specialists, and other providers to obtain and maintain sufficient coverage and reimbursement from third-party payers, including Medicare and Medicaid in the United States and other government and private payers in the United States and foreign jurisdictions;
- our ability to maintain sales of EYLEA in the face of new competitive products currently in clinical development; and
- the effect of new health care legislation currently being implemented in the United States.

Under the terms of our license and collaboration agreement with Bayer HealthCare, we rely on Bayer HealthCare for sales, marketing, and distribution of EYLEA in countries outside the United States. If we and Bayer HealthCare are unsuccessful in continuing to commercialize EYLEA, our ability to sustain profitability would be materially impaired. In addition, if we or our collaborators are unable to successfully commercialize new product candidates or new indications for our marketed product, our future prospects would be materially impaired.

Our marketed products are subject to significant competition, and our product candidates or new indications for our marketed products, if any are approved for marketing, may face significant competition.

There is substantial competition in the biotechnology and pharmaceutical industries from biotechnology, pharmaceutical, and chemical companies. Many of our competitors have substantially greater research, preclinical and clinical product development and manufacturing capabilities, and financial, marketing, and human resources than we do. Our smaller competitors may also enhance their competitive position if they acquire or discover patentable inventions, form collaborative arrangements, or merge with large pharmaceutical companies. Even if we achieve commercialization of our product candidates, our competitors have achieved, and may continue to achieve, product commercialization before our products are approved for marketing and sale.

As previously noted, Genentech has an approved VEGF antagonist, Avastin®, on the market for treating certain cancers and many different pharmaceutical and biotechnology companies are working to develop competing VEGF antagonists, including Novartis, Amgen, Inc., Imclone LLC/Eli Lilly, Pfizer, Inc., AstraZeneca, and GlaxoSmithKline. Some of these molecules may offer competitive advantages over our molecule. Each of Pfizer, Onyx (together with its partner Bayer HealthCare), and GlaxoSmithKline are marketing and selling oral medications that target tumor cell growth and new vasculature formation that fuels the growth of tumors. It will be difficult for ZALTRAP to compete against Avastin® and the FDA approved kinase inhibitors, because doctors and patients will have significant experience using these medicines. In addition, an oral medication may be considerably less expensive for patients than a biologic medication, providing a competitive advantage to companies that market such products.

The market for eye disease products is also very competitive. Novartis and Genentech are collaborating on the commercialization and further development of a VEGF antibody fragment, Lucentis® for the treatment of wet AMD, macular edema following RVO, DME, visual impairment due to mCNV, and other eye indications. Lucentis® was approved by the FDA in June 2006 for the treatment of wet AMD, in June 2010 for the treatment of macular edema following RVO, CRVO, and BRVO, and in August 2012 for the treatment of DME. Lucentis® was also approved by the EMA for wet AMD in January 2007, for DME in January 2011, for the treatment of macular edema following RVO, CRVO, and BRVO in June 2011, and for mCNV in July 2013. Many other companies are working on the development of product candidates and extended delivery devices for the potential treatment of wet AMD, DME and RVO including those that act by blocking VEGF and VEGF receptors, as well as siRNAs that modulate gene expression. For example, in January 2012, Genentech submitted an IND for such an extended delivery device. Ophthotech Corporation is developing Fovista™, an aptamer directed against PDGF-ß, as a product candidate intended to be used in combination with an anti-VEGF therapy. In June 2012, Ophthotech announced results of a Phase 2b study that it claimed demonstrated that Fovista™ administered in combination with Lucentis® resulted in increased visual outcomes compared to Lucentis® monotherapy. Allergan is developing an anti-VEGF-A DARPin®, as well as a dual anti-VEGF-A/PDGF-ß DARPin®, and its corresponding backups for the treatment of wet AMD and related conditions. Novartis is developing ESBA1008, an antibody fragment targeting VEGF-A for the treatment of wet AMD.

In addition, ophthalmologists are using with success off-label, third-party repackaged versions of Genentech's approved VEGF antagonist, Avastin®, for the treatment of wet AMD, DME, and macular edema following RVO. The relatively low cost of therapy with Avastin® in patients with wet AMD presents a significant competitive challenge in this indication. Long-term, controlled clinical trials comparing Lucentis® to Avastin® in the treatment of wet AMD are being conducted. One-year data from the CATT study were reported in April 2011 and indicated that Avastin® dosed monthly was non-inferior to Lucentis® dosed monthly in the primary efficacy endpoint of mean visual acuity gain at 52 weeks. Two-year data from CATT were reported in April 2012 and indicated that Avastin® was non-inferior to Lucentis® in mean visual acuity gain; as-needed dosing was not non-inferior to monthly dosing. It may be difficult for EYLEA in this or other eye indications for which it may be approved to compete against Lucentis® and off-label use of Avastin® because doctors and patients have had significant experience using these medicines. Moreover, the reported results of the CATT study, combined with the relatively low cost of Avastin® in treating patients with wet AMD, may well exacerbate the competitive challenge which EYLEA will face in this or other eye indications for which it may be approved. In addition, while we believe that ZALTRAP would not be well tolerated if administered directly to the eye, there is a risk that third parties will attempt to repackage ZALTRAP for off-label use and sale for the treatment of wet AMD and other diseases of

the eye, which would present a potential low-cost competitive threat to EYLEA for wet AMD, macular edema following CRVO, or other eye indications.

There are both small molecules and antibodies in development by other companies that are designed to block the synthesis of IL-1 or inhibit the signaling of IL-1. For example, Eli Lilly, Xoma (in collaboration with Servier), and Novartis are each developing antibodies to IL-1 and both Amgen and MedImmune are developing antibodies to the IL-1 receptor. In 2009, Novartis received regulatory approval in the United States and Europe for Ilaris®, a fully human anti-interleukin-1ß (IL-1ß) antibody, for the treatment of CAPS. Ilaris® has been approved by the FDA for the treatment of systemic juvenile idiopathic arthritis and by the EMEA for the treatment of certain patients with gouty arthritis and is also in development for atherosclerosis and a number of other inflammatory diseases. Novartis' IL-1 antibody and these other drug candidates could offer competitive advantages over ARCALYST. For example, Ilaris® is dosed once every eight weeks compared to the once-weekly dosing regimen for ARCALYST. The successful development and/or commercialization of these competing molecules could adversely affect sales of ARCALYST for the treatment of CAPS.

Our earlier stage clinical candidates in development are all fully human monoclonal antibodies, which were generated using our *VelocImmune* technology. Our antibody generation technologies and earlier-stage clinical candidates face competition from many pharmaceutical and biotechnology companies using various technologies.

Numerous other companies are developing therapeutic antibody products. Companies such as Pfizer, Johnson & Johnson, AstraZeneca, Amgen, Biogen Idec, Novartis, Genentech/Roche, Bristol-Myers Squib, AbbVie, and GlaxoSmithKline have generated therapeutic products that are currently in development or on the market that are derived from recombinant DNA that comprise human antibody sequences.

We are aware of several pharmaceutical and biotechnology companies actively engaged in the research and development of antibody products against targets that are also the targets of our early-stage product candidates. For example, Pfizer, Johnson & Johnson, and AbbVie are developing antibody product candidates against NGF. Genentech/Roche is marketing an antibody against IL-6R (tocilizumab) for the treatment of rheumatoid arthritis, and several other companies, including Centocor/Johnson & Johnson, Bristol-Myers Squibb and UCB, have antibodies against IL-6 in clinical development for this disease. GlaxoSmithKline, in partnership with OncoMed Pharmaceuticals, has a Dll4 antibody in clinical development for the treatment of solid tumors. Amgen previously had an antibody against IL-4R in clinical development for the treatment of asthma. Several companies, including Amgen, Pfizer, and Roche, have development programs for antibodies against PCSK9. Amgen, Pfizer, and AstraZeneca have development programs underway for antibodies against Ang2. Alnylam, in partnership with The Medicines Company, has a clinical program underway with an RNAi molecule against PCSK9. If any of these or other competitors announces a successful clinical study involving a product that may be competitive with one of our product candidates or the grant of marketing approval by a regulatory agency for a competitive product, such developments may have an adverse effect on our business or future prospects.

The successful commercialization of our marketed products, as well as our late-stage product candidates or new indications for our marketed products, if approved, will depend on obtaining coverage and reimbursement for use of these products from third-party payers, including Medicare and Medicaid in the United States, and these payers may not agree to cover or adequately reimburse for use of our products or may do so at levels that make our products uncompetitive and/or unprofitable, which would materially harm our business, prospects, operating results, and financial condition.

Our future revenues and profitability will be adversely affected in a material manner if United States and foreign governmental payers, private third-party insurers and payers, and other third-party payers, including Medicare and Medicaid, do not defray or reimburse the cost of our products to the patients. If these entities do not provide coverage and reimbursement with respect to our products or provide an insufficient level of coverage and reimbursement, our products may be too costly for many patients to afford them, and physicians may not prescribe them. Many third-party payers cover only selected drugs, making drugs that are not preferred by such payers more expensive for patients, and require prior authorization or failure on another type of treatment before covering a particular drug. In particular, payers may impose these obstacles to coverage on higher-priced drugs, as our product candidates are likely to be.

Government and other third-party payers are challenging the prices charged for healthcare products and increasingly limiting, and attempting to limit, both coverage and level of reimbursement for prescription drugs. In March 2010, the PPACA and a related reconciliation bill were enacted in the United States. This legislation imposes cost containment measures that are likely to adversely affect the amount of reimbursement for our future products. The full effects of this legislation are unknown at this time and will not be known until regulations and guidance are issued by CMS and other federal and state agencies. Further, in September 2011 the Office of Inspector General (OIG) of the Department of Health and Human Services issued a report entitled “Review of Medicare Part B Avastin and Lucentis Treatments for Age-Related Macular Degeneration” in which the OIG details possible savings to the Medicare program by using off-label Avastin® rather than Lucentis® for the treatment of wet AMD. Some states are also considering legislation that would control the prices of drugs, and state Medicaid programs are increasingly requesting manufacturers to pay supplemental rebates and requiring prior authorization by the state program for use of any drug for which

supplemental rebates are not being paid. It is likely that federal and state legislatures and health agencies will continue to focus on additional health care reform in the future that will impose additional constraints on prices and reimbursements for our products.

Since EYLEA for the treatment of wet AMD, macular edema following CRVO, and other eye diseases, and ZALTRAP for the treatment of patients with mCRC that is resistant to or has progressed following an oxaliplatin-containing regimen, will likely be too expensive for most patients to afford without health insurance coverage, if these products are unable to obtain adequate coverage and reimbursement by third-party payers, including Medicare and Medicaid in the United States, our ability to successfully commercialize these products would be materially adversely impacted. Third-party payers, including Medicare and Medicaid in the United States, may not cover and/or reimburse for these products at levels required for us to successfully commercialize these products. Any limitation imposed by third-party payers on the use of our products if they are approved for marketing, or any action or decision by CMS or analogous foreign agencies or authorities which for any reason denies coverage or reimbursement for our products or provides coverage or reimbursement at levels that harm our products' competitiveness or leads to lower prices for those products, will have a material negative effect on our ability to sustain profitability. In certain foreign countries, pricing, coverage, and level of reimbursement of prescription drugs are subject to governmental control, and we and our collaborators may be unable to obtain coverage, pricing, and/or reimbursement on terms that are favorable to us or necessary for us or our collaborators to successfully commercialize our products in those countries. In some foreign countries, the proposed pricing for a drug must be approved before it may be lawfully marketed. The requirements governing drug pricing vary widely from country to country. For example, the European Union provides options for its member states to restrict the range of medicinal products for which their national health insurance systems provide reimbursement and to control the prices of medicinal products for human use. A member state may approve a specific price for the medicinal product or it may instead adopt a system of direct or indirect controls on the profitability of the company placing the medicinal product on the market. Our results of operations may suffer if we or our collaborators are unable to market our products in foreign countries or if coverage and reimbursement for our products in foreign countries is limited or delayed.

We are dependent upon a small number of customers for a significant portion of our revenue, and the loss of or significant reduction in sales to these customers would adversely affect our results of operations.

We sell EYLEA in the United States to three distributors and several specialty pharmacies. We sell ARCALYST in the United States to two specialty pharmacies. Under these distribution models, the distributors and specialty pharmacies generally take physical delivery of product. For EYLEA, the distributors and specialty pharmacies generally sell the product directly to healthcare providers, whereas for ARCALYST, the specialty pharmacies sell the product directly to patients. For the three and six months ended June 30, 2013, we recorded 76% and 77%, respectively, of our total gross product revenue from sales to a single distributor, Besse Medical, a subsidiary of AmerisourceBergen Corporation. We expect this significant customer concentration to continue for the foreseeable future. Our ability to generate and grow sales of EYLEA will depend, in part, on the extent to which our distributors and specialty pharmacies are able to provide adequate distribution of EYLEA to healthcare providers. Although we believe we can find additional distributors , if necessary, our revenue during any period of disruption could suffer and we might incur additional costs. In addition, these customers are responsible for a significant portion of our net trade accounts receivable balances. The loss of any large customer, a significant reduction in sales we make to them, any cancellation of orders they have made with us, or any failure to pay for the products we have shipped to them could adversely affect our results of operations.

Regulatory and Litigation Risks

If the testing or use of our products harms people, we could be subject to costly and damaging product liability claims.

The testing, manufacturing, marketing, and sale of drugs for use in people expose us to product liability risk. Any informed consent or waivers obtained from people who enroll in our clinical trials may not protect us from liability or the cost of litigation. We may also be subject to claims by patients who use our approved products, or our product candidates if those product candidates receive regulatory approval and become commercially available, that they have been injured by a side effect associated with the drug. We may face product liability claims and be found responsible even if injury arises from the acts or omissions of third parties who provide fill/finish or other services. Our product liability insurance may not cover all potential liabilities or may not completely cover any liability arising from any such litigation. Moreover, in the future we may not have access to liability insurance or be able to maintain our insurance on acceptable terms.

If we market and sell approved products in a way that violates federal or state healthcare laws, we may be subject to civil or criminal penalties.

In addition to FDA and related regulatory requirements, we are subject to health care "fraud and abuse" laws, such as the federal False Claims Act, the anti-kickback provisions of the federal Social Security Act, and other state and federal laws and regulations. Federal and state anti-kickback laws prohibit, among other things, payments or other remuneration to induce or reward someone to purchase, prescribe, endorse, or recommend a product that is reimbursed under federal or state healthcare programs. If we provide payments or other remuneration to a healthcare professional to induce the prescribing of our products, we could face liability under state and federal anti-kickback laws.

Federal false claims laws prohibit any person from knowingly presenting, or causing to be presented, a false claim for payment to the federal government, or knowingly making, or causing to be made, a false statement to get a false claim paid. Pharmaceutical companies have been prosecuted under these laws for a variety of alleged promotional and marketing activities, such as allegedly providing free product to customers with the expectation that the customers would bill federal programs for the product; reporting to pricing services inflated average wholesale prices that were then used by federal programs to set reimbursement rates; engaging in promotion for uses that the FDA has not approved, known as off-label uses, that caused claims to be submitted to Medicaid for non-covered off-label uses, and submitting inflated best price information to the Medicaid Rebate program. The majority of states also have statutes or regulations similar to the federal anti-kickback law and false claims laws, which apply to items and services reimbursed under Medicaid and other state programs, or, in several states, apply regardless of the payer. Sanctions under these federal and state laws may include civil monetary penalties, exclusion of a manufacturer's products from reimbursement under government programs, criminal fines, and imprisonment. Even if it is determined that we have not violated these laws, government investigations into these issues typically require the expenditure of significant resources and generate negative publicity, which would harm our business and financial results and condition. Because of the breadth of these laws and the narrowness of the safe harbors, it is possible that some of our business activities could be challenged under one or more of such laws.

In recent years, several states and localities, including California, the District of Columbia, Massachusetts, Minnesota, Nevada, New Mexico, Vermont, and West Virginia, have enacted legislation requiring pharmaceutical companies to establish marketing compliance programs, file periodic reports with the state or make periodic public disclosures on sales, marketing, pricing, clinical trials, and other activities. Similar requirements are being considered in other states. In addition, as part of the PPACA, the federal government recently enacted the Physician Payment Sunshine Act and related regulations. The Physician Payment Sunshine Act will require pharmaceutical manufacturers to report annually to the Secretary of the U.S. Department of Health and Human Services payments or other transfers of value made to physicians or teaching hospitals. In February 2013, regulations were released that contain detailed guidance regarding the information that must be collected and reported. We will be required to collect information regarding such payments starting in August 2013 and to begin reporting such information in March 2014. Over the next several years, we will need to dedicate significant resources to enhance our systems and processes in order to comply with these regulations. The PPACA also includes various provisions designed to strengthen significantly fraud and abuse enforcement, such as increased funding for enforcement efforts and the lowering of the intent requirement of the federal anti-kickback statute and criminal health care fraud statute such that a person or entity no longer needs to have actual knowledge of this statute or specific intent to violate it. Many of these requirements and standards are new and uncertain, and the penalties for failure to comply with these requirements may be unclear. If we are found not to be in full compliance with these laws, we could face enforcement actions, fines, and other penalties, and could receive adverse publicity, which would harm our business and financial results and condition.

Risks from the improper conduct of employees, agents, or contractors, or collaborators could adversely affect our business or reputation.

We cannot ensure that our compliance controls, policies, and procedures will in every instance protect us from acts committed by our employees, agents, contractors, or collaborators that would violate the laws or regulations of the jurisdictions in which we operate, including without limitation, healthcare, employment, foreign corrupt practices, environmental, competition, and privacy laws. Such improper actions could subject us to civil or criminal investigations, and monetary and injunctive penalties, and could adversely impact our ability to conduct business, operating results, and reputation.

In particular, our business activities outside of the United States are subject to the Foreign Corrupt Practices Act, or FCPA, and similar anti-bribery or anti-corruption laws, regulations or rules of other countries in which we operate. The FCPA generally prohibits the offering, promising, giving, or authorizing others to give anything of value, either directly or indirectly, to a non-U.S. government official in order to influence official action, or otherwise obtain or retain business. The FCPA also requires public companies to make and keep books and records that accurately and fairly reflect the transactions of the corporation and to devise and maintain an adequate system of internal accounting controls. Our business is heavily regulated and therefore involves significant interaction with public officials, including officials of non-U.S. governments. Additionally, in many other countries, the health care providers who prescribe pharmaceuticals are employed by their government, and the purchasers of pharmaceuticals are government entities; therefore, our dealings with these prescribers and purchasers are subject to regulation under the FCPA. Recently the SEC and Department of Justice have increased their FCPA enforcement activities with respect to pharmaceutical companies.

We have compliance controls, policies, and procedures in place; however, there is no certainty that all of our employees, agents, contractors, or collaborators, or those of our affiliates, will comply with all applicable laws and regulations. Any violation of these laws may result in civil and criminal penalties, and could have a material adverse impact on our business.

Our operations may involve hazardous materials and are subject to environmental, health, and safety laws and regulations. Compliance with these laws and regulations is costly, and we may incur substantial liability arising from our activities involving the use of hazardous materials.

As a biopharmaceutical company with significant manufacturing operations, we are subject to extensive environmental, health, and safety laws and regulations, including those governing the use of hazardous materials. Our research and development and manufacturing activities involve the controlled use of chemicals, viruses, radioactive compounds, and other hazardous materials. The cost of compliance with environmental, health, and safety regulations is substantial. If an accident involving these materials or an environmental discharge were to occur, we could be held liable for any resulting damages, or face regulatory actions, which could exceed our resources or insurance coverage.

Our business is subject to increasingly complex corporate governance, public disclosure, and accounting requirements and regulations that could adversely affect our business and financial results and condition.

We are subject to changing rules and regulations of various federal and state governmental authorities as well as the stock exchange on which our Common Stock is listed. These entities, including the Securities and Exchange Commission (SEC), and The NASDAQ Stock Market LLC, have issued a significant number of new and increasingly complex requirements and regulations over the course of the last several years and continue to develop additional requirements and regulations in response to laws enacted by Congress, including the Sarbanes-Oxley Act of 2002 and, most recently, the Dodd-Frank Wall Street Reform and Protection Act, or the Dodd-Frank Act. There are significant corporate governance and executive compensation-related provisions in the Dodd-Frank Act that expressly authorized or required the SEC to adopt additional rules in these areas. Our efforts to comply with these requirements and regulations have resulted in, and are likely to continue to result in, an increase in expenses and a diversion of management's time from other business activities.

Changes in laws and regulations affecting the healthcare industry could adversely affect our business.

All aspects of our business, including research and development, manufacturing, marketing, pricing, sales, litigation, and intellectual property rights, are subject to extensive legislation and regulation. Changes in applicable federal and state laws and agency regulations could have a materially negative impact on our business. These include:

- changes in the FDA and foreign regulatory processes for new therapeutics that may delay or prevent the approval of any of our current or future product candidates;
- new laws, regulations, or judicial decisions related to healthcare availability or the payment for healthcare products and services, including prescription drugs, that would make it more difficult for us to market and sell products once they are approved by the FDA or foreign regulatory agencies;
- changes in FDA and foreign regulations that may require additional safety monitoring prior to or after the introduction of new products to market, which could materially increase our costs of doing business; and
- changes in FDA and foreign cGMPs that may make it more difficult and costly for us to maintain regulatory compliance and/or manufacture our marketed product and product candidates in accordance with cGMPs.

As described above, the PPACA and potential regulations thereunder easing the entry of competing follow-on biologics into the marketplace, other new legislation or implementation of existing statutory provisions on importation of lower-cost competing drugs from other jurisdictions, and legislation on comparative effectiveness research are examples of previously enacted and possible future changes in laws that could adversely affect our business.

Risks associated with our operations outside of the United States could adversely affect our business.

We have operations and conduct business outside the United States and we plan to expand these activities. Consequently, we are, and will continue to be, subject to risks related to operating in foreign countries, which include:

- unfamiliar foreign laws or regulatory requirements or unexpected changes to those laws or requirements;
- changes in the political or economic condition of a specific country or region;
- fluctuations in the value of foreign currency versus the U.S. dollar and the cost of currency exchange;
- adverse tax consequences, including those that might result from the failure to operate in conformity with the requirements for certain tax treatment, tax incentives, or grants;
- tariffs, trade protection measures, import or export licensing requirements, trade embargos, and other trade barriers;
- difficulties in attracting and retaining qualified personnel; and
- cultural differences in the conduct of business.

Risks Related to Our Reliance on Third Parties

If our antibody collaboration with Sanofi is terminated, our business, prospects, operating results, and financial condition, and our ability to discover, develop, manufacture, and commercialize our pipeline of product candidates in the time expected, or at all, would be materially harmed.

We rely heavily on funding from Sanofi to support our target discovery and antibody research and development programs. Sanofi has committed to pay up to $160 million per year, or a total of $1.28 billion, between 2010 and 2017 to fund our efforts to identify and validate drug discovery targets and pre-clinically develop fully human monoclonal antibodies against such targets. Sanofi also initially funds almost all of the development expenses incurred by both companies in connection with the clinical development of antibodies that Sanofi elects to co-develop with us. We rely on Sanofi to fund these activities. In addition, with respect to those antibodies that Sanofi elects to co-develop with us, such as sarilumab, alirocumab, dupilumab, enoticumab, nesvacumab, REGN1033, and REGN2009, we rely on Sanofi to lead much of the clinical development efforts and assist with obtaining regulatory approval, particularly outside the United States. We also rely on Sanofi to lead the commercialization efforts to support all of the antibody products that are co-developed by Sanofi and us if they receive regulatory approval. If Sanofi does not elect to co-develop the antibodies that we discover or opts-out of their development, we would be required to fund and oversee on our own the clinical trials, any regulatory responsibilities, and the ensuing commercialization efforts to support those antibody products. For example, Sanofi has elected not to continue co-development of fasinumab, and decided not to opt-in to the REGN1154, REGN 1193, REGN1500, and other programs. If Sanofi terminates the antibody collaboration or fails to comply with its payment obligations thereunder, our business, prospects, operating results, and financial condition would be materially harmed. We would be required to either expend substantially more resources than we have anticipated to support our research and development efforts, which could require us to seek additional funding that might not be available on favorable terms or at all, or materially cut back on such activities. Even though none of the antibodies from this collaboration may ever be successfully developed and commercialized, if Sanofi does not perform its obligations with respect to antibodies that it elects to co-develop, our ability to develop, manufacture, and commercialize these antibody product candidates will be significantly adversely affected.

If our collaboration with Sanofi for ZALTRAP is terminated, or Sanofi materially breaches its obligations thereunder, our business, prospects, and financial condition, and our ability to develop and commercialize ZALTRAP would be materially harmed.

We rely heavily on Sanofi to lead much of the development of ZALTRAP and the commercialization of ZALTRAP. If Sanofi fails to perform its obligations in a timely manner, or at all, our ability to develop and commercialize ZALTRAP in previously-treated mCRC will be significantly adversely affected. Sanofi has the right to terminate its collaboration agreement with us at any time upon twelve months advance notice. If Sanofi were to terminate its collaboration agreement with us, we would not have the resources or skills to replace those of our collaborator, which we would have to develop or outsource at substantial additional costs to us. In particular, we have limited commercial capabilities outside the United States and would have to develop or outsource these capabilities. Termination of the Sanofi collaboration agreement for ZALTRAP would create substantial new and additional risks to the successful development and commercialization of ZALTRAP.

If our collaboration with Bayer HealthCare for EYLEA is terminated, or Bayer HealthCare materially breaches its obligations thereunder, our business, prospects, operating results, and financial condition, and our ability to continue to develop EYLEA and commercialize EYLEA outside the United States in the time expected, or at all, would be materially harmed.

We rely heavily on Bayer HealthCare to assist with the development, and the commercialization outside the United States, of EYLEA. Under our agreement with them, Bayer HealthCare is required to fund approximately half of the development expenses incurred by both companies in connection with the global EYLEA development program. As the EYLEA program continues, we will continue to rely on Bayer HealthCare to assist with funding the EYLEA development program, continue to lead the development of EYLEA outside the United States, obtain regulatory approval outside the United States, and provide all sales, marketing, and commercial support for the product outside the United States. In particular, Bayer HealthCare has responsibility for selling EYLEA outside the United States using its sales force and, in Japan, with Santen Pharmaceuticals Co. Ltd. pursuant to a Co-Promotion and Distribution Agreement with Bayer HealthCare's Japanese affiliate. EYLEA has received regulatory approvals for the treatment of wet AMD in Australia, Japan, and certain European and Latin American countries. While we cannot assure you that EYLEA will receive additional regulatory approvals outside the United States or be successfully commercialized, if Bayer HealthCare and, in Japan, Santen do not perform their obligations in a timely manner, or at all, our ability to develop, manufacture, and commercialize EYLEA outside the United States will be significantly adversely affected. Bayer HealthCare has the right to terminate its collaboration agreement with us at any time upon six or twelve months advance notice, depending on the circumstances giving rise to termination. If Bayer HealthCare were to terminate its collaboration agreement with us, we would not have the resources or skills to replace those of our partner, which could require us to seek additional funding or another collaboration that might not be available on favorable terms or at all, and could cause significant delays in the development and/or commercialization of EYLEA outside the United States and result in substantial additional costs to us. We have limited commercial capabilities outside the United States and would have to develop or outsource these capabilities. Termination of the Bayer HealthCare collaboration agreement would create substantial new and additional risks to the successful development and commercialization of EYLEA, particularly outside the United States.

Our collaborators and service providers may fail to perform adequately in their efforts to support the development, manufacture, and commercialization of our drug candidates and current and future products.

We depend upon third-party collaborators, including Sanofi, Bayer HealthCare, and service providers such as CROs, outside testing laboratories, clinical investigator sites, and third-party manufacturers, fill/finish, and product packagers and labelers, to assist us in the manufacture and preclinical and clinical development of our product candidates. We also depend, or will depend, on some of these third parties in connection with the commercialization of EYLEA for the treatment of wet AMD and macular edema following CRVO, ZALTRAP for the treatment of patients with mCRC, ARCALYST for the treatment of CAPS, and our late-stage product candidates and new indications for our marketed products if they are approved for marketing. If any of our existing collaborators or service providers breaches or terminates its agreement with us or does not perform its development or manufacturing services under an agreement in a timely manner or in compliance with applicable GMPs, GLPs, or GCP Standards, we could experience additional costs, delays, and difficulties in the manufacture or development of, or in obtaining approval by regulatory authorities for, or successfully commercializing our product candidates.

We rely on third-party service providers to support the distribution of EYLEA and ARCALYST in the United States and for many other related activities in connection with the commercialization of these marketed products. Despite our arrangements with them, these third parties may not perform adequately. If these service providers do not perform their services adequately, our sales of EYLEA for the treatment of wet AMD and macular edema following CRVO and ARCALYST for the treatment of CAPS will suffer.

Risk Related to Employees

We are dependent on our key personnel and if we cannot recruit and retain leaders in our research, development, manufacturing, and commercial organizations, our business will be harmed.

We are highly dependent on certain of our executive officers, other key members of our senior management team, and our Chairman. If we are not able to retain any of these persons, our business may suffer. In particular, we depend on the services of P. Roy Vagelos, M.D., the Chairman of our board of directors, Leonard S. Schleifer, M.D., Ph.D., our President and Chief Executive Officer, George D. Yancopoulos, M.D., Ph.D., our Chief Scientific Officer and President, Regeneron Laboratories, and Neil Stahl, Ph.D., our Senior Vice President, Research and Development Sciences. As we commercialize EYLEA in the United States for the treatment of wet AMD and macular edema following CRVO, we are also highly dependent on the expertise and services of members of our senior management leading these commercialization efforts. There is intense competition in the biotechnology industry for qualified scientists and managerial personnel in the development, manufacture, and commercialization of drugs. We may not be able to continue to attract and retain the qualified personnel necessary to continue to advance our business and achieve our strategic objectives.

Information Technology Risks

Significant disruptions of information technology systems or breaches of data security could adversely affect our business.

Our business is increasingly dependent on critical, complex, and interdependent information technology systems, including Internet-based systems, to support business processes as well as internal and external communications. The size and complexity of our computer systems make them potentially vulnerable to breakdown, malicious intrusion, and computer viruses which may result in the impairment of production and key business processes.

In addition, our systems are potentially vulnerable to data security breaches-whether by employees or others-which may expose sensitive data to unauthorized persons. Such data security breaches could lead to the loss of trade secrets or other intellectual property, or could lead to the public exposure of personal information (including sensitive personal information) of our employees, clinical trial patients, customers, and others.

Such disruptions and breaches of security could have a material adverse effect on our business, prospects, operating results, and financial condition.

Risks Related to Our Common Stock

Our stock price is extremely volatile.

There has been significant volatility in our stock price and generally in the market prices of biotechnology companies' securities. Various factors and events may have a significant impact on the market price of our Common Stock. These factors include, by way of example:

- fluctuations in our operating results; in particular, net product sales of EYLEA. In addition, to a lesser degree, sales of ZALTRAP and ARCALYST and, if any of our product candidates or our new indications for our marketed products receive regulatory approval, net product sales of, and profits from, these product candidates and new indications;
- market acceptance of, and fluctuations in market share for, our marketed products, especially EYLEA;
- whether our net products sales and net profits underperform, meet, or exceed the expectations of investors or analysts;
- announcement of actions by the FDA or foreign regulatory authorities or their respective advisory committees regarding our, or our collaborators', or our competitors', currently pending or future application(s) for regulatory approval of product candidate(s) or new indications for marketed products;
- announcement of submission of an application for regulatory approval of one or more of our, or our competitors', product candidates or new indications for marketed products;
- progress, delays, or results in clinical trials of our or our competitors' product candidates or new indications for marketed products;
- announcement of technological innovations or product candidates by us or competitors;
- third-party claims that our products or technologies infringe their patents;
- third-party challenges to our patents in the European Patent Office and in the U.S. Patent and Trademark Office;
- public concern as to the safety or effectiveness of any of our marketed products, EYLEA, ZALTRAP, or ARCALYST, or product candidates or new indications for our marketed products;
- pricing or reimbursement actions or decisions by government authorities or insurers affecting the coverage or reimbursement of any of our marketed products or competitors' products;
- our ability to raise additional capital as needed on favorable terms;
- developments in our relationships with collaborative partners or key customers;
- developments in the biotechnology industry or in government regulation of healthcare;
- large sales of our Common Stock by our executive officers, directors, or significant shareholders;
- arrivals and departures of key personnel; and
- general market conditions.

In addition, in the fourth quarter of 2012, we determined, based on our facts and circumstances, that it was more likely than not that a substantial portion of our deferred tax assets would be realized and, as a result, substantially all of our valuation allowance against deferred tax assets was released. Therefore, beginning in 2013, we began recording income tax expense, which results in a significant reduction in our net income and net income per share and may have an impact on the market price of our Common Stock.

The trading price of our Common Stock has been, and could continue to be, subject to wide fluctuations in response to these and other factors, including the sale or attempted sale of a large amount of our Common Stock in the market. Broad market fluctuations may also adversely affect the market price of our Common Stock.

Future sales of our Common Stock by our significant shareholders or us may depress our stock price and impair our ability to raise funds in new share offerings.

A small number of our shareholders beneficially own a substantial amount of our Common Stock. As of April 17 2013, our five largest shareholders plus Leonard S. Schleifer, M.D, Ph.D., our Chief Executive Officer, beneficially owned 55.6% of our outstanding shares of Common Stock, assuming, in the case of our Chief Executive Officer, the conversion of his Class A Stock into Common Stock and the exercise of all options held by him which are exercisable within 60 days of April 17, 2013. In September 2003, Sanofi (then Aventis Pharmaceuticals Inc.) purchased 2,799,552 newly issued, unregistered shares of our Common Stock, and in December 2007 Sanofi purchased an additional 12,000,000 newly issued, unregistered shares of our Common Stock. Under our investor agreement, as amended, with Sanofi, these shares may not be sold until December 20, 2017 except under limited circumstances and subject to earlier termination of these restrictions upon the occurrence of certain events. In addition, in October 2010, Sanofi purchased an additional 1,017,401 shares of Common Stock in our underwritten public offering. As of April 17, 2013, Sanofi beneficially owned 15,816,953 shares of our Common Stock, representing approximately 16.5% of the shares of Common Stock then outstanding. In February 2013, we received from Sanofi a notification under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 that it intends to acquire additional Common Stock through open market purchases and direct purchases from shareholders. If Sanofi, or our other significant shareholders or we, sell substantial amounts of our Common Stock in the public market, or there is a perception that such sales may occur, the market price of our Common Stock could fall. Sales of Common Stock by our significant shareholders, including Sanofi, also might make it more difficult for us to raise funds by selling equity or equity-related securities in the future at a time and price that we deem appropriate.

Our existing shareholders may be able to exert significant influence over matters requiring shareholder approval.

Holders of Class A Stock, who are generally the shareholders who purchased their stock from us before our initial public offering, are entitled to ten votes per share, while holders of Common Stock are entitled to one vote per share. As of April 17, 2013, holders of Class A Stock held 17.7% of the combined voting power of all shares of Common Stock and Class A Stock then outstanding. These shareholders, if acting together, would be in a position to significantly influence the election of our directors and the vote on certain corporate transactions that require majority or supermajority approval of the combined classes, including mergers and other business combinations. This may result in our taking corporate actions that other shareholders may not consider to be in their best interest and may affect the price of our Common Stock. As of April 17, 2013:

- our current executive officers and directors beneficially owned 10.9% of our outstanding shares of Common Stock, assuming conversion of their Class A Stock into Common Stock and the exercise of all options held by such persons which are exercisable within 60 days of April 17, 2013, and 23.4% of the combined voting power of our outstanding shares of Common Stock and Class A Stock, assuming the exercise of all options held by such persons which are exercisable within 60 days of April 17, 2013; and
- our five largest shareholders plus Leonard S. Schleifer, M.D., Ph.D. our Chief Executive Officer, beneficially owned approximately 55.6% of our outstanding shares of Common Stock, assuming, in the case of our Chief Executive Officer, the conversion of his Class A Stock into Common Stock and the exercise of all options held by him which are exercisable within 60 days of April 17, 2013. In addition, these five shareholders held approximately 59.9% of the combined voting power of our outstanding shares of Common Stock and Class A Stock, assuming the exercise of all options held by our Chief Executive Officer which are exercisable within 60 days of April 17, 2013.

Pursuant to an investor agreement, as amended, Sanofi has agreed to vote its shares, at Sanofi's election, either as recommended by our board of directors or proportionally with the votes cast by our other shareholders, except with respect to certain change of control transactions, liquidation or dissolution, stock issuances equal to or exceeding 10% of the then outstanding shares or voting rights of Common Stock and Class A Stock, and new equity compensation plans or amendments if not materially consistent with our historical equity compensation practices.

The anti-takeover effects of provisions of our charter, by-laws, and of New York corporate law and the contractual "standstill" provisions in our investor agreement with Sanofi, could deter, delay, or prevent an acquisition or other "change in control" of us and could adversely affect the price of our Common Stock.

Our restated certificate of incorporation, our by-laws, and the New York Business Corporation Law contain various provisions that could have the effect of delaying or preventing a change in control of our company or our management that shareholders may consider favorable or beneficial. Some of these provisions could discourage proxy contests and make it more difficult for shareholders to elect directors and take other corporate actions. These provisions could also limit the price that investors might be willing to pay in the future for shares of our Common Stock. These provisions include:

- authorization to issue "blank check" preferred stock, which is preferred stock that can be created and issued by the board of directors without prior shareholder approval, with rights senior to those of our Common Stock and Class A Stock;
- a staggered board of directors, so that it would take three successive annual meetings to replace all of our directors;
- a requirement that removal of directors may only be effected for cause and only upon the affirmative vote of at least eighty percent (80%) of the outstanding shares entitled to vote for directors, as well as a requirement that any vacancy on the board of directors may be filled only by the remaining directors;
- a provision whereby any action required or permitted to be taken at any meeting of shareholders may be taken without a meeting, only if, prior to such action, all of our shareholders consent, the effect of which is to require that shareholder action may only be taken at a duly convened meeting;
- a requirement that any shareholder seeking to bring business before an annual meeting of shareholders must provide timely notice of this intention in writing and meet various other requirements; and
- under the New York Business Corporation Law, in addition to certain restrictions which may apply to "business combinations" involving our company and an "interested shareholder", a plan of merger or consolidation of our company must be approved by two-thirds of the votes of all outstanding shares entitled to vote thereon. See the risk factor immediately above captioned *"Our existing shareholders may be able to exert significant influence over matters requiring shareholder approval."*

Until the later of the fifth anniversaries of the expiration or earlier termination of our antibody collaboration agreements with Sanofi or our ZALTRAP collaboration with Sanofi, Sanofi will be bound by certain "standstill" provisions, as amended, which contractually prohibit Sanofi from acquiring more than certain specified percentages of our Class A Stock and Common Stock (taken together) or otherwise seeking to obtain control of our company.

In addition, we have a Change in Control Severance Plan and our Chief Executive Officer has an employment agreement that provides severance benefits in the event our officers are terminated as a result of a change in control of our company. Many of our stock options issued under our Second Amended and Restated 2000 Long-Term Incentive Plan, as amended and restated, may become fully vested in connection with a "change in control" of our company, as defined in the plan. These contractual provisions may also have the effect of deterring, delaying, or preventing an acquisition or other change in control.

Risks Relating to Our Convertible Senior Notes and Related Hedge Transactions

The convertible note hedges and warrant transactions we entered into in connection with our 1.875% Convertible Senior Notes issuance may affect the trading price of our Common Stock.

In connection with our offering of our 1.875% Convertible Senior Notes due October 1, 2016, we entered into convertible note hedge transactions with four financial institutions (the "hedge counterparties"). The convertible note hedge transactions are expected to reduce the potential dilution to our Common Stock and/or offset potential cash payments in excess of the principal amount of the notes, as the case may be upon conversion of the notes. In the event that the hedge counterparties fail to deliver shares to us or potential cash payments as the case may be as required under the convertible note hedge documents, we would not receive the benefit of such transactions. Separately, we also entered into warrant transactions with the hedge counterparties. The warrant transactions could separately have a dilutive effect from the issuance of Common Stock pursuant to the warrants.

In connection with hedging these transactions, the hedge counterparties and/or their affiliates may enter into various derivative transactions with respect to our Common Stock, and may enter into, or may unwind, various derivative transactions and/or purchase or sell our Common Stock or other securities of ours in secondary market transactions prior to maturity of the notes (and are likely to do so during any conversion period related to any conversion of the notes). These activities could have the effect of increasing or preventing a decline in, or could have a negative effect on, the value of our Common Stock and could have the effect of increasing or preventing a decline in the value of our Common Stock during any cash settlement averaging period related to a conversion of the notes.

In addition, we intend to exercise options under the convertible note hedge transactions whenever notes are converted. In order to unwind its hedge position with respect to the options we exercise, the hedge counterparties and/or their affiliates may sell shares of our Common Stock or other securities in secondary market transactions or unwind various derivative transactions with respect to our Common Stock during the cash settlement averaging period for the converted notes. The effect, if any, of any of these transactions and activities on the trading price of our Common Stock or the notes will depend in part on market conditions and cannot be ascertained at this time, but any of these activities could adversely affect the value of our Common Stock and the value of the notes. The derivative transactions that the hedge counterparties and/or their affiliates expect to enter into to hedge these transactions may include cash-settled equity swaps referenced to our Common Stock. In certain circumstances, the hedge counterparties and/or their affiliates may have derivative positions that, when combined with the hedge counterparties' and their affiliates' ownership of our Common Stock, if any, would give them economic exposure to the return on a significant number of shares of our Common Stock.

The fundamental change provisions of our 1.875% Convertible Senior Notes and certain of the terms of the convertible note hedge and warrant transactions may delay or prevent an otherwise beneficial takeover attempt of us.

The fundamental change purchase rights, which will allow noteholders to require us to purchase all or a portion of their notes upon the occurrence of a fundamental change, as defined in the indenture governing the notes, and the provisions requiring an increase to the conversion rate for conversions in connection with make-whole fundamental changes, as set forth in the indenture, may in certain circumstances delay or prevent a takeover of us and the removal of incumbent management that might otherwise be beneficial to investors. In addition, upon the occurrence of certain extraordinary events, the convertible note hedge transactions would be exercised upon the conversion of notes, and the warrant transactions may be terminated. It is possible that the proceeds we receive upon the exercise of the convertible note hedge transactions would be significantly lower than the amounts we would be required to pay upon termination of the warrant transactions. Such differences may result in the acquisition of us being on terms less favorable to our shareholders than it would otherwise be.

ITEM 6. EXHIBITS

(a) Exhibits

Exhibit Number	Description
10.1	– Mt. Pleasant Lease by and between BMR-Landmark at Eastview LLC and Regeneron Pharmaceuticals, Inc., dated April 3, 2013.
10.2	– Eleventh Amendment to Lease by and between BMR-Landmark at Eastview LLC and Regeneron Pharmaceuticals, Inc., dated April 3, 2013.
10.3	– Twelfth Amendment to Lease by and between BMR-Landmark at Eastview LLC and Regeneron Pharmaceuticals, Inc., dated May 31, 2013.
10.4	– Thirteenth Amendment to Lease by and between BMR-Landmark at Eastview LLC and Regeneron Pharmaceuticals, Inc., dated May 31, 2013.
10.5*	– First Amendment to Amended and Restated License and Collaboration Agreement by and between Regeneron Pharmaceuticals, Inc. and Aventis Pharmaceuticals Inc., dated May 1, 2013.
10.6*	– Letter Agreement by and between Regeneron Pharmaceuticals, Inc. and Aventis Pharmaceuticals Inc., dated May 2, 2013.
10.7*	– Amended and Restated Non-Exclusive License and Settlement Agreement by and between Genentech, Inc. and Regeneron Pharmaceuticals, Inc., effective May 17, 2013.
10.8*	– Non-Exclusive License and Settlement Agreement by and between Genentech, Inc., Regeneron Pharmaceuticals, Inc., Sanofi-Aventis U.S. Inc. and Sanofi U.S. LLC, effective May 17, 2013.
10.9	– Agreement dated May 17, 2013 between Bayer Pharma AG, Bayer Australia Limited, Regeneron Pharmaceuticals, Inc., Regeneron UK Ltd and Genentech Inc.
31.1	– Certification of CEO pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
31.2	– Certification of CFO pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
32	– Certification of CEO and CFO pursuant to 18 U.S.C. Section 1350.
101	– Interactive Data File
101.INS	– XBRL Instance Document
101.SCH	– XBRL Taxonomy Extension Schema
101.CAL	– XBRL Taxonomy Extension Calculation Linkbase
101.DEF	– XBRL Taxonomy Extension Definition Document
101.LAB	– XBRL Taxonomy Extension Label Linkbase
101.PRE	– XBRL Taxonomy Extension Presentation Linkbase

* The Company has requested confidential treatment of certain information contained in this exhibit. Such information has been filed separately with the Commission pursuant to the Company's application for confidential treatment.

SIGNATURE

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

REGENERON PHARMACEUTICALS, INC.

Date: August 6, 2013

By: /s/ MURRAY A. GOLDBERG

Murray A. Goldberg
Senior Vice President, Finance & Administration,
Chief Financial Officer, and Assistant Secretary
(Principal Financial Officer and
Duly Authorized Officer)

Exhibit 10.1

MT. PLEASANT LEASE

by and between

BMR-Landmark at Eastview LLC,
a Delaware limited liability company

and

Regeneron Pharmaceuticals, Inc.,
a New York corporation

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MT. PLEASANT LEASE

THIS MT. PLEASANT LEASE (this "Lease") for a portion of the Mt. Pleasant Project (as defined below) is entered into as of April 3, 2013 (the "Execution Date"), by and between BMR-Landmark at Eastview LLC, a Delaware limited liability company ("Landlord"), and Regeneron Pharmaceuticals, Inc., a New York corporation ("Tenant").

RECITALS

A. Landlord owns the real property commonly known as The Landmark at Eastview (the "Property"), as described in Exhibit I.

B. Part of the Property is presently improved.

C. Within the Entire Project (as defined below), Landlord intends to construct upon the Property two (2) new buildings commonly referred to as Building 8 and Building 9, a parking garage containing approximately 800 parking stalls (the "Exclusive Parking Garage") and all associated site work, all in coordination and cooperation with Tenant, as set forth below. Building 8 is to be known under this Lease as "Building 8" and Building 9 is to be known under this Lease as "Building 9" and, together with Building 8, the "Buildings."

D. Landlord also intends to construct upon the Property (i) a bridge between the building located on the Property known as 777 Old Saw Mill River Road ("Building 777") and Building 8 (the "Building 8 Bridge"), provided that the Building 8 Bridge (if constructed) shall be governed by Section 4.9; (ii) a connecting bridge between Building 8 and Building 9 (the "Building 9 Bridge") and (iii) a connecting bridge between Building 9 and the Exclusive Parking Garage (the "Garage Bridge" and, collectively with the Building 8 Bridge and the Building 9 Bridge, the "Bridges"). Unless stated otherwise herein, all references in this Lease to "Building 8" mean Building 8, together with the Building 8 Bridge; all references in this Lease to "Building 9" mean Building 9, together with the Building 9 Bridge; and all references in this Lease to the Exclusive Parking Garage mean the Exclusive Parking Garage, together with the Garage Bridge. Upon the expiration or early termination of this Lease whereby Tenant surrenders to Landlord either Building 8 or Building 9 (but not both) in accordance with this Lease, the parties shall cooperate in good faith to determine the appropriate disposition of the applicable Bridge that is deemed part of the Building being surrendered; provided, however, that if the parties cannot agree in a reasonable time as to the appropriate disposition of the applicable Bridge, then such Bridge shall be surrendered in its entirety with the Building of which it is a part.

E. Pursuant to that certain Indemnification Agreement dated as of February 15, 2013, by and between Landlord and Tenant (the "Indemnification Agreement"), Landlord has commenced certain design, engineering, site plan approval and permitting work relating to the Buildings.

F. Landlord wishes to lease to Tenant, and Tenant desires to lease from Landlord, the Premises (as defined below) pursuant to the terms and conditions of this Lease, as set forth in these Recitals and as detailed below.

G. In addition to any financial assistance Tenant anticipates receiving from the State of New York, Tenant has filed an application for financial assistance with the Town of Mount Pleasant Industrial Development Agency and/or the County of Westchester Industrial Development Agency (the "Agency") for financial assistance relating to the project and transactions described herein, which such financial assistance may include an abatement from real property taxes, an exemption from sales and use tax and an exemption from the mortgage recording tax (collectively, the "Financial Assistance").

AGREEMENT

NOW, THEREFORE, Landlord and Tenant, in consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, agree as follows:

1. Lease of Premises. As of the Building 8 Term Commencement Date and the Building 9 Term Commencement Date, as applicable, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, Building 8 and Building 9, respectively, subject to all of the terms and conditions of this Lease. That certain portion of the Property and all landscaping, parking facilities and other improvements and appurtenances related thereto, under, around and together with the buildings described in Article 51, are hereinafter collectively referred to as the "Existing Project." That certain portion of the Property and all landscaping, parking facilities and other improvements and appurtenances related thereto, under, around and together with the New Buildings (as defined in the Existing Lease and set forth in Article 51) are hereinafter collectively referred to as the "New Greenburgh Project." That certain portion of the Property and all landscaping, parking facilities and other improvements and appurtenances related thereto, under, around and together with the Buildings and the Exclusive Parking Garage, designed for or constructed on the Property either (a) before the Execution Date pursuant to the Indemnification Agreement or (b) after the Execution Date pursuant to the terms of this Lease are hereinafter collectively referred to as the "Mt. Pleasant Project." The Existing Project, the New Greenburgh Project, the Mt. Pleasant Project (each of the New Greenburgh Project and the Mt. Pleasant Project, a "Project") and any other portion of the Property not included in the Existing Project, the New Greenburgh Project or the Mt. Pleasant Project are hereinafter collectively referred to as the "Entire Project." All portions of the Entire Project that are for the non-exclusive use of tenants, including driveways, sidewalks, parking areas, landscaped areas, service corridors, stairways, elevators, public restrooms and public lobbies, are hereinafter referred to as "Common Area."

2. Basic Lease Provisions. For convenience of the parties, certain basic provisions of this Lease are set forth herein. The provisions set forth herein are subject to the remaining terms and conditions of this Lease and are to be interpreted in light of such remaining terms and conditions.

2.1 This Lease shall take effect upon the Execution Date and, except as specifically otherwise provided within this Lease, each of the provisions hereof shall be binding upon and inure to the benefit of Landlord and Tenant from the Execution Date. As of the Execution Date, the "Premises" consist of the Buildings and are more particularly described on Exhibit A attached hereto. To the extent that Tenant exercises any ROFO or ROFR (as each such term is defined below) pursuant to this Lease (or otherwise adds additional premises pursuant to an amendment to this Lease), references to the Premises shall thereafter include the applicable space and any references to the Buildings shall thereafter include the building(s) within which the applicable space is located.

2.2 The Premises, the Buildings, and certain related terms are defined as follows, as each exists on the Execution Date. In these definitions, each Rentable Area is expressed in rentable square footage. Rentable Area and Tenant's Pro Rata Shares are all subject to adjustment under this Lease, including under Section 9.1.

Definition or Provision	Means the Following (as of the Execution Date)
Premises	Buildings
Buildings	Building 8 and Building 9
Rentable Area of Buildings*	Approximately 139,500 for Building 8 Approximately 157,500 for Building 9
Rentable Area of Existing Project	Approximately 834,014 square feet
Rentable Area of Mt. Pleasant Project*	Approximately 297,000 square feet
Rentable Area of New Greenburgh Project	Approximately 360,520 square feet
Rentable Area of Entire Project*	Approximately 1,491,534 square feet
Tenant's Pro Rata Share of Buildings	100% of Building 8 100% of Building 9
Tenant's Pro Rata Share of Mt. Pleasant Project	100%
Tenant's Pro Rata Share of Entire Project (Building 8 only)*	Approximately 9.35%
Tenant's Pro Rata Share of Entire Project (Building 9 only)*	Approximately 10.56%
Tenant's Pro Rata Share of Entire Project (Building 8 and Building 9)*	Approximately 19.91%

** Note:* *Subject to adjustment based upon the Rentable Area of the Premises as of the Building 8 Term Commencement Date and the Building 9 Term Commencement Date, as applicable.*

2.3 Basic Annual Rent is provided for and defined in Section 0.

2.4 The "Term Commencement Date" shall be the earlier to occur of (a) the Building 8 Term Commencement Date and (b) the Building 9 Term Commencement Date, each as defined in Section 5.1(e).

2.5 The "Building 8 Estimated Term Commencement Date" is July 21, 2014. Tenant, in its sole discretion, may elect to extend the Building 8 Estimated Term Commencement Date by three (3) months by providing Landlord with written notice of such election no later than the date that the Approved Landlord Work Design Development Plans are approved or deemed approved in accordance with the Landlord Work Letter (as defined below). In the event that Tenant timely makes such election, the "Building 8 Estimated Term Commencement Date" shall be October 20, 2014.

2.6 The "Building 9 Estimated Term Commencement Date" is July 21, 2014.

2.7 The "Estimated Substantial Completion Date" is December 22, 2014.

2.8 Rent Commencement Dates:

(a) The "Building 8 Rent Commencement Date" is the date that is twelve (12) months (to afford Tenant time to construct the Tenant Improvements in Building 8) after the Building 8 Term Commencement Date or, if the Building 8 Term Commencement Date is delayed because of a Tenant Delay (except for a Tenant Delay pursuant to Section 4.1(d)), then the Building 8 Rent Commencement Date shall be the date that is twelve (12) months after the date that the Building 8 Term Commencement Date would have occurred but for such Tenant Delay.

(b) The "Building 9 Rent Commencement Date" is the date that is twelve (12) months (to afford Tenant time to construct the Tenant Improvements in Building 9) after the Building 9 Term Commencement Date or,

if the Building 9 Term Commencement Date is delayed because of a Tenant Delay (except for a Tenant Delay pursuant to Section 4.1(d)), then the Building 9 Rent Commencement Date shall be the date that is twelve (12) months after the date that the Building 9 Term Commencement Date would have occurred but for such Tenant Delay.

2.9 "Term Expiration Date:" June 30, 2029 (subject to extension pursuant to Section 4.1(d) and Section 5.1(d)); provided, however, that Tenant shall have options to extend this Lease as provided in Article 41. For the sake of clarity, if the Term Expiration Date is extended pursuant to Section 4.1(d) or Section 5.1(d), the Term Expiration Date shall be extended for the entire Premises.

2.10 Security Deposit: None.

2.11 "Permitted Use:" Any lawful use consistent with any one or more of the following: (a) scientific research facility; (b) office; (c) laboratory; (d) vivarium or (e) pilot manufacturing plant, provided that any such use(s) ((a) through (e)) shall conform to Applicable Laws (as defined in Article 51).

2.12 Address for Notices to Landlord: BMR-Landmark at Eastview LLC

17190 Bernardo Center Drive
San Diego, California 92128
Facsimile: (858) 485-9843
Attention: Vice President, Real Estate Legal

2.13 Address for Notices to Tenant: Regeneron Pharmaceuticals, Inc.

777 Old Saw Mill River Road
Tarrytown, New York 10591
Attention: General Counsel

With a copy, at the same address to: Regeneron Pharmaceuticals, Inc.
777 Old Saw Mill River Road
Tarrytown, New York 10591
Attention: Vice President Facilities

2.14 Wire Instructions for Rent Payment:

Name of Beneficiary: BMR-Landmark at Eastview LLC
Account Number: 153454489623
Bank Name: US Bank
Routing/Transit Number: 122235821
Branch Name and Address: San Diego Main
600 West Broadway, #100
San Diego, CA 92101

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

Exhibit A	Premises
Exhibit B	Acknowledgement of Term Commencement Date
Exhibit C	Tenant's Personal Property
Exhibit D	Rules and Regulations
Exhibit E	Form of Estoppel Certificate
Exhibit F-1	Currently Approved Site Plan
Exhibit F-2	Preliminary Modified Site Plan
Exhibit G	Landlord Work Letter
Exhibit G-1	Tenant Work Letter

Exhibit H	Approved Contractors
Exhibit I	Real Property Description
Exhibit J	Final Landlord Work
Exhibit K-1	Scope Allocation Matrix
Exhibit K-2	Basis of Design
Exhibit L	Preliminary Title Report Schedule B Exceptions
Exhibit M	Form of Major-Subtenant SNDA
Exhibit N	777 North Spine Premises
Exhibit O	CAM Pools
Exhibit P	Excluded Services
Exhibit Q	Form of Mortgage SNDA

3. Term.

3.1 This Lease shall take effect upon the Execution Date and, except as specifically otherwise provided within this Lease, each of the provisions hereof shall be binding upon and inure to the benefit of Landlord and Tenant from the date of execution and delivery hereof by all parties hereto.

3.2 The actual term of this Lease (as the same may be extended pursuant to Article 41, and as the same may be earlier terminated in accordance with this Lease, the "Term") shall commence (a) with respect to Building 8, when the Building 8 Term Commencement Date has occurred, and (b) with respect to Building 9, when the Building 9 Term Commencement Date has occurred.

4. Shell and Core Construction of Buildings. Landlord shall perform and complete the Landlord Work (as defined below) in accordance with the terms of this Lease, specifically including Exhibit G attached hereto (including the provisions of such Exhibit regarding the cost of such work), the Scope Allocation Matrix attached hereto as Exhibit K-1 (the "Scope Allocation Matrix," as the same shall be superseded by the Approved Landlord Work Plans as set forth in the Landlord Work Letter), the Basis of Design attached hereto as Exhibit K-2 (the "Basis of Design," as the same shall be superseded by the Approved Landlord Work Plans as set forth in the Landlord Work Letter), the other provisions set forth in this Article and Applicable Laws.

4.1 Site Plan.

(a) Attached hereto as Exhibit F-1 is the currently approved site plan (the "Currently Approved Site Plan") showing the location of the pads and footprints upon the Property upon which Building 8 and Building 9, respectively, will be constructed, subject to Landlord obtaining any and all approvals, permits, licenses and variances from Governmental Authorities (collectively, the "Site Plan Approvals") that are required for the Buildings to be constructed at the location of the pads and footprints upon the Property as shown in the Currently Approved Site Plan (with respect to the Currently Approved Site Plan, the "Currently Approved Site Plan Approvals").

(b) Tenant desires to modify the Currently Approved Site Plan. Attached hereto as Exhibit F-2 is the preliminary modified site plan (the "Preliminary Modified Site Plan") showing the location of the pads and footprints upon the Property upon which Building 8, Building 9 and the Exclusive Parking Garage could be constructed, subject to Landlord obtaining any and all Site Plan Approvals that are required for the Buildings and the Exclusive Parking Garage to be constructed at the location of the pads and footprints upon the Property as shown in the Preliminary Modified Site Plan (the "Preliminary Modified Site Plan Approvals"). No later than May 21, 2013, Landlord shall submit to the appropriate Governmental Authorities the Preliminary Modified Site Plan and all required documentation to obtain all Preliminary Modified Site Plan Approvals. Under Landlord's leadership, Tenant shall have the right to participate in the approval process for obtaining the Site Plan Approvals and finalizing the Preliminary Modified Site Plan and/or the Tenant-Approved Modified Site Plan (as defined below), provided such participation does not unreasonably interfere with or delay Landlord's ability to obtain the same. Any delay arising from Tenant's participation (to the extent such circumstance actually delays completion of the TI Ready Work, Substantial Completion of the Landlord Work or Substantial Completion of the Final Landlord Work, as applicable, beyond the date when such completion or Substantial Completion, as applicable, would have otherwise occurred, as determined by the Neutral

Architect if Landlord and Tenant disagree and whose determination shall be final and binding upon the parties) shall constitute Tenant Delay.

(c) If the applicable Governmental Authorities deny the Currently Approved Site Plan Approvals or Preliminary Modified Site Plan Approvals (as applicable) or require modifications ("Site Plan Modifications") to the Preliminary Modified Site Plan, then the provisions set forth in this Section shall apply. Landlord shall prepare and submit to Tenant for approval a replacement or modified site plan (the "Landlord-Approved Modified Site Plan") providing for an alternate location of the pads and footprints upon the Property upon which Building 8, Building 9 and the Exclusive Parking Garage would be constructed and incorporating any Site Plan Modifications. The Landlord-Approved Modified Site Plan shall contain sufficient information and detail to accurately describe the proposed locations and such other information as Tenant may reasonably request. Tenant shall notify Landlord in writing within ten (10) business days after receipt of the Landlord-Approved Modified Site Plan whether Tenant approves or objects to the Landlord-Approved Modified Site Plan and of the manner, if any, in which the Landlord-Approved Modified Site Plan is unacceptable. If Tenant reasonably objects to the Landlord-Approved Modified Site Plan, then Landlord shall revise the Landlord-Approved Modified Site Plan and cause Tenant's objections to be remedied in the revised Landlord-Approved Modified Site Plan. Landlord shall then resubmit the revised Landlord-Approved Modified Site Plan to Tenant for approval, though the approval period afforded to Tenant with respect to any revisions shall be five (5) business days (provided, however, that if Tenant reasonably determines that the revisions are substantial and reasonably require more review time, then Tenant may, by notice to Landlord delivered no later than such five (5) business day period, take an additional five (5) business days to respond). Tenant's approval of or objection to the revised Landlord-Approved Modified Site Plan and Landlord's correction of the same shall be made in accordance with this Section until Tenant has approved the Landlord-Approved Modified Site Plan in writing. Tenant's failure to respond within the required time frames set forth in this Section shall be deemed approval by Tenant. The iteration of the Landlord-Approved Modified Site Plan that is approved (or deemed approved) by Tenant without objection shall be referred to herein as the "Tenant-Approved Modified Site Plan." Within five (5) business days after Tenant's approval or deemed approval of the Tenant-Approved Modified Site Plan, Landlord shall submit to the appropriate Governmental Authorities the Tenant-Approved Modified Site Plan and all required documentation to obtain all Site Plan Approvals that are required for the Buildings and the Exclusive Parking Garage to be constructed at the location of the pads and footprints upon the Property as shown in the Tenant-Approved Modified Site Plan (the "Tenant-Approved Modified Site Plan Approvals"). If the applicable Governmental Authorities do not issue the Tenant-Approved Modified Site Plan Approvals or require modifications to the Tenant-Approved Modified Site Plan, then Landlord and Tenant shall repeat the process set forth in this Section until the Tenant-Approved Modified Site Plan Approvals are issued to Landlord. The iteration of the Tenant-Approved Modified Site Plan that is approved by the appropriate Governmental Authorities shall be referred to herein as the "Government-Approved Modified Site Plan."

(d) In the event that Landlord has not obtained all Site Plan Approvals for the Government-Approved Modified Site Plan (or a Government-Approved Modified Site Plan has not been obtained) on or before the date (the "Site Plan Decision Date") that is six (6) months after the Execution Date, then, Tenant may elect, in its sole discretion, for Landlord either to (i) continue to pursue the Site Plan Approvals, the Preliminary Modified Site Plan or the Tenant-Approved Modified Site Plan, as the case may be, or (ii) (A) proceed with the Landlord Work using the Currently Approved Site Plan and (B) take any action necessary (in Landlord's sole and absolute discretion and without Tenant's consent) to obtain all Currently Approved Site Plan Approvals. Notwithstanding the foregoing, if Tenant has elected to proceed under Subsection 4.1(d)(i), then any delay beyond the Site Plan Decision Date in obtaining the Government-Approved Modified Site Plan shall constitute a Tenant Delay and, if Landlord has not obtained all Site Plan Approvals for the Government-Approved Modified Site Plan (or a Government-Approved Modified Site Plan has not been obtained) on or before the date that is the earlier of the expiration date of the Currently Approved Site Plan and twelve (12) months after the Execution Date, then Landlord (in its sole and absolute discretion) may elect to proceed with the Landlord Work using the Currently Approved Site Plan under Subsection 4.1(d)(ii), so long as the Currently Approved Site Plan can accommodate Buildings with a floor plate and building width of one hundred ten (110) feet. If Landlord elects pursuant to this Section to proceed using the Currently Approved Site Plan, then, unless Landlord and Tenant otherwise agree in writing, the provisions in this Lease relating to the Exclusive Parking Garage and the Bridges shall not apply and shall be deemed of no force or effect, except for those provisions in Section 6.1 that address the Exclusive Parking Garage (and the allocation of parking CAM Pool Charges shall be equitably adjusted); and all references to Building 8 and Building 9 shall be deemed to refer to Building A and Building B, as indicated on the

Currently Approved Site Plan. The Currently Approved Site Plan, the Preliminary Modified Site Plan, the Tenant-Approved Modified Site Plan and the Government-Approved Modified Site Plan shall be referred to individually and collectively as "Approved Site Plans." If any Tenant Delay occurs pursuant to this Section 4.1(d), then the Term Expiration Date shall be extended for the entire Premises by the same number of days as the Tenant Delay, but such Tenant Delay shall in no event trigger an adjustment to the Building 8 Rent Commencement Date pursuant to Section 2.8(a) or the Building 9 Rent Commencement Date pursuant to Section 2.8(b).

(e) Promptly, but in no event more than five (5) business days, after receipt thereof by Landlord, Landlord shall provide notice to Tenant of any written correspondence (and copies of any such written correspondence) received from the Town of Mt. Pleasant with respect to the approvals, disapprovals and requests for additional information with respect to the process set forth in Section 4.1(c) with respect to the Approved Site Plans and/or the Site Plan Approvals.

4.2 Commencement of Landlord Work.

(a) Attached hereto as Exhibit H is a list of approved contractors for the Landlord Work (the "Approved Contractors"). Landlord and Tenant acknowledge and agree that any Approved Contractor may be selected by Landlord to perform the Landlord Work, subject to the following: Tenant shall have the right to reasonably participate in the selection process with respect to the Approved Contractor (or such other contractor as may be selected by Landlord, subject to Tenant's reasonable approval) and shall have reasonable consultation rights with respect to the ultimate general contract to be entered into by Landlord and Contractor for the Landlord Work (the "GMP Contract"). The GMP Contract shall provide that Contractor name Tenant as an additional insured under its commercial general liability insurance policy and that Contractor include Tenant as an indemnified party (together with Landlord) under the applicable indemnification provisions contained in the GMP Contract. Subject to the foregoing, Landlord shall cause the selected contractor, or such replacement thereof, as Landlord may make from time to time ("Contractor"), to diligently (i) prosecute the Landlord Work and (ii) seek to (A) complete the Building 8 TI Ready Work (as defined below) on or before the Building 8 Estimated Term Commencement Date, (B) complete the Building 9 TI Ready Work (as defined below) on or before the Building 9 Estimated Term Commencement Date and (C) Substantially Complete the balance of the Landlord Work (other than those items constituting the Landlord Work set forth on Exhibit J attached hereto ("Final Landlord Work") and, if Tenant makes the election set forth in Section 4.9(a)(i), the Building 8 Bridge) on or before the Estimated Substantial Completion Date (subject to extension in each instance on a day-for-day basis as a result of any of the following (collectively, "Excused Landlord Delays"): Force Majeure, Tenant Delay and Site Plan Delay (each as defined below)). Landlord shall perform the Landlord Work in conformity with the terms of this Lease, the Approved Landlord Work Plans and the Landlord Work Budget (each as defined below) and in accordance with Exhibit G attached hereto (the "Landlord Work Letter"), subject only to de minimis variations ("De Minimis Variations") from the Approved Landlord Work Plans and to Permitted Changes (as defined below) made by Landlord or Tenant. The construction of the Buildings and the Exclusive Parking Garage (if applicable) and all associated site work, as more particularly described as the Landlord Work on the Scope Allocation Matrix (to be superseded by the Approved Landlord Work Plans as described in the Landlord Work Letter) is referred to, collectively, as the "Landlord Work." "Site Plan Delay" means any delay in the prosecution of the Landlord Work caused by any of the following, to the extent that such circumstance actually delays completion of the TI Ready Work or Substantial Completion of the balance of the Landlord Work, as applicable, beyond the date when such completion or Substantial Completion, as applicable, would have otherwise occurred as contemplated under Sections 2.5, 2.6 or 2.7, as applicable, and as determined (in case of a dispute between the parties) by the Neutral Architect, whose determination shall be final and binding upon the parties: (i) any Governmental Authority's requests for modifications to an Approved Site Plan; (ii) any Governmental Authority's delay in responding to Landlord's request for Site Plan Approvals with respect to an Approved Site Plan and (iii) any period after August 1, 2013, resulting from the process set forth in Section 4.1(c). Notwithstanding any Site Plan Delay, the parties to this Lease shall exercise diligent and commercially reasonable efforts to mitigate Site Plan Delay. "Approved Landlord Work Plans" and "Landlord Work Budget" have the meanings given to such terms in the Landlord Work Letter.

(b) Without limiting any provision of this Lease, including the Landlord Work Letter, the parties further agree as follows regarding the Landlord Work:

(i) "Permitted Changes" means (A) minor field changes that do not materially change the size, configuration, functionality, quality, or overall appearance of the Buildings or Tenant's ability to perform the Base Building Work or the Tenant Improvements or operate its business in the Premises in conformity with the Permitted Use; (B) changes required by Governmental Authorities; (C) any other changes that do not materially change the size, configuration, functionality, quality or overall appearance of the Buildings or Tenant's ability to perform the Base Building Work or the Tenant Improvements or operate its business in the Premises in conformity with the Permitted Use and (D) ordinary development of the Approved Landlord Work Plans in a manner that does not materially change the size, configuration, functionality, quality or overall appearance of the Buildings or Tenant's ability to perform the Base Building Work or the Tenant Improvements or operate its business in the Premises in conformity with the Permitted Use and that is not inconsistent with the Landlord Work as described on the Scope Allocation Matrix (as superseded by the Approved Landlord Work Plans). In addition, no Permitted Change shall (X) exceed Twenty-Five Thousand Dollars ($25,000) or (Y) reduce the scope of the Landlord Work as described on the Scope Allocation Matrix (as superseded by the Approved Landlord Work Plans), unless otherwise agreed to by Tenant in writing. Notwithstanding anything to the contrary in this Section 4.2(b)(i), if all contingency line items provided for in the GMP Contract have been exhausted, then Landlord shall make no further Permitted Changes (except those referred to in Subsection 4.2(b)(i)(B)) without Tenant's prior written consent, not to be unreasonably withheld, conditioned or delayed. For purposes of clarification, the contingency referred to in the preceding sentence is intended to refer to the contingency in the GMP Contract, not any contingency provided for in the Landlord Work Budget, the latter of which shall not be governed by the foregoing sentence. Regardless of whether any Permitted Change requires Tenant's consent, Landlord shall promptly give a copy of such Permitted Change to Tenant prior to any Permitted Change being issued.

(ii) Landlord shall develop the Approved Landlord Work Plans and administer the Landlord Work (including selection of subcontractors, bidding, Permitted Changes, value engineering, scheduling, and payment) in a commercially reasonable manner in accordance with Landlord's ordinary practices and procedures for construction projects undertaken on Landlord's account.

(iii) In performing the Landlord Work and considering and approving Permitted Changes, Landlord shall (and shall cause Contractor to) actively consult with (and provide full and timely oral reports to) Tenant's project manager ("Tenant's Authorized Representative"), which Tenant's Authorized Representative Tenant may change from time to time upon one (1) business day's prior notice to Landlord. As of the Execution Date, Tenant's Authorized Representative is Joanne Deyo or any other person designated by Joanne Deyo in writing from time to time. Any written approvals issued by Tenant's Authorized Representative shall bind Tenant. Any requests made to Tenant's Authorized Representative in connection with consents, approvals or directions with respect to the Landlord Work shall be delivered to Tenant by electronic mail, and shall be deemed received, in each case as set forth in Section 3 of the Landlord Work Letter (which, for the sake of clarity, includes sending such request to the electronic mail addresses set forth in Section 3 of the Landlord Work Letter). Landlord shall allow Tenant's Authorized Representative and consultants and advisers to Tenant to attend design and construction meetings. Landlord and Tenant shall work together to mutually agree on the time and location of such meetings; provided, however, that Landlord may reschedule such meetings if it deems it commercially reasonable and upon reasonable advance notice to Tenant. Upon Tenant's specific request, Landlord shall keep Tenant's Authorized Representative reasonably informed and answer Tenant's reasonable inquiries about the Approved Landlord Work Plans, the Landlord Work and Permitted Changes regarding Landlord's construction and development of the Premises. Landlord shall give Tenant's Authorized Representative copies of the following documents as developed by Landlord and its vendors in the ordinary course of construction of the Premises: progress printings during the construction development phase; project meeting minutes or memoranda; Landlord's log of "requests for information"; Landlord's log of change orders; and copies of both requests for change orders and change orders. The foregoing rights to receive information shall not be deemed to give Tenant any approval rights not otherwise expressly provided for in this Lease (including the Landlord Work Letter). Landlord shall from time to time allow Tenant to inspect the Landlord Work in progress in a reasonable manner and in compliance with Contractor's reasonable instructions and procedures. Landlord shall reasonably consider all comments and requests made by Tenant. If the parties do not agree on whether a proposed change constitutes a Permitted Change, then the written determination of Dennis Noskin, AIA, with an office located at 55 South Broadway, Tarrytown, New York 10591 (the "Neutral Architect") shall govern. The Neutral Architect shall render his determination within ten (10) business days of either party's request (provided that a copy of such request was given simultaneously to the other party) and his determination shall be final and binding upon the parties. The parties agree to cooperate fully with each

other and the Neutral Architect, and to answer inquiries and provide evidence in good faith as requested by the Neutral Architect in connection with the fair and equitable disposal of the dispute. If Dennis Noskin retires, dies, resigns, or becomes disabled then the parties shall replace him with the following individual (who will become the Neutral Architect): Reza Agahian, AIA, with an office located at 10 Midland Avenue, Port Chester, New York 10591. If Reza Agahian retires, dies, resigns, or becomes disabled then the parties shall replace him with the following individual (who will become the Neutral Architect): Steve Pustola, AIA, with an office located at 185 Main Street, Naugatuck, Connecticut 06770. If after such replacement the then current Neutral Architect retires, dies, resigns, or becomes disabled, then the parties shall mutually agree on a replacement for such individual to act as the Neutral Architect under the terms of this Lease. In every instance where this Lease or the Landlord Work Letter designates the Neutral Architect as the arbiter of a dispute, Tenant and Landlord agree to follow (and cause the Neutral Architect to follow) the protocol set forth in this Section 4.2(b)(iii).

(iv) Landlord designates, as Landlord's authorized representative ("Landlord's Authorized Representative"), (A) Tiffany Phipps as the person authorized to initial plans, drawings and approvals; to sign change orders pursuant to the Landlord Work Letter and the Tenant Work Letter; and to provide informal and unofficial communications and (B) an officer of Landlord as the person authorized to sign any amendments to the Landlord Work Letter, the Tenant Work Letter or the Lease. Landlord may change Landlord's Authorized Representative upon one (1) business day's prior notice to Tenant. Any written approvals issued by Landlord's Authorized Representative shall bind Landlord. Any requests made to Landlord's Authorized Representative in connection with consents, approvals or directions with respect to the Tenant Improvements or the Base Building Work shall be delivered to Landlord by electronic mail, and shall be deemed received, in each case as set forth in Section 2.5 of the Tenant Work Letter (which, for the sake of clarity, includes sending such request to the electronic mail addresses set forth in Section 2.5 of the Tenant Work Letter). Any building permits or other reasonably necessary documentation with respect to construction of the Tenant Improvements or the Base Building Work for which Tenant needs Landlord's signature shall be sent to Landlord's Authorized Representative. Tenant covenants that all information included in any such documentation presented by Tenant to Landlord for Landlord's execution shall be, to the best of Tenant's then-current knowledge, true, complete and correct. Provided that Landlord has approved such Tenant Improvements or Base Building Work, as applicable, Landlord will sign any such reasonable building permits or other reasonably necessary documentation with respect to construction of the Tenant Improvements or the Base Building Work for which Tenant needs Landlord's signature; provided that (X) Landlord's execution is in the ordinary course of completion of the Tenant Improvements or Base Building Work, as applicable, (Y) Landlord's execution does not subject Landlord to any liability not customary for completion of the Tenant Improvements or Base Building Work, as applicable, and (Z) in no event shall Landlord be required to execute any documentation if Landlord reasonably believes doing so would violate any Applicable Law.

4.3 Completion of Construction.

(a) "TI Ready Work" means the Building structure, Building envelope and skin, and Building roof and penthouse with respect to each Building (to the extent applicable to Building 8, the "Building 8 TI Ready Work," and, to the extent applicable to Building 9, the "Building 9 TI Ready Work") completed to the level consistent with the following definition of TI Ready: "TI Ready" means that, with respect to Building 8 or Building 9, as the case may be, (i) the amount of TI Ready Hard Costs (as defined below) incurred in connection with the performance of the Building 8 TI Ready Work or the Building 9 TI Ready Work, as applicable, is equal to or greater than ninety percent (90%) of the total TI Ready Hard Costs budgeted for the Building 8 TI Ready Work or the Building 9 TI Ready Work, as applicable, in the Landlord Work Budget (as the Landlord Work Budget may be amended from time to time pursuant to this Lease and the Landlord Work Letter), (ii) temporary utilities (including electricity, gas and water) are capable of being accessed at Building 8 or Building 9, as applicable, for the purpose of Tenant's construction of the Tenant Improvements, (iii) all core walls, vertical shafts and framing in Building 8 or Building 9, as applicable, indicated as such on the Approved Landlord Work Plans are Substantially Complete and (iv) the applicable Building is "weather tight." "TI Ready" shall not include specified minor and insubstantial details of construction that do not, except in a de minimis manner, interfere with Tenant's performance of the Tenant Improvements or the Base Building Work in the Premises (the "TI Ready Punchlist Items"), and such TI Ready Punchlist Items shall be deemed part of the remainder of the Landlord Work to be completed in accordance with Section 4.3(b). The term "TI Ready Hard Costs" means the sum of all construction costs in connection with the Building 8 TI Ready Work or the Building 9 TI Ready Work, as

applicable, payable to Contractor, to subcontractors of any tier and to any vendor for labor, materials and equipment incorporated into the Building 8 TI Ready Work or the Building 9 TI Ready Work, as applicable, inclusive of general conditions costs, overhead, fees, insurance premium costs, permit costs, taxes and other construction costs, and exclusive of all Soft Costs (as defined below). When Landlord determines that Landlord has completed the TI Ready Work (or up to ten (10) business days prior thereto), as applicable, Landlord shall so notify Tenant. Within ten (10) business days after the date of such notice, the parties shall jointly, with Landlord's architect and Tenant's architect (if applicable), inspect the applicable TI Ready Work and attempt to agree on whether the applicable TI Ready Work has been completed. If the parties do not agree on whether Landlord has achieved completion of the applicable TI Ready Work, then the written determination of the Neutral Architect shall govern, whose determination shall be final and binding upon the parties. Notwithstanding anything to the contrary herein, if Tenant takes possession of Building 8 and/or Building 9, as applicable, prior to the date that such Building would otherwise be TI Ready for purposes of commencing the Tenant Improvements or the Base Building Work, then such Building shall be deemed TI Ready (and the TI Ready Work shall be deemed complete) as of the date Tenant takes possession of the same.

(b) The remainder of the Landlord Work (other than the Final Landlord Work) beyond the TI Ready Work shall be deemed "Substantially Complete" or there shall be "Substantial Completion" if Landlord has (i) completed the remainder of such Landlord Work identified on the Approved Landlord Work Plans (subject only to Landlord's failure to complete (A) the Final Landlord Work, (B) specified minor and insubstantial details of construction that do not, except in a de minimis manner, interfere with Tenant's performance of Tenant Improvements in the Premises (the "Landlord Work Punchlist Items"); (C) the TI Ready Punchlist Items (together with the Landlord Work Punchlist Items, the "Punchlist Items") and (D) items that cannot or should not be completed during the time of year that Landlord performs the appropriate portion of the Landlord Work, as applicable (e.g., the commissioning and testing of air conditioning and cooling systems during winter months, the commissioning and testing of heating systems during summer months, or the installation of landscaping during winter months) (collectively, "Seasonal Items")); and (ii) received a certificate of substantial completion from Landlord's Architect, or would have received such certificate but for Tenant Delay or failure of Tenant or Tenant's architect to deliver items in accordance with the Landlord Work Letter. The Final Landlord Work shall be deemed "Substantially Complete" or there shall be "Substantial Completion" if Landlord has completed all of the Final Landlord Work identified on the Approved Landlord Work Plans (subject only to Landlord's failure to complete Punchlist Items and Seasonal Items) and Landlord has received a certificate of substantial completion from Landlord's Architect, or would have received such certificate but for Tenant Delay or failure of Tenant or Tenant's architect to deliver items in accordance with the Landlord Work Letter. If the parties do not agree on whether Landlord has achieved Substantial Completion or on the scope of the Punchlist Items or Seasonal Items, then the written determination of the Neutral Architect shall govern, whose determination shall be final and binding upon the parties.

4.4 Punchlist and Seasonal Items. When Landlord determines that Landlord has Substantially Completed the Landlord Work or the Final Landlord Work (or up to ten (10) business days prior thereto), as applicable, Landlord shall so notify Tenant. Within ten (10) business days after the date of such notice, the parties shall jointly, with Landlord's architect and Tenant's architect (if applicable), inspect the Landlord Work or the Final Landlord Work, as applicable, and attempt to agree upon a list of the Punchlist Items (the "Punchlist"). If Landlord fails to give any notice described in this Section, that shall not constitute a default but shall merely extend the time for commencement of the Punchlist walkthrough. To the extent that the parties cannot agree on the Punchlist, the written determination of the Neutral Architect shall govern, whose determination shall be final and binding upon the parties. Landlord shall promptly memorialize the Punchlist in writing for Tenant's approval, which approval shall not be unreasonably withheld, conditioned or delayed. Landlord shall diligently endeavor to cause Contractor to complete all Punchlist Items with reasonable promptness and in any case within sixty (60) days after Substantial Completion of the Landlord Work or the Final Landlord Work, as applicable, (except for such Punchlist Items which cannot reasonably be completed within such sixty (60) day period, but in no event later than ninety (90) days following Substantial Completion) (the "Punchlist Deadline"). Landlord, in reasonable consultation with Tenant, shall complete the Seasonal Items after Substantial Completion of the Landlord Work (other than the Seasonal Items) within a reasonable period of time during the appropriate months of the year for such Seasonal Items (but in no event shall Landlord have less than one hundred twenty (120) days following Substantial Completion of the Landlord Work or Final Landlord Work, as applicable (except that if completion of such Seasonal Item(s) is necessary for Tenant's occupancy of any portion of the Premises for the Permitted Use, then Landlord shall complete such Seasonal Item(s) no later than the date (as indicated on the

Tenant Schedule) that Tenant is otherwise ready to occupy such portion of the Premises for the Permitted Use)), subject to extension on a day-for-day basis as a result of any Excused Landlord Delays.

4.5 Warranties; Defects. Landlord warrants to Tenant that (a) any and all materials, equipment and furnishings incorporated into the Landlord Work shall be of good quality and new unless otherwise required or permitted under the Approved Landlord Work Plans; (b) the Landlord Work shall be free from defects not inherent in the quality required or permitted, and (c) the Landlord Work shall conform with the Approved Landlord Work Plans. For a period of one (1) year after the date of Substantial Completion of all elements of the Landlord Work (on a Building by Building basis), Landlord shall repair with reasonable promptness all defects in the Landlord Work (the "Defects") as to which Tenant notifies Landlord in writing within such one (1) year period (the "Defect Reporting Period"). Except for such Defects reported within the applicable Defect Reporting Period and except for Landlord's continued maintenance, repair and replacement obligation set forth below, Tenant shall be deemed to have accepted the Premises and the Landlord Work in the condition delivered to it "as is." After the Defect Reporting Period expires, Landlord shall maintain and repair the Landlord Work in accordance with this Lease, including Landlord's right to recover Operating Expenses from Tenant as this Lease permits. Notwithstanding the foregoing, the GMP Contract shall give both Landlord and Tenant the right to enforce any warranties (including covenants relating to defects) under the GMP Contract with respect to the Landlord Work without regard to the Defect Reporting Period, and Landlord and Tenant (at the requesting party's sole cost and expense) shall reasonably cooperate with each other with respect to any such action to enforce any such warranties or covenants; provided, however, that Landlord shall not be required to bring or join in any litigation against the Contractor or to incur any costs in connection with litigation that Tenant may bring against the Contractor.

4.6 Self-Help.

(a) (i) Landlord shall use its commercially reasonable efforts to perform the Landlord Work so that, on or before the First Milestone Date (as defined below), the amount of the Budgeted Hard Costs (as defined below) incurred in connection with the performance of the Landlord Work is equal to or greater than thirty-five percent (35%) of the total Budgeted Hard Costs (the "First Milestone"), as shown in the Landlord Work Budget. The "First Milestone Date" means March 20, 2014, as such date shall be extended to the extent Landlord's performance of the Landlord Work is delayed by any Excused Landlord Delay. To evidence the percentage of Budgeted Hard Costs expended by such date, Landlord shall, on or before the First Milestone Date, deliver to Tenant a current G702 payment application (or other written certification) signed by Landlord that certifies as to the total Budgeted Hard Costs then incurred in connection with the Landlord Work.

(ii) If the First Milestone has not been satisfied by the First Milestone Date, then Landlord shall use its commercially reasonable efforts to perform the Landlord Work so that, on or before the Second Milestone Date (as defined below), the cumulative amount of the Budgeted Hard Costs incurred in connection with the performance of the Landlord Work is equal to or greater than fifty percent (50%) of the total Budgeted Hard Costs (net of Catch-Up Costs, as defined below) (the "Second Milestone"). Such commercially reasonable efforts shall include (if necessary) payment of overtime, double shift operation or other similar costs (collectively, "Catch-Up Costs"), with the parties agreeing that any Catch-Up Costs shall be borne solely by Landlord and shall neither constitute an increased cost to Tenant nor be added to or considered Budgeted Hard Costs or Project Costs). The "Second Milestone Date" means May 20, 2014, as such date shall be extended to the extent Landlord's performance of the Landlord Work is delayed by any Excused Landlord Delay. As used herein, the First Milestone Date and the Second Milestone Date shall together be referred to as the "Milestone Dates."

(iii) On or before the date that is five (5) business days after the Second Milestone Date, Landlord shall deliver to Tenant a current G702 payment application (or other written certification) signed by Landlord that certifies the then-current cumulative Budgeted Hard Costs expended in connection with the Landlord Work. If, pursuant to such signed certification, the Second Milestone has not been satisfied with respect to the Landlord Work, then Tenant shall have the right to provide written notice to Landlord within five (5) days after its receipt of the payment application or other written certification (or if no application or certification is received, then five (5) days after the Second Milestone Date, as may be extended by Excused Landlord Delay as set forth in Section 4.6(a)(ii)) requesting that Landlord provide Tenant with a written plan (the "Schedule Restoration Plan") to complete the Landlord Work in order to achieve Substantial Completion of the Landlord Work (other than the Final Landlord Work) not later than thirty

(30) days after the Estimated Substantial Completion Date, as such date shall be extended pursuant to this Lease as a result of any Excused Landlord Delay (the "SC Self-Help Completion Deadline"). Landlord shall deliver the Schedule Restoration Plan to Tenant within ten (10) days after Tenant delivers such notice to Landlord. Tenant shall approve or disapprove all or any portion of the Schedule Restoration Plan by delivering, within ten (10) days after Tenant's receipt of the Schedule Restoration Plan, written approval and/or disapproval of all or a portion of the Schedule Restoration Plan to Landlord, with such approval to be withheld only if Substantial Completion of the Landlord Work (other than the Final Landlord Work) could not reasonably be expected to occur on or before the SC Self-Help Completion Deadline, assuming that Landlord properly implements the Schedule Restoration Plan. If Tenant fails to approve or disapprove all or any portion of the Schedule Restoration Plan within ten (10) days after Tenant's receipt of the same, Tenant shall be deemed to have approved the Schedule Restoration Plan. If Tenant disapproves any portion of the Schedule Restoration Plan but approves other portions, Tenant shall identify the approved portions and provide comments to the portions of which it disapproves. If Tenant disapproves of the entire Schedule Restoration Plan, Tenant likewise shall reflect its disapproval in writing. Within ten (10) days after Landlord's receipt from Tenant of any comments to the Schedule Restoration Plan, Landlord shall submit a revised Schedule Restoration Plan addressing such comments, and Tenant, within ten (10) days after receipt of the revised Schedule Restoration Plan, shall deliver written approval or disapproval of the same. If Tenant does not approve or disapprove of the revised Schedule Restoration Plan within such ten (10) day period, Tenant shall be deemed to have approved the revised Schedule Restoration Plan. Upon approval (or deemed approval) by Tenant of any Schedule Restoration Plan, Landlord shall promptly proceed with the work required by the Schedule Restoration Plan. If Tenant disapproves of the revised Schedule Restoration Plan in accordance with this Section 4.6(a)(iii), then Tenant shall have the right, but shall not be obligated, to elect to complete the Landlord Work (including the Final Landlord Work, the "Self-Help Completion Work") by providing written notice to Landlord (the "Self-Help Notice") within ten (10) days after Tenant disapproves of the revised Schedule Restoration Plan; provided, however, that if Tenant does not provide Landlord with a Self-Help Notice within ten (10) days after disapproving of the revised Schedule Restoration Plan, then Tenant's self-help right pursuant to this Section 4.6(a) with respect to the Landlord Work shall terminate. If Tenant exercises its self-help rights to perform the Self-Help Completion Work, then Tenant shall manage the completion of the Self-Help Completion Work in a commercially reasonable manner and diligently endeavor to minimize the cost of such Self-Help Completion Work, and Tenant shall cause the Self-Help Completion Work to be performed in (A) a good, workmanlike manner, (B) accordance with Applicable Laws, (C) substantial accordance with the Approved Landlord Work Plans and (D) a manner that does not adversely affect (even to a de minimis extent) other improvements located within the Entire Project or any Utilities that affect any other tenant of the Entire Project. Landlord shall reasonably cooperate with Tenant in good faith to permit Tenant to perform the Self-Help Completion Work, including, at Tenant's election (Y) providing Tenant with access to the Entire Project, the Buildings and the Premises (as necessary for completion of the Self-Help Completion Work) and (Z) assigning to Tenant the right (together with Landlord) to (1) enforce those rights of Landlord in and to and (2) perform those obligations of Landlord under Landlord's agreements with each design service provider, Contractor, subcontractors of any tier, vendors, consultants and other project team members, in each case to the extent necessary for or useful in connection with completing the Self-Help Completion Work. Landlord shall promptly reimburse Tenant (or allow Tenant a credit against Basic Annual Rent) for Tenant's actual, reasonable, necessary and documented cost of any Self-Help Completion Work; provided, however, that any amounts so reimbursed shall constitute Project Costs under this Lease to the extent permitted under Section 6.1(d).

(iv) The term "Budgeted Hard Costs" means all construction costs of the Landlord Work payable to Contractor, to subcontractors of any tier and to any vendor for labor, materials and equipment incorporated into the Landlord Work, inclusive of general conditions costs, overhead, fees, insurance premium costs, permit costs, taxes and other construction costs, which Budgeted Hard Costs are estimated to be Eighty-Seven Million Nine Hundred Seventy-Eight Thousand Seven Hundred Seventy-One Dollars ($87,978,771).

(b) If, thirty (30) days after either the Punchlist Deadline or the end of the Defect Reporting Period, Landlord has not completed any Punchlist Item(s) or repaired any Defect(s) that Tenant timely reported to Landlord, then Tenant may so notify Landlord, together with Tenant's notice that Tenant intends to complete such Punchlist Item(s) or repair such Defect(s), which notice shall contain a reference to this Section 4.6(b) (a "Punchlist Self-Help Warning Notice"). If, five (5) business days after receiving the Punchlist Self-Help Warning Notice, Landlord has still not completed the Punchlist Item(s) or repaired the Defect(s)) identified in the Punchlist Self-Help Warning Notice, as applicable, then, notwithstanding anything to the contrary in this Lease, Tenant may complete such Punchlist

Item(s) (the "Punchlist Self-Help Work") and/or repair such Defect(s) (the "Defect Self-Help Work"), provided that (i) Tenant may perform Punchlist Self-Help Work and/or Defect Self-Help Work only within the Premises; (ii) the Punchlist Self-Help Work and/or Defect Self-Help Work shall not adversely affect (even in a de-minimis manner) any other tenant or any Utilities that affect any other tenant and (iii) Tenant shall act in a commercially reasonable manner and diligently endeavor to minimize the cost of the Punchlist Self-Help Work and/or Defect Self-Help Work. Notwithstanding the foregoing, Tenant shall not engage in any Punchlist Self-Help Work and/or Defect Self-Help Work involving building systems that serve any other tenant, even if such systems partially serve Tenant. Landlord shall promptly reimburse Tenant (or allow Tenant a credit against Basic Annual Rent) for Tenant's actual, reasonable, necessary and documented cost of any Punchlist Self-Help Work and/or Defect Self-Help Work; provided, however, that any amounts so reimbursed for Punchlist Self-Help Work shall constitute Project Costs to the extent permitted under Section 6.1(d).

(c) If Landlord fails to complete the Seasonal Items after Substantial Completion of the Landlord Work or the Final Landlord Work, as applicable, within the period of time set forth in Section 4.4 for completion of Seasonal Items, then Tenant may so notify Landlord, together with Tenant's notice that Tenant intends to complete such Seasonal Items, which notice shall contain a reference to this Section 4.6(c) (a "Seasonal Item Self-Help Warning Notice"). If, thirty (30) days after receiving a Seasonal Item Self-Help Warning Notice (subject to reasonable delays caused by inclement weather or season changes), Landlord has still not completed the Seasonal Item identified in the Seasonal Item Self-Help Warning Notice, then, notwithstanding anything to the contrary in this Lease, Tenant may complete such Seasonal Item(s) (the "Seasonal Item Self-Help Work"), provided that (i) Tenant may perform Seasonal Item Self-Help Work only within the Mt. Pleasant Project; (ii) the Seasonal Item Self-Help Work shall not adversely affect (even in a de-minimis manner) any other tenant or any Utilities that affect any other tenant and (iii) Tenant shall act in a commercially reasonable manner and diligently endeavor to minimize the cost of the Seasonal Item Self-Help Work. Notwithstanding the foregoing, Tenant shall not engage in any Seasonal Item Self-Help Work involving building systems that serve any other tenant, even if such systems partially serve Tenant. Landlord shall promptly reimburse Tenant (or allow Tenant a credit against Basic Annual Rent) for Tenant's actual, reasonable, necessary and documented cost of any Seasonal Item Self-Help Work; provided, however, that any amounts so reimbursed for Seasonal Item Self-Help Work shall constitute Project Costs to the extent permitted under Section 6.1(d).

4.7 Final Landlord Work. Notwithstanding anything to the contrary in this Lease, Substantial Completion of the Final Landlord Work shall not be required to be completed by the Estimated Substantial Completion Date, but, rather, shall be performed by Landlord in conjunction with Tenant's performance of the Tenant Improvements and Base Building Work. Subject to extension on a day-for-day basis as a result of any Excused Landlord Delays, Landlord shall diligently seek to Substantially Complete the Final Landlord Work prior to the date (as applicable in each case, the "Final Landlord Work Completion Date") that is (a) with respect to Building 8, the date (as indicated on the Tenant Schedule) that Tenant is ready to occupy Building 8 for the conduct of Tenant's business in accordance with the Permitted Use, (b) with respect to Building 9, the date (as indicated on the Tenant Schedule) that Tenant is ready to occupy Building 9 for the conduct of Tenant's business in accordance with the Permitted Use and (c) with respect to any Final Landlord Work not included in the work described in Sections 4.7(a) and 4.7(b) (except for Seasonal Items, completion of which shall be in accordance with Section 4.4), the earlier of the dates described in Sections 4.7(a) and 4.7(b).

4.8 Landlord Work. For the avoidance of doubt, the Landlord Work includes the TI Ready Work and the Final Landlord Work (unless specifically discussed and referenced separately in this Lease (for example, when discussing Substantial Completion of the Landlord Work and Substantial Completion of the Final Landlord Work, the term "Landlord Work" shall not include the Final Landlord Work).

4.9 Building 8 Bridge.

(a) As of the Execution Date, Landlord and Tenant agree that the Building 8 Bridge shall be designed and constructed to connect Building 8 to the 01 level of Building 777 (the "01 Bridge Location"). For the sake of clarity, Building 777 has the following levels, in order beginning with the lowest floor: Lobby, Spine, 01 and 02). Tenant may elect, however, by providing notice (the "Bridge Notice") to Landlord on or before July 1, 2013, one of the following: (i) in the event Tenant has leased that certain space depicted on Exhibit N attached hereto (the "777 North Spine Premises") or has leased a portion of the 777 North Spine Premises such that the entire Building 8 Bridge can connect to such leased portion of the 777 North Spine Connection Premises"), that

Landlord construct the Building 8 Bridge such that it connects to the 777 North Spine Premises (or the 777 North Spine Connection Premises, as applicable) and, in such event, that Landlord not construct the Building 8 Bridge in the 01 Bridge Location, or (ii) that Landlord not construct the Building 8 Bridge, in which case all of Landlord's obligations relating to the Building 8 Bridge shall be null and void. If Landlord does not receive the Bridge Notice from Tenant on or before July 1, 2013, then Landlord shall construct and connect the Building 8 Bridge in the 01 Location. All costs and expenses in connection with designing and constructing the Building 8 Bridge, regardless of whether the Building 8 Bridge is actually constructed, shall constitute Project Costs. In the event that Tenant leases the 777 North Spine Premises (or the 777 North Spine Connection Premises, as applicable) and elects for Landlord to construct the Building 8 Bridge so that it connects to the 777 North Spine Premises (or the 777 North Spine Connection Premises, as applicable), Landlord's obligation to connect the Building 8 Bridge to the 777 North Spine Premises (or the 777 North Spine Connection Premises, as applicable) shall be contingent upon any existing tenant of the 777 North Spine Premises (or the 777 North Spine Connection Premises, as applicable) vacating the 777 North Spine Premises (or the 777 North Spine Connection Premises, as applicable), and the Building 8 Bridge (and any portion of the Landlord Work that directly relates to the Building 8 Bridge) shall not be included in the Landlord Work (or Final Landlord Work, as applicable) for purposes of determining whether the Landlord Work (other than the Final Landlord Work) has been Substantially Completed by the Estimated Substantial Completion Date or whether the Final Landlord Work has been Substantially Completed by the Final Landlord Work Completion Date; provided, however, that the Building 8 Bridge shall be included in Landlord Work for purposes of calculating Project Costs; provided, further, that Landlord shall diligently seek to complete construction of the Building 8 Bridge in a commercially reasonable period of time following any existing tenant vacating the 777 North Spine Premises (or the 777 North Spine Connection Premises, as applicable). In the event Tenant makes the election set forth in Section 4.9(a)(i) or 4.9(a)(ii), then in no event shall the Building 8 Bridge process constitute a Landlord Delay or a Tenant Delay.

(b) In the event that Tenant elects that Landlord not construct the Building 8 Bridge in accordance with Subsection 4.9(a)(ii), Tenant may (subject to the remainder of this Section) later elect during the Term, by providing notice to Landlord, for Landlord to construct and connect the Building 8 Bridge in a location mutually agreeable to Landlord and Tenant. In the event that Landlord and Tenant agree upon a location for the Building 8 Bridge, Landlord and Tenant shall enter into a written amendment to this Lease (the "Building 8 Bridge Amendment"), which amendment shall provide, unless otherwise agreed in writing, (i) the Building 8 Bridge scope of work, (ii) the commencement date and estimated completion date of the associated Building 8 Bridge premises, (iii) that the Premises shall be increased to include the square feet of Rentable Area of the Building 8 Bridge and the associated Building 8 Bridge premises, (iv) that all costs of the Building 8 Bridge shall constitute Project Costs (in the same manner that costs of the Landlord Work constitute Project Costs under Section 6.1), (v) that the Basic Annual Rent shall be recalculated upon substantial completion of the Building 8 Bridge to incorporate any additional Project Costs as a result of the Building 8 Bridge and (vi) Tenant's new Pro Rata Shares based upon the addition of the Building 8 Bridge and the associated Building 8 Bridge premises to the Premises. In all other respects, except as otherwise agreed to in writing by Landlord and Tenant, this Lease shall remain in full force and effect and shall apply to any Building 8 Bridge constructed pursuant to the Building 8 Bridge Amendment.

5. Possession and Term Commencement Date of Premises; Tenant Improvements; Base Building Work.

5.1 Landlord shall tender to Tenant possession of Building 8 upon completion of the Building 8 TI Ready Work and Building 9 upon completion of the Building 9 TI Ready Work. Notwithstanding the delivery to Tenant of Building 8 and/or Building 9, Tenant shall allow Landlord all necessary access to Building 8 or Building 9, as the case may be, to complete the performance of the Landlord Work. Landlord and Tenant shall reasonably cooperate with each other so as not to impede the other's work on the Mt. Pleasant Project.

(a) If (i) the Buildings are not TI Ready on or before the Building 8 Estimated Term Commencement Date and the Building 9 Estimated Term Commencement Date, as applicable, (ii) Substantial Completion of the remainder of the Landlord Work (other than the Final Landlord Work and, if Tenant makes the election set forth in Section 4.9(a)(i), the Building 8 Bridge) has not occurred by the Estimated Substantial Completion Date or (iii) Substantial Completion of the Final Landlord Work has not occurred by the Final Landlord Work Completion Date (subject to extension in each instance on a day-for-day basis as a result of any Excused Landlord Delays), then

this Lease shall not be void or voidable and Landlord shall not be liable to Tenant for any loss or damage resulting therefrom, except as otherwise provided in this Section 5.1.

(b) If Building 8 is not TI Ready before the Building 8 Estimated Term Commencement Date (subject to extension on a day-for-day basis as a result of any Excused Landlord Delays), then the Building 8 Rent Commencement Date will be postponed by two (2) days for each day after the Building 8 Estimated Term Commencement Date (as extended for any Excused Landlord Delays) until the day immediately preceding the Building 8 Term Commencement Date.

(c) If Building 9 is not TI Ready on or before the Building 9 Estimated Term Commencement Date (subject to extension on a day-for-day basis as a result of any Excused Landlord Delays), then the Building 9 Rent Commencement Date will be postponed by two (2) days for each day after the Building 9 Estimated Term Commencement Date (as extended for any Excused Landlord Delays) until the day immediately preceding the Building 9 Term Commencement Date.

(d) If, after delivery to Tenant of the applicable Building pursuant to this Section 5.1, there is any Landlord Delay that restricts or delays Tenant from performing or completing the Tenant Improvements in such Building or from occupying such Building for the Permitted Use, then Tenant shall give Landlord notice of such Landlord Delay (the "TI Delay Notice"). If Landlord does not remedy the Landlord Delay to the reasonable satisfaction of Tenant within five (5) business days after Landlord's receipt of the TI Delay Notice, then the Building 8 Rent Commencement Date or the Building 9 Rent Commencement Date, as the case may be, will be postponed by one (1) day for each day of Landlord Delay that actually restricts or delays Tenant from performing or completing the Tenant Improvements in such Building or from occupying such Building for the Permitted Use (and the Term Expiration Date for the entire Premises shall be extended by a correlating number of days). The postponement described in this Section 5.1(d) is in addition to the postponement described in Sections 5.1(b) and (c).

(e) The "Building 8 Term Commencement Date" shall be the date that Landlord delivers Building 8 to Tenant TI Ready. The "Building 9 Term Commencement Date" shall be the date that Landlord delivers Building 9 to Tenant TI Ready. Failure by Tenant to obtain validation by any medical review board or other similar governmental licensing of the Premises required for the Permitted Use by Tenant shall not serve to extend the Building 8 Term Commencement Date, the Building 9 Term Commencement Date or the Term Commencement Date. Tenant may not take possession of any part of the Premises before the Building 8 Term Commencement Date or the Building 9 Term Commencement Date, as the case may be. Landlord and Tenant shall each execute and deliver to the other written acknowledgment of the actual Building 8 Term Commencement Date and Building 9 Term Commencement Date, when and as each such dates are established, substantially in the form attached to this Lease as Exhibit B. Failure to execute and deliver such acknowledgments, however, shall not affect the Building 8 Term Commencement Date or the Building 9 Term Commencement Date or Landlord's or Tenant's liability or obligations hereunder.

5.2 Possession of areas of the Premises necessary for Landlord-controlled utilities, services, safety and operation of the Buildings is reserved to Landlord; provided, however, that Tenant shall have non-exclusive access to such areas at all times during the Term (but subject to all other provisions of this Lease).

5.3 Tenant shall cause to be constructed tenant improvements in the Premises (the "Tenant Improvements") pursuant to the "Tenant Work Letter" attached as Exhibit G-1 and the Scope Allocation Matrix (as superseded by the Approved Tenant Plans as described in the Tenant Work Letter), at a cost to Landlord (the "TI Allowance") not to exceed One Hundred Dollars ($100.00) per square foot of Rentable Area of the Premises. Such amounts shall be applied to pay only the costs of the following (except as otherwise expressly provided in this Lease): (i) construction; (ii) construction review by Landlord (which fee shall equal two and one-half percent (2.5%) of the cost of the Tenant Improvements); (iii) space planning, architectural, engineering, and other related services; and (iv) building permits and other planning and inspection fees. For purposes of this Lease, Tenant's cost of any Tenant Improvement shall include only items constituting "costs of improvement" within the meaning of the New York Lien Law, except that, with Landlord's reasonable approval, notwithstanding anything to the contrary in this Section 5.3, up to twenty-five percent (25%) of the TI Allowance may cover other costs (the "Soft Costs") directly related to the Tenant Improvements, such as space design, planning and relocation costs, legal costs related to this Lease and the

Tenant Improvements; and network cabling (the balance of which seventy-five percent (75%) of the TI Allowance is hereafter referred to as the "Hard Costs"). Without limiting Tenant's right to use the TI Allowance for any portion of the Premises, Tenant may apply the TI Allowance at Tenant's sole discretion for the payment of construction and other costs (including standard laboratory improvements; finishes; building fixtures; building permits; and architectural, engineering, design, consulting and construction management fees), in each case as reflected in the Approved Tenant Budget and the Approved Tenant Plans. In no event shall the TI Allowance be used for payments to Tenant or any affiliates of Tenant; the purchase of any furniture, fixtures, telecommunications equipment, personal property or other non-building system equipment; costs resulting from any default by Tenant of its obligations under this Lease; or costs that are recoverable by Tenant from a third party (e.g., insurers, warrantors, or tortfeasors);

(a) In performing the Tenant Improvements, Tenant shall allow Landlord's Authorized Representative and consultants and advisers to Landlord to attend design and construction meetings. Landlord and Tenant shall work together to mutually agree on the time and location of such meetings; provided, however, that Tenant may reschedule such meetings as is commercially reasonable and upon reasonable advance notice to Landlord. Upon Landlord's specific request, Tenant shall keep Landlord's Authorized Representative reasonably informed and answer Landlord's reasonable inquiries about the Approved Tenant Plans and the Tenant Improvements. Tenant shall give Landlord's Authorized Representative copies of the following documents as developed by Tenant and its vendors in the ordinary course of performance of the Tenant Improvements: progress printings during the construction development phase; project meeting minutes or memoranda; Tenant's log of "requests for information;" and Tenant's log of change orders. The foregoing rights to receive information shall not be deemed to give Landlord any approval rights not otherwise expressly provided for in this Lease. Tenant shall from time to time allow Landlord to inspect the Tenant Improvements in progress in a reasonable manner. Tenant shall reasonably consider all comments and requests made by Landlord. Prior to Tenant's occupancy of each Building for the Permitted Use, Tenant shall have obtained all appropriate permissions from the applicable Governmental Authorities for such Building suitable for the Permitted Use and shall subsequently deliver each certificate of occupancy to Landlord within a reasonable period of time.

(b) Prior to entering upon any portion of the Premises to construct Tenant Improvements, Tenant shall furnish to Landlord evidence satisfactory to Landlord that insurance coverages required of Tenant under the provisions of Article 21 and the Tenant Work Letter attached as Exhibit G-1 are in effect.

(c) Landlord will advance to Tenant the entire amount of the TI Allowance for the Premises (i.e., One Hundred Dollars ($100) per square foot of Rentable Area) when and as requisitioned by Tenant in compliance with this Lease (including Tenant's satisfaction of the TI Disbursement Conditions (as defined below)). For the avoidance of doubt, the TI Allowance may be used by Tenant for Tenant Improvements in any portion of the Premises, regardless of whether a portion of the TI Allowance was made available to Tenant with respect to a specific portion of the Premises. In no event shall Landlord be obligated to contribute more than the TI Allowance. Tenant shall pay all costs of the Tenant Improvements that exceed the TI Allowance. As a condition to obtaining each disbursement of TI Allowance, the following conditions (the "TI Disbursement Conditions") shall be satisfied:

(i) Either (A) the Building 8 Term Commencement Date or the Building 9 Term Commencement Date, as applicable, shall have occurred or (B) the aggregate disbursements requested before the Building 8 Term Commencement Date or the Building 9 Term Commencement Date, as applicable, shall not exceed twenty-five percent (25%) of the TI Allowance allocated to Building 8 or Building 9, as applicable;

(ii) The Tenant Improvements performed to date shall comply with this Lease;

(iii) Tenant shall not be in Default of either a monetary obligation or a material non-monetary obligation (or both) that remains uncured under this Lease (the parties agree that a material non-monetary obligation shall be one that creates a significant risk (and not merely de minimis risk) of potential liability or exposure for Landlord);

(iv) Tenant shall have delivered to Landlord a disbursement request; a statement (an "Advance Request") setting forth the total amount requested; a detailed summary of the Soft Costs incurred related to the Tenant Improvements; a detailed summary of the Hard Costs of the portion of the Tenant

Improvements performed using AIA standard form Application for Payment (G 702) executed by the Tenant's contractor and its architect; lien releases from Tenant's general contractor and any "first-tier" subcontractor (to the extent such subcontractor has performed work for which the cost is included in the Advance Request); backup invoices (paid or presently due and payable) for Tenant's costs for the Tenant Improvements; a certificate of Tenant's architect confirming that the Tenant Improvements to date substantially comply with the applicable portions of the Approved Tenant Plans; progress (or final, as appropriate) lien waivers; a consent by Tenant's architects and engineers to Landlord's use of the Approved Tenant Plans, as revised, if this Lease terminates, in such form as Landlord shall reasonably require; and such other deliveries as Landlord reasonably requests if one of its lenders so requires;

(v) With respect to reimbursement for Hard Costs, Landlord shall have approved in writing the budget for the Tenant Improvements (the "Approved Tenant Budget"), which approval shall not be unreasonably withheld, conditioned or delayed. Tenant shall as necessary deliver to Landlord a modified Approved Tenant Budget. Prior to Landlord's approval of the Approved Tenant Budget, Tenant shall pay all of the costs and expenses incurred in connection with the Tenant Improvements as they become due. Landlord shall not be obligated to reimburse Tenant for costs or expenses relating to the Tenant Improvements that exceed either (A) the amount of the TI Allowance (other than pursuant to Section 7.2 of the Tenant Work Letter), or (B) the Approved Tenant Budget; and

(vi) Tenant shall have satisfied the TI Disbursement Conditions in Sections 5.3(c)(i)-(v) no later than the date (the "TI Disbursement Deadline") that is thirty-six (36) months after the later to occur of the Building 8 Term Commencement Date and the Building 9 Term Commencement Date, as each may be extended if the Tenant Improvements are delayed by Landlord Delay or Force Majeure; provided, however, that in no event shall Tenant's failure to satisfy the TI Disbursement Conditions by the TI Disbursement Deadline constitute a default by Tenant. As of the TI Disbursement Deadline (A) any TI Allowance for which Tenant has not satisfied the TI Disbursement Conditions in Sections 5.3(c)(i)-(v) may be retained by Landlord, free of any claim by Tenant and (B) Landlord shall have no further obligation to disburse any TI Allowance for which Tenant has not satisfied the TI Disbursement Conditions in Sections 5.3(c)(i)-(v).

(d) Landlord shall make each disbursement of the TI Allowance to Tenant or (at Tenant's request) to a third party on behalf of Tenant in the amount set forth in an Advance Request within fifteen (15) days after the satisfaction of the last to occur of the TI Disbursement Conditions to Landlord's reasonable satisfaction.

5.4 Tenant shall cause to be constructed the work identified on the Scope Allocation Matrix as the Base Building Work (the "Base Building Work") in accordance with the Tenant Work Letter, the Scope Allocation Matrix and the Basis of Design (which Scope Allocation Matrix and Basis of Design will be superseded by the Approved Tenant Plans as described in the Tenant Work Letter). Tenant shall be responsible for payment of all costs associated with the Base Building Work, subject to reimbursement by Landlord as provided herein. The cost of Base Building Work reimbursed by Landlord shall be applied to pay only the costs of the following: (i) construction; (ii) space planning, architectural, engineering, and other related services; and (iii) building permits and other planning and inspection fees, in each case in connection with the Base Building Work and as set forth in the Approved Base Building Budget (collectively, the "Base Building Costs"). In no event shall Landlord be required to reimburse Tenant for Base Building Costs related to payments to Tenant or any affiliates of Tenant; the purchase of any furniture, fixtures, telecommunications equipment, personal property or other non-building system equipment; costs resulting from any default by Tenant of its obligations under this Lease; or costs that are recoverable by Tenant from a third party (e.g., insurers, warrantors, or tortfeasors).

(a) In performing the Base Building Work, Tenant shall allow Landlord's Authorized Representative and consultants and advisers to Landlord to attend design and construction meetings. Landlord and Tenant shall work together to mutually agree on the time and location of such meetings; provided, however, that Tenant may reschedule such meetings as is commercially reasonable and upon reasonable advance notice to Landlord. Upon Landlord's specific request, Tenant shall keep Landlord's Authorized Representative reasonably informed and answer Landlord's reasonable inquiries about the Approved Tenant Plans and the Base Building Work. Tenant shall give Landlord's Authorized Representative copies of the following documents as developed by Tenant and its vendors in the ordinary course of performance of the Base Building Work: progress printings during the construction development

phase; project meeting minutes or memoranda; Tenant's log of "requests for information;" and Tenant's log of change orders. The foregoing rights to receive information shall not be deemed to give Landlord any approval rights not otherwise expressly provided for in this Lease. Tenant shall from time to time allow Landlord to inspect the Base Building Work in progress in a reasonable manner. Tenant shall reasonably consider all comments and requests made by Landlord. To the extent any Base Building Work is to be repaired or maintained by Landlord pursuant to Article 18, Tenant shall assign to Landlord any and all warranties relating to such Base Building Work (and such warranties shall expressly permit such assignment). In addition, Tenant shall provide commissioning reports to Landlord with respect to all Base Building Work promptly after commissioning is completed.

(b) Landlord will reimburse Tenant for the entire amount of the Base Building Costs, when and as requisitioned by Tenant in compliance with this Lease (including Tenant's satisfaction of the Base Building Disbursement Conditions). As a condition to obtaining reimbursement of the Base Building Costs, Tenant shall satisfy the following conditions (the "Base Building Disbursement Conditions"):

(i) Either (A) the Building 8 Term Commencement Date or the Building 9 Term Commencement Date, as applicable, shall have occurred or (B) the aggregate disbursements requested before the Building 8 Term Commencement Date or the Building 9 Term Commencement Date, as applicable, shall not exceed twenty-five percent (25%) of the Base Building Costs allocated to Building 8 or Building 9, as applicable;

(ii) The Base Building Work performed to date shall comply with this Lease;

(iii) Tenant shall not be in Default of either a monetary obligation or a material non-monetary obligation (or both) that remains uncured under this Lease (the parties agree that a material non-monetary obligation shall be one that creates a significant risk (and not merely de minimis risk) of potential liability or exposure for Landlord);

(iv) Tenant shall have delivered to Landlord a disbursement request; a statement (a "Base Building Advance Request") setting forth the total amount requested; a detailed summary of the Soft Costs incurred related to the Base Building Work; a detailed summary of the Hard Costs of the portion of the Base Building Work performed using AIA standard form Application for Payment (G 702) executed by the Tenant's contractor and its architect; lien releases from Tenant's general contractor and any "first-tier" subcontractor (to the extent such subcontractor has performed work for which the cost is included in the Base Building Advance Request); backup invoices (paid or presently due and payable) for Tenant's costs for the Base Building Work; a certificate of Tenant's architect confirming that the Base Building Work substantially complies with the applicable portions of the Approved Tenant Plans; progress (or final, as appropriate) lien waivers; a consent by Tenant's architects and engineers to Landlord's use of the Approved Tenant Plans, as revised, if this Lease terminates, in such form as Landlord shall reasonably require; and such other deliveries as Landlord reasonably requests if one of its lenders so requires;

(v) With respect to reimbursement for Hard Costs, Landlord shall have approved in writing the budget for the Base Building Work (the "Approved Base Building Budget"), which approval shall not be unreasonably withheld, conditioned or delayed. Tenant shall as necessary deliver to Landlord a modified Approved Base Building Budget. Prior to Landlord's approval of the Approved Base Building Budget, Tenant shall pay all of the costs and expenses incurred in connection with the Base Building Work as they become due. Landlord shall not be obligated to reimburse Tenant for costs or expenses relating to the Base Building Work that exceed the Approved Base Building Budget; and

(vi) Tenant shall have satisfied the Base Building Disbursement Conditions in Sections 5.4(c)(i)-(v) no later than the date (the "Base Building Disbursement Deadline") that is twelve (12) months after the later to occur of the Building 8 Rent Commencement Date and the Building 9 Rent Commencement Date, as each may be extended if the Base Building Work is delayed by Landlord Delay or Force Majeure; provided, however, that in no event shall Tenant's failure to satisfy the Base Building Disbursement Conditions by the Base Building Disbursement Deadline constitute a default. As of the Base Building Disbursement Deadline (A) any Base Building Costs for which Tenant has not satisfied the Base Building Disbursement Conditions in Sections 5.4(c)(i)-(v) may be retained by Landlord, free of any claim by Tenant; and (B) Landlord shall have no further obligation to reimburse

Tenant for any Base Building Costs for which Tenant has not satisfied the Base Building Disbursement Conditions in Sections 5.4(c)(i)-(v).

(c) Landlord shall make each disbursement of the Base Building Costs to Tenant or (at Tenant's request) to a third party on behalf of Tenant the amount set forth in a Base Building Advance Request within fifteen (15) days after the satisfaction of the last to occur of the Base Building Disbursement Conditions to Landlord's reasonable satisfaction.

(d) Tenant shall have the right, at Tenant's sole cost and expense, to (i) designate a general contractor to construct the Base Building Work, the Tenant Improvements and Alterations, subject to Landlord's reasonable approval, and (ii) hire a project manager and other consultants without Landlord's approval.

(e) While Tenant performs the Base Building Work and the Tenant Improvements, Landlord shall make available to Tenant, at Tenant's option, reasonable amounts of temporary power, water and other utility services. Tenant shall pay Landlord as Additional Rent (and not as an Operating Expense) an amount equal to the actual costs incurred by Landlord (as reasonably estimated by Landlord, if necessary) with respect to Tenant's consumption of such power, water and other utility services. Landlord shall make available without charge to Tenant upon Tenant's reasonable request a reasonable amount of "staging" and "lay-down" area in reasonable proximity to the Premises to facilitate the Tenant Improvements. Tenant shall (i) maintain such area in a neat, organized and safe manner and (ii) comply with Landlord's reasonable requirements regarding security, safety, additional insurance, access controls, appearance and scheduling of deliveries.

5.5 Landlord shall provide such assistance as Tenant reasonably requests in obtaining permits, licenses, and other similar third-party approvals from Governmental Authorities as are necessary or appropriate for the Base Building Work and the Tenant Improvements, provided that (i) all applications to be signed by Landlord shall be subject to Landlord's reasonable approval; (ii) Tenant shall reimburse Landlord for all reasonable actual out of pocket costs (including legal, architectural and expediting fees) in connection with such applications and (iii) Landlord shall not have given Tenant notice that Tenant is in default under this Lease.

(a) Without limiting Tenant's obligation to construct the Base Building Work and Tenant Improvements, Tenant shall with reasonable diligence endeavor to substantially complete the Base Building Work and the Tenant Improvements, and shall cause to be issued all certificates of occupancy and other approvals permitting Tenant to take occupancy and use the Premises for the Permitted Use, in each case within a commercially reasonable period, subject to Landlord Delay and Force Majeure.

(b) If this Lease terminates for any reason except Landlord's default beyond applicable cure periods, then Tenant (i) shall promptly deliver to Landlord any and all plans, specifications and construction documents prepared by or for Tenant for the Base Building Work and the Tenant Improvements, including the Approved Tenant Plans; and (ii) hereby assigns and conveys to Landlord, without further consideration, effective upon such termination of this Lease, all of Tenant's rights and interest in and to any and all such plans, specifications and construction documents. Tenant shall cause its agreements with its architects, engineers and other consultants to include their consent to such assignment and conveyance, and the vendors' agreement that Landlord may use such plans and specifications to complete the Tenant Improvements, the Base Building Work and any other work within the Premises.

5.6 "Tenant Delay" means any delay in Landlord's prosecution of the Landlord Work caused by any of the following, to the extent that such circumstance actually delays completion of the TI Ready Work, Substantial Completion of the Landlord Work or Substantial Completion of the Final Landlord Work, as applicable, beyond the date when such completion or Substantial Completion, as applicable, would have otherwise occurred (as determined by the Neutral Architect if Landlord and Tenant disagree, and whose determination shall be final and binding upon the parties): (a) Tenant's requests for changes in the Landlord Work other than Permitted Changes, (b) Tenant's delay in responding to any inquiries or requests from Landlord relating to the Landlord Work, or to the extent Landlord delays any meetings or conference calls as a result of the unavailability of Tenant's Authorized Representative (to the extent Tenant's Authorized Representative specifically requested such delay or if the presence of Tenant's Authorized Representative was necessary (in Landlord's reasonable opinion and provided that Landlord notified Tenant that the

presence of Tenant's Authorized Representative was necessary) for such meeting(s) or conference call(s)), or to otherwise accommodate Tenant or its consultants and/or advisors, pursuant to Section 4.2(b)(iii), (c) any delay in connection with approving a modification to the Landlord Work Budget beyond the Value Engineering Review Period (as defined in the Landlord Work Letter), (d) any Default by Tenant under this Lease or (e) any delays caused by any proceedings or threatened proceedings relating to or arising from any Tax Incentives or Tenant's anticipated occupancy of the Premises. Tenant Delay shall apply on a per-Building basis, such that (for example) any Tenant Delay that affects Landlord's prosecution of the Landlord Work with respect to Building 8 only shall have no effect on the Building 9 Term Commencement Date, and any Tenant Delay that affects Landlord's prosecution of the Landlord Work with respect to Building 9 only shall have no effect on the Building 8 Term Commencement Date; provided, however, that any additional cost of performing the Landlord Work on one Building incurred by Landlord as a result of or in connection with a Tenant Delay on the other Building shall constitute a Project Cost. Notwithstanding any Tenant Delay, Landlord shall exercise diligent and commercially reasonable efforts to mitigate Tenant Delay to the extent reasonably practicable.

5.7 "Landlord Delay" means any delay in Tenant's prosecution of Tenant Improvements or Base Building Work or Tenant's occupancy of the applicable Building for the Permitted Use caused by any of the following, to the extent that such circumstance actually delays Substantial Completion of the Tenant Improvements or Base Building Work or occupancy of the applicable Building for its Permitted Use beyond the date when the same would have otherwise occurred (as determined by the Neutral Architect if Landlord and Tenant disagree, and whose determination shall be final and binding upon the parties): (a) Landlord's requests for changes in Tenant Improvements or Base Building Work contrary to Landlord's rights to do so under Section 7.2 of the Tenant Work Letter, (b) Landlord's delay in responding to any inquiries or requests from Tenant for approvals from Landlord relating to the Tenant Improvements or Base Building Work beyond the time periods set forth under this Lease and in the Tenant Work Letter or (c) Landlord's failure to diligently prosecute the Landlord Work to completion. Notwithstanding any Landlord Delay, Tenant shall exercise diligent and commercially reasonable efforts to mitigate Landlord Delay.

6. Rent for the Premises. Commencing on the Building 8 Rent Commencement Date, Tenant shall pay to Landlord basic annual rent ("Building 8 Basic Annual Rent") with respect to Building 8 in the amount that results from multiplying the Building 8 Project Costs (as defined below) by seven and 25/100 percent (7.25%). Commencing on the Building 9 Rent Commencement Date, Tenant shall pay to Landlord basic annual rent ("Building 9 Basic Annual Rent" and, together with Building 8 Basic Annual Rent, "Basic Annual Rent") with respect to Building 9 in the amount that results from multiplying the Building 9 Project Costs (as defined below) by seven and 25/100 percent (7.25%). Basic Annual Rent is subject to annual adjustment as provided in Article 7.

6.1 "Building 8 Project Costs" or "Building 9 Project Costs" (individually and collectively, as applicable herein, "Project Costs") means the sum of the following costs, in each case with respect to Building 8 or Building 9 only, as the case may be, but in no event including Catch-Up Costs:

(a) Landlord's imputed allocated land cost for the portion of the Property located on the Mt. Pleasant portion of the Entire Project, which allocated land cost the parties conclusively agree shall be deemed to equal Thirty-Eight and 60/100 Dollars ($38.60) per square foot of Rentable Area of the applicable Premises and shall be deemed to have been invested as of the Execution Date (the "Imputed Land Cost");

(b) The TI Allowance;

(c) All Base Building Costs reimbursed or paid by Landlord (provided, however, that this Section shall not be interpreted as allowing Landlord to double-count any costs or expenses);

(d) All sums paid or to be paid by Landlord to Contractor for construction of the Landlord Work pursuant to Landlord's agreement with Contractor (so long as such agreement was submitted to and approved (or deemed approved) by Tenant pursuant to the requirements of this Lease and the Landlord Work Letter), including all costs arising from, related to or in connection with any Tenant Delay and Landlord Work Changes (as defined in the Landlord Work Letter), and all Permitted Changes implemented, together with Landlord's actual cost (provided, however, that this Section shall not be interpreted as allowing Landlord to double-count such costs or expenses) of (i) completing all Punchlist Items, (ii) reimbursing Tenant for Tenant's cost of the Self-Help Completion Work in accordance

with Section 4.6(a), (iii) reimbursing Tenant for Tenant's cost of the Punchlist Self-Help Work in accordance with Section 4.6(b) and (iv) reimbursing Tenant for Tenant's cost of the Seasonal Item Self-Help Completion Work in accordance with Section 4.6(c);

(e) All fees for, and the cost of, permits, licenses, inspections and certificates required by any Governmental Authority or in Landlord's reasonable determination to be sound business practice for the Landlord Work consistent with the Landlord Work Budget; provided, however, that if any of the foregoing relate to more than the Landlord Work, Project Costs shall include only Landlord's reasonable allocation of such cost (but if the parties do not agree on any such reasonable allocation, they shall resolve the dispute through arbitration under Article 47);

(f) All fees and costs charged for services performed by Landlord's architect, engineers and other consultants pursuant to their respective agreements with Landlord (so long as such agreements were submitted to and approved (or deemed approved) by Tenant pursuant to the requirements of the Landlord Work Letter or pursuant to the Indemnification Agreement), with respect to the design and construction of the Landlord Work and the obtaining of entitlements relating thereto and consistent with the Landlord Work Budget and Permitted Changes (including any and all such costs relating to the Exclusive Parking Garage and the Bridges, regardless of whether the Exclusive Parking Garage and/or the Bridges are actually constructed); provided, however, that if any of the foregoing relate to more than the Landlord Work, Project Costs shall include only Landlord's reasonable allocation of such cost (but if the parties do not agree on any such reasonable allocation, they shall resolve the dispute through arbitration under Article 47). For the sake of clarity, any costs and expenses contained in the Landlord Reimbursement Amount (as defined in the Indemnification Agreement) shall be treated as a Project Cost under this Section 6.1(f); provided, however, that this Section shall not be interpreted as allowing Landlord to double-count such costs or expenses);

(g) The cost of builder's risk, property, fire and extended coverage insurance premiums incurred by Landlord with respect (or reasonably allocable) to the Landlord Work, the Tenant Improvements or the Base Building Work;

(h) The cost of any offsite improvements depicted on the Site Plan Approvals or the Approved Site Plans, each as approved by the Town of Mount Pleasant, reasonably allocable to and pro-rated to the Landlord Work, as reasonably determined by Landlord and consistent with the Landlord Work Budget and Permitted Changes (but if the parties do not agree on any such reasonable allocation, they shall resolve the dispute through arbitration under Article 47);

(i) The cost of the construction of utilities and utility hook-up fees reasonably allocable by Landlord to the Landlord Work and consistent with the Landlord Work Budget and Permitted Changes, including the cost of utilities directly related to the construction of the Landlord Work (but if the parties do not agree on any such reasonable allocation, they shall resolve the dispute through arbitration under Article 47);

(j) Brokerage commissions paid in connection with the execution of this Lease, whether paid to outside brokers or any person that as of the Execution Date directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with Landlord ("Landlord's Affiliate"), in an amount equal to Three Million Two Hundred Sixty-Seven Thousand Dollars ($3,267,000);

(k) The cost of site work related to construction and development of any or all of Building 8, Building 9 and the Exclusive Parking Garage, as shown on the Approved Landlord Work Plans or otherwise approved by Tenant, such approval not to be unreasonably withheld;

(l) A development fee payable to Landlord or Landlord's Affiliate that is due and payable on or about the date halfway through Landlord's construction of the Landlord Work, as reasonably determined by Landlord, in an aggregate amount for the entire Premises equal to One Million Four Hundred Twenty-Five Thousand Dollars ($1,425,000);

(m) 100% of the incremental actual cost that Landlord incurs, if any, to increase the floor load capacity of the Premises or any portion thereof (at Tenant's request) beyond Landlord's standard of one hundred (100) square feet of live load per square foot;

(n) Interest equal to Ten Dollars ($10) per square foot of Rentable Area of the Premises (the "Imputed Financing Cost");

(o) Any costs incurred by Landlord in cooperating with Tenant's tax incentive programs, including obtaining a separate tax lot that includes the Premises and those tax incentive programs described in Article 50; and

(p) Capitalized Operating Expenses (as defined below), if any, for the Premises.

For Project Costs that are not specifically allocable to one Building, such Project Costs shall be allocable to Building 8 and Building 9, respectively, on a proportionate basis, based on the square feet of Rentable Area of such Buildings. "Landlord Work," as used in this Section 6.1, includes the TI Ready Work and the Final Landlord Work.

"Capitalized Operating Expenses" means the sum of (y) any Operating Expenses payable by Tenant with respect to Building 8 for the period of time commencing on the Building 8 Operating Expense Commencement Date and ending on the day immediately preceding the Building 8 Rent Commencement Date (the "Building 8 Capitalized Operating Expense Period") plus (z) any Operating Expenses payable by Tenant with respect to Building 9 for the period of time commencing on the Building 9 Operating Expense Commencement Date and ending on the day immediately preceding the Building 9 Rent Commencement Date (the "Building 9 Capitalized Operating Expense Period"). In the event that Project Costs are finally determined after the Building 8 Rent Commencement Date or the Building 9 Rent Commencement Date (as applicable), then the parties shall work together to make such upward or downward adjustments as necessary to give effect to such change, all as contemplated under Section 6.2. In the event of underpayment, Tenant shall pay to Landlord an amount equal to any deficiency in the next installment of Basic Annual Rent payable hereunder and in the event of overpayment Tenant shall have the right to deduct such overpayment from the next installment(s) of Basic Annual Rent.

6.2 From time to time upon request and no more often than once every thirty (30) days, Landlord shall give Tenant and its advisors a detailed accounting of all Project Costs incurred prior to the date of such request and access to all reasonable supporting information for such Project Costs (other than Imputed Land Cost and Imputed Financing Cost). Within thirty (30) days following Substantial Completion of the Landlord Work, Landlord shall give Tenant a schedule showing Landlord's calculation of Project Costs, including all reasonable supporting documentation relating thereto (e.g., corresponding invoices, applications for payment and other similar cost documentation) (the "Project Costs Calculation"). Tenant shall have the right to inspect and audit Landlord's books and records relating thereto, provided that Tenant completes such inspection or audit within sixty (60) days after Landlord delivers to Tenant the Project Costs Calculation; and provided that the person or firm employed by Tenant to conduct such inspection or audit must be compensated (at Tenant's sole cost and expense) on an hourly or fixed-fee basis and not on a contingent-fee basis. Tenant shall pay Basic Annual Rent in monthly installments based upon Landlord's calculation of Project Costs beginning on the Building 8 Rent Commencement Date with respect to Building 8 and the Building 9 Rent Commencement Date with respect to Building 9. (To the extent that Landlord incurs any further Project Costs after delivery of the Project Costs Calculation, Landlord may adjust Basic Annual Rent accordingly, to take into account such additional Project Costs. Tenant shall have a forty-five (45)-day inspection and audit period after the date Landlord makes each such adjustment.) If Tenant's inspection and/or audit of Landlord's books and records determines within the audit period that Project Costs have been miscalculated, there shall be an appropriate adjustment of monthly installments of Basic Annual Rent previously paid and a payment by either Landlord to Tenant or Tenant to Landlord of the amount of any overpayment or underpayment, as the case may be.

6.3 The Building 8 Rent Commencement Date and the Building 9 Rent Commencement Date may not necessarily be identical. The Term Commencement Date, the Building 8 Rent Commencement Date and the Building 9 Rent Commencement Date shall be determined as set forth in Sections 2.7, 2.8(a) and 2.8(b), respectively.

6.4 Basic Annual Rent shall be paid in equal monthly installments in advance on the first day of each and every calendar month during the Term, beginning on the Building 8 Rent Commencement Date with respect to Building 8, and the Building 9 Rent Commencement Date with respect to Building 9.

6.5 In addition to Basic Annual Rent, Tenant shall pay to Landlord as additional rent ("Additional Rent") at times hereinafter specified in this Lease: (a) Tenant's Pro Rata Share of the Buildings, the Mt. Pleasant Project and the Entire Project (as applicable), as set forth in Section 2.2 ("Tenant's Pro Rata Share"), of Operating Expenses as provided in Article 8 for the Premises (except that, pursuant to Sections 6.1 and 8.5, Tenant's Pro Rata Share of Operating Expenses during any Building 8 Capitalized Operating Expense Period and any Building 9 Capitalized Operating Expense Period, as applicable, shall constitute a Project Cost and shall not be paid as Additional Rent); and (b) any other amounts that Tenant assumes or agrees to pay under the provisions of this Lease that are owed to Landlord, including any and all other sums that may become due by reason of any default of Tenant or failure on Tenant's part to comply with the agreements, terms, covenants and conditions of this Lease to be performed by Tenant, after notice and the lapse of any applicable cure periods.

6.6 Basic Annual Rent and Additional Rent shall together be denominated "Rent." Rent shall be paid to Landlord, without abatement, deduction or offset (except as this Lease otherwise expressly provides) in lawful money of the United States of America by wire transfer to Landlord pursuant to the instructions set forth in Section 2.14 or pursuant to other wire instructions provided by Landlord to Tenant in writing, or to such other person or at such other place as Landlord may from time designate in writing. In the event the Term commences or ends on a day other than the first day of a calendar month, then the Rent for such fraction of a month shall be pro-rated for such period on the basis of a thirty (30) day month and shall be paid at the then-current rate for such fractional month.

7. Rent Adjustments. Building 8 Basic Annual Rent and the Building 9 Basic Annual Rent shall be subject to a respective annual upward adjustment of two and one-half percent (2.5%) of the then-current Building 8 Basic Annual Rent or Building 9 Basic Annual Rent, as the case may be (as previously adjusted under this Article). The first (1st) such adjustment of Building 8 Basic Annual Rent shall become effective commencing with the first (1st) monthly installment of Building 8 Basic Annual Rent that is due on or after the first (1st) annual anniversary of the Building 8 Rent Commencement Date. The first (1st) such adjustment of Building 9 Basic Annual Rent shall become effective commencing with the first (1st) monthly rental installment of Building 9 Basic Annual Rent that is due on or after the first (1st) annual anniversary of the Building 9 Rent Commencement Date. Subsequent adjustments shall become effective, for all Basic Annual Rent under the Lease, on every successive annual anniversary of the first (1st) such adjustment with respect to Building 8 Basic Annual Rent and Building 9 Basic Annual Rent, as the case may be (except the first day of any Term extension with respect to Building 8 or Building 9, as the case may be, pursuant to an Option) for so long as this Lease continues in effect.

8. Property Management Fee; Operating Expenses.

8.1 As used herein, the term "Operating Expenses" shall be comprised of and include (i) Real Estate Taxes referred to in Section 8.1(a) and (ii) CAM Pool Charges referred to in Section 8.1(b), as follows:

(a) Subject to the terms of Section 8.8 and Article 50 relating to the PILOT Agreement, all government impositions (collectively, "Real Estate Taxes"), including property tax costs consisting of real and personal property taxes and assessments (including amounts due under any improvement bond upon the Buildings, the Mt. Pleasant Project or the Entire Project (or the components thereof), including the parcel or parcels of real property upon which the Buildings, the other buildings in the Entire Project and areas serving the Buildings and the Entire Project are located) or assessments in lieu thereof imposed by any federal, state, regional, local or municipal governmental authority, agency or subdivision (each, a "Governmental Authority") are levied; taxes on or measured by gross rentals received from the rental of space in the Buildings; taxes based on the square footage of the Premises, the Buildings or the Entire Project (or the components thereof), and the reasonable cost of attorneys or experts, reasonably incurred by Landlord in seeking reduction by the taxing authority of the applicable taxes, less tax refunds obtained as a result of an application for review thereof. Real Estate Taxes shall not include any net income, franchise, capital stock, estate or inheritance taxes, mortgage recording taxes, or transfer taxes imposed on Landlord arising out of a transaction involving Landlord and not Tenant or taxes that are the personal obligation of Tenant or of another tenant of the Entire Project; and

(b) All other actual costs without duplication (the "CAM Pool Charges" and each pool of CAM Pool Charges, a "CAM Pool") of any kind paid or incurred by Landlord in connection with the operation or maintenance of the Premises, the Mt. Pleasant Project and the Entire Project, including the Common Areas and the Exclusive Parking Garage, properly allocable to and pro-rated, if applicable, for the Premises, all as depicted in detail in Exhibit O. The various CAM Pool Charges depicted in Exhibit O shall be allocated to Tenant as stated in Exhibit O; provided, however, that such CAM Pool Charges and their corresponding allocations (as depicted in Exhibit O) shall be treated as a guideline and may be equitably updated by Landlord, in consultation with Tenant, from time to time. Landlord may from time to time, in consultation with Tenant, modify Landlord's calculation and allocation procedures for CAM Pool Charges, provided that such procedures shall produce dollar results substantially consistent with Landlord's then-current practice at the Entire Project.

(c) Notwithstanding the foregoing, the CAM Pool Charges portion of Operating Expenses set forth on the attached Exhibit O (or as otherwise established in accordance with Section 8.1(b)) shall not include (i) any leasing commissions; (ii) expenses that relate to preparation of rental space for a tenant; (iii) expenses of initial development and construction, including, but not limited to, grading, paving, landscaping and decorating (as distinguished from maintenance, repair and replacement of the foregoing); (iv) legal expenses relating to other tenants; (v) costs of repairs to the extent reimbursed by payment of insurance proceeds received by Landlord; (vi) interest upon loans to Landlord or secured by a mortgage or deed of trust covering the Entire Project or a portion thereof; (vii) salaries of executive officers of Landlord; (viii) depreciation claimed by Landlord for tax purposes (provided that this exclusion of depreciation is not intended to delete from Operating Expenses actual costs of repairs and replacements that are provided for in the CAM Pool Charges attached as Exhibit O); (ix) any interest or penalty charges incurred by Landlord due to Landlord's violation of any law, except for minor violations of law in the ordinary course of business; (x) costs incurred with respect to a sale of all or any portion or interest (whether direct or indirect) in the Entire Project, and any financing or refinancing costs; (xi) the cost of the acquisition or leasing of any artwork or similar items; (xii) the cost of tenant installations and decorations incurred in connection with preparing space for a new or existing tenant and any contribution by Landlord to the cost of tenant improvements or other concessions; (xiii) any administrative wages and salaries above the grade of building manager and building manager's supervisor, and any administrative wages and salaries (including salaries of personnel above the grade of building manager and such building manager's supervisor) not allocable to the Buildings except that the salaries of any Building secretaries or bookkeepers who report to the Building's manager shall be includable, to the extent allocable to the Buildings; (xiv) any expense for which Landlord is otherwise compensated through the proceeds of insurance or is otherwise compensated by any tenant (including Tenant) of the Buildings; (xv) the cost of any facilities furnished to any tenant of the Entire Project (other than Tenant) to a greater extent or in a more favorable manner than that furnished to Tenant, (provided, however, Tenant shall pay as Operating Expenses the cost of any facilities furnished to Tenant to a greater extent or in a more favorable manner than that furnished to any other tenant in the Entire Project); (xvi) the cost of any item that, under GAAP, would not be regarded as an operating, maintenance or management expense, except as Section 8.1(d) provides; (xvii) any expense arising by reason of a default by Landlord or its agents under any agreement or lease affecting the Property or the Entire Project (or any component thereof) to the extent such expense is incremental to the cost that would have been paid and charged to Operating Expenses in the absence of such default; (xviii) the cost of maintenance, repair or replacement of any part of the Landlord Work that constitute Defects and are discovered within the Defect Reporting Period under Section 4.5; (xix) the cost of replacement of any component of the Landlord Work in connection with the Mt. Pleasant Project; and (xx) Real Estate Taxes.

(d) Operating Expenses shall also include, as part of the appropriate CAM Pool in Landlord's reasonable determination, the cost of all purchases of capital equipment, the making of all capital replacements, and the making of any other capital outlays (including any capital outlays made pursuant to Article 61), to the extent reasonably allocable to the Premises, the Buildings, the Exclusive Parking Garage or the Common Areas, provided that (a) such cost or outlay is either required by Applicable Laws or Landlord incurs such cost or outlay in the exercise of its reasonable discretion for the benefit of the Premises, the Buildings, the Exclusive Parking Garage or the Common Areas, and in the latter case such cost or outlay does not arise from (i) an expansion of any structure; (ii) any construction work that benefits only particular tenant(s) other than Tenant; or (iii) construction of any new structure or substantial new site amenities that did not previously exist; and (b) any such cost shall be amortized, on a straight-line basis, over the shortest useful life permitted by GAAP (not to exceed a useful life of seven (7) years), with interest at an interest

factor equal to two percent (2%) above the "prime rate" as quoted from time to time in the Wall Street Journal or other authoritative source Landlord designates ("Prime Rate") at the time Landlord incurred such expenditure.

8.2 Tenant may assume responsibility for certain Excluded Services, and thereupon be entitled to a reduction of the corresponding CAM Pools, as described in Exhibit P.

8.3 Tenant shall pay to Landlord on the first day of each calendar month of the Term beginning on the Building 8 Operating Expense Commencement Date with respect to Building 8, and the Building 9 Operating Expense Commencement Date with respect to Building 9, as Additional Rent, the Property Management Fee (as defined below). In addition, Tenant shall pay its Pro Rata Share of Operating Expenses in accordance with Section 8.5.

(a) The "Property Management Fee" shall equal one and 80/100 percent (1.80%) of Basic Annual Rent payable by Tenant. Tenant shall pay the Property Management Fee in accordance with this Section 8.3 with respect to the entire Term, including any extensions thereof or any holdover periods. From the Building 8 Operating Expense Commencement Date until the Building 8 Rent Commencement Date and the Building 9 Operating Expense Commencement Date until the Building 9 Rent Commencement Date, as applicable, the Property Management Fee shall be calculated as if Tenant were paying Basic Annual Rent at the rate (in Landlord's reasonable estimation) that will be payable by Tenant on the applicable Rent Commencement Date.

(b) On or before the date that is ninety (90) days after the conclusion of each calendar year (or such longer period as may be reasonably required by Landlord), Landlord shall furnish to Tenant a statement showing in reasonable detail the actual Operating Expenses and Tenant's Pro Rata Share of Operating Expenses for the previous calendar year. Any additional sum due from Tenant to Landlord shall be due and payable within thirty (30) days of receipt of Landlord's statement of Tenant's Pro Rata Share of Operating Expenses. If Tenant does not receive a statement showing in reasonable detail the actual Operating Expenses and Tenant's Pro Rata Share of Operating Expenses for a given calendar year within two (2) years after the end of such calendar year, Landlord shall be deemed to have waived payment of any Operating Expenses in excess of estimated Operating Expenses already paid by Tenant for such calendar year, provided, however, such period does not apply to supplemental tax bills, which Landlord shall not be deemed to waive payment of, unless after such two (2) year period Landlord fails to submit such supplemental tax bill to Tenant within thirty (30) days of Landlord's receipt thereof. If the amounts paid by Tenant pursuant to this Section 8.3 exceed Tenant's Pro Rata Share of Operating Expenses for the previous calendar year, then Landlord shall credit the difference against the Rent next due and owing from Tenant; provided that, if the Lease term has expired, Landlord shall accompany said statement with payment for the amount of such difference; provided that, if Tenant does not receive such statement from Landlord within such two (2) year period, Tenant shall have the right to exercise its rights under Section 8.4 upon notice to Landlord no later than the date that is sixty (60) days following the end of such two (2) year period.

(c) Any amount due under this Section 8.3 for any period that is less than a full month shall be pro-rated (based on a thirty (30)-day month) for such fractional month.

8.4 Landlord's annual operating statement shall be prepared in accordance with Generally Accepted Accounting Principles ("GAAP"), except where the express requirements of this Lease vary from GAAP, and shall be final and binding upon Tenant unless, within ninety (90) days after Tenant's receipt thereof, Tenant notifies Landlord in writing that Tenant has elected to audit and review Landlord's books and records. Beginning ten (10) business days after the delivery of such notice, Tenant shall have the right to have an independent public accounting firm hired by Tenant on an hourly or fixed fee basis and not on a contingent-fee basis (at Tenant's sole cost and expense) and approved by Landlord (which approval Landlord shall not unreasonably withhold, condition or delay) audit and review such of Landlord's books and records for the year in question as directly relate to the determination of Operating Expenses for such year (the "Independent Review"). Landlord confirms that BDO USA is an independent public accounting firm approved by Landlord for purposes of providing auditing or accounting services under this Lease. Landlord shall promptly (but in any event within six (6) months after Tenant notifies Landlord in writing that Tenant has elected to audit and review Landlord's books and records) make such books and records available at the location where Landlord maintains them in the ordinary course of its business, provided that such location is within the Continental United States or, at the election of Tenant, by secure electronic means. Tenant shall use all reasonable commercial efforts to commence the Independent Review promptly after the date Landlord has given Tenant access to Landlord's books and records for

the Independent Review. Tenant shall complete the Independent Review and notify Landlord in writing of Tenant's specific objections to Landlord's calculation of Operating Expenses (including Tenant's accounting firm's written statement of the basis, nature and amount of each proposed adjustment) no later than six (6) months after Landlord has first given Tenant access to Landlord's books and records for the Independent Review. Landlord shall review the results of any such Independent Review. The parties shall endeavor to agree promptly and reasonably upon Operating Expenses taking into account the results of such Independent Review. If, as of one hundred twenty (120) days after Tenant has submitted the Independent Review to Landlord, the parties have not agreed on the appropriate adjustments to Operating Expenses, then the parties shall engage a mutually agreeable independent third party accountant with at least ten (10) years' experience in commercial real estate accounting in the New York metropolitan area (the "Accountant"). If the parties cannot agree on the Accountant, each shall within ten (10) days after such impasse appoint an Accountant (different from the accountant and accounting firm that conducted the Independent Review) and, within ten (10) days after the appointment of both such Accountants, those two Accountants shall select a third (which cannot be the accountant and accounting firm that conducted the Independent Review). If either party fails to timely appoint an Accountant, then the Accountant the other party appoints shall be the sole Accountant. Within ten (10) days after appointment of the Accountant(s), Landlord and Tenant shall each simultaneously give the Accountants (with a copy to the other party) its determination of Operating Expenses, with such supporting data or information as each submitting party determines appropriate. Within ten (10) days after such submissions, the Accountants shall by majority vote select either Landlord's or Tenant's determination of Operating Expenses. The Accountants may not select or designate any other determination of Operating Expenses. The determination of the Accountant(s) shall bind the parties. If the parties agree or the Accountant(s) determine that Tenant's Pro Rata Share of Operating Expenses actually paid for the calendar year in question exceeded Tenant's obligations for such calendar year, then Landlord shall, at Tenant's option, either (a) credit the excess to the next succeeding installments of Basic Annual Rent or (b) pay the excess to Tenant within thirty (30) days after delivery of such results. If the parties agree or the Accountant(s) determine that Tenant's payments of Tenant's Pro Rata Share of Operating Expenses for such calendar year were less than Tenant's obligation for the calendar year, then Tenant shall pay the deficiency to the Landlord within thirty (30) days after delivery of such results. If the final determination of the Independent Review (either by the Accountant(s) or if both parties agree) reveals that Operating Expenses as calculated by Landlord and Operating Expenses as determined in the Independent Review show Operating Expenses as calculated by Landlord exceed six (6%) percent of Operating Expenses as concluded in the final determination of the Independent Review, then Landlord shall pay the reasonable cost of the Independent Review and the Accountant(s). In all other cases, Tenant shall pay all costs of the Independent Review and the Accountant(s).

8.5 Tenant shall not be responsible for any Operating Expenses attributable to the time period prior to (a) with respect to Building 8, the Building 8 Operating Expense Commencement Date (as defined below) and (b) with respect to Building 9, the Building 9 Operating Expense Commencement Date (as defined below). Tenant's responsibility for Tenant's Pro Rata Share of Operating Expenses shall commence (j) on the date (the "Building 8 Operating Expense Commencement Date") that is the earlier of (i) the Building 8 Rent Commencement Date and (ii) the date that Tenant occupies any portion of Building 8 for the Permitted Use and (k) with respect to Building 9, the date (the "Building 9 Operating Expense Commencement Date") that is the earlier of (i) the Building 9 Rent Commencement Date and (ii) the date that Tenant occupies any portion of Building 9 for the Permitted Use, as the case may be and continue to the latest of (q) the date of termination of the Lease, (r) the date Tenant has fully vacated the Premises or (s) if termination of the Lease is due to a default beyond notice and opportunity to cure by Tenant, the date of rental commencement of a replacement tenant. For purposes of clarity, (y) Tenant's Pro Rata Share of Operating Expenses during the Building 8 Capitalized Operating Expense Period and the Building 9 Capitalized Operating Expense Period (as applicable) shall constitute a Project Cost (payable as part of Basic Annual Rent) in accordance with Section 6.1 and shall not be paid as Additional Rent and (z) beginning on the Building 8 Rent Commencement Date, with respect to Building 8, and the Building 9 Rent Commencement Date, with respect to Building 9, and continuing through the Term, Tenant shall pay to Landlord as Additional Rent on the first (1st) day of each calendar month of the Term Landlord's reasonable good faith estimate of Tenant's Pro Rata Share of Operating Expenses, as applicable, for such month.

8.6 Operating Expenses for the calendar year in which Tenant's obligation to share therein commences and for the calendar year in which such obligation ceases shall be pro-rated on a per diem basis reasonably determined by Landlord. Expenses such as taxes, assessments and insurance premiums that are incurred for an extended time

period shall be pro-rated based upon the time periods to which they apply so that the amounts attributed to the Premises relate in a reasonable manner to the time period wherein Tenant has an obligation to share in Operating Expenses.

8.7 For any annual period for which Real Estate Taxes are calculated and assessed (a "Real Estate Tax Year"), Landlord may elect to measure Real Estate Taxes for purposes of this Lease (and Tenant's payment of Operating Expenses, including any component of Operating Expenses consisting of Real Estate Taxes) for the Buildings based on either (a) only the Real Estate Taxes payable for the Buildings, as Landlord reasonably allocates them within the Entire Project or (b) such separate tax lot(s) as Landlord reasonably obtains that include the Buildings, provided, however, Landlord shall reasonably endeavor to obtain separate tax lots(s) pursuant to option "b". (To the extent that such tax lot(s) include rentable improvements other than the Buildings, Landlord shall make appropriate equitable adjustments in the application of this Section.) If Landlord makes the election described in the first (1st) sentence of this Section, then, for purposes of Real Estate Taxes payable for the Buildings only (and no other component(s) of Operating Expenses), Tenant's Pro Rata Share shall be determined on a Building-by-Building basis in accordance with the Building-by-Building Pro Rata Shares specified for Tenant in Article 2. Such Tenant's Pro Rata Shares shall then be applied solely to the Real Estate Taxes for each Building for purposes of determining Tenant's obligations to contribute to the Real Estate Taxes component of Operating Expenses.

8.8 If any Real Estate Taxes are abated, deferred, subsidized, fixed, reduced or forgiven as the result of the PILOT Agreement referred to in Article 50 or otherwise as a result of Tenant's occupancy or leasing of any part of the Premises (each of the foregoing, a "Tax Incentive"), then (a) Landlord shall, in consultation with Tenant, calculate Real Estate Taxes as they would have been imposed and assessed but for such Tax Incentive; (b) to the extent that Landlord's Real Estate Taxes were reduced as a result of the Tax Incentive, Tenant shall be entitled to credit for the amount of such reduction; and (c) to the extent, if any that any Tax Incentive causes Real Estate Taxes to exceed what they would have been absent such Tax Incentive (or the rescission or revocation of any Tax Incentive causes any increase in Real Estate Taxes and related interest and penalties), Tenant shall pay the entire amount of such excess (or increase and related interest and penalties). If any Tax Incentive was granted on account of both (i) Tenant's occupancy or leasing of the Premises; and (ii) Landlord's construction of any other improvements within the Mt. Pleasant Project, clauses "b" and "c" shall apply only to the part of such Tax Incentive reasonably allocable to "i."

8.9 Because the Entire Project consists of multiple buildings, certain Operating Expenses may pertain to a particular building(s), other Operating Expenses may pertain to the Mt. Pleasant Project, and other Operating Expenses may pertain to the Entire Project as a whole. Landlord reserves the right in its reasonable discretion to allocate any Operating Expenses applicable to any particular building within the Entire Project to any such building, any Operating Expenses applicable to the Mt. Pleasant Project to the buildings composing the Mt. Pleasant Project (including the Buildings), and any Operating Expenses applicable to the Entire Project to each building in the Entire Project (including the Buildings), with the tenants in each building being responsible for paying their respective proportionate shares to the extent required under their leases, but in no event will Tenant be responsible for more than its applicable proportionate share. Landlord shall allocate such costs to the buildings (including the Buildings) in a reasonable, non-discriminatory manner. If Tenant notifies Landlord in writing that Tenant disputes Landlord's allocation of such costs, Landlord and Tenant shall reasonably cooperate for a period of thirty (30) days to resolve such dispute. If Landlord and Tenant cannot come to an agreement within such thirty (30) day period, then the parties shall resolve the dispute through arbitration under Article 47; provided, however, that Tenant shall continue to pay Tenant's Pro Rata Share of Operating Expenses based on Landlord's allocation unless and until finally determined otherwise as a result of such thirty (30) day resolution period and any arbitration. Any overpayment or underpayment of Tenant's Pro Rata Share of Operating Expenses during such period, based on the outcome of the arbitration, shall be, in the case of an overpayment, refunded to Tenant or credited towards Tenant's next payment of Basic Annual Rent or, in the case of an underpayment, paid by Tenant to Landlord within thirty (30) days after any resolution by the parties or the arbitrator's decision, as applicable.

8.10 To the extent that Landlord constructs additional improvements beyond Building 8 and Building 9 on the Property: (a) the definition of the Entire Project shall automatically expand to include such additional improvements at a time reasonably designated by Landlord; (b) Operating Expenses shall take into account amounts otherwise constituting Operating Expenses but attributable to such additional improvements (excluding, however, their initial design, development and construction); and (c) Landlord shall equitably adjust Tenant's Pro Rata Share of the

Entire Project and Mt. Pleasant Project, as applicable, to reflect the relative Rentable Areas (as defined in Section 9.1) of all buildings within the Entire Project and Mt. Pleasant Project, as applicable, in accordance with Section 9.2. The parties shall arbitrate in accordance with Article 47 any disagreement over the application of this Section. Notwithstanding anything to the contrary in this Lease or the Existing Lease, for purposes of this Lease and the Existing Lease, the Rentable Area of Building 8 and Building 9 shall be added to the Rentable Area of the Entire Project for Operating Expense purposes on the Building 8 Operating Expense Commencement Date and the Building 9 Operating Expense Commencement Date, as applicable.

8.11 Landlord or Landlord's Affiliate shall manage the Project in accordance with this Lease and shall not delegate such duties to a person that is not Landlord's Affiliate. Notwithstanding anything contained in the immediately preceding sentence to the contrary, such sentence shall not apply to a successor owner of the Entire Project, the Premises or any portion thereof if such successor is not Landlord's Affiliate.

9. Rentable Area.

9.1 Final measurement of the "Rentable Area" of the Premises shall be determined by Landlord or Landlord's architect in accordance with the method of measuring rentable area of commercial office space promulgated by the Building Owners and Managers Association International in the ANSI/BOMA Z65.1 – 2010 publication "Office Buildings: Standard Methods of Measurement," as modified for laboratory-specific accommodations (as consistently applied across the Entire Project). To the extent that the actual Premises as finally measured are larger or smaller than two hundred ninety-seven thousand (297,000) square feet of Rentable Area, then the Tenant Improvement Allowance, Imputed Land Cost, Imputed Financing Cost and Tenant's Pro Rata Shares (and such other variables in this Lease as, in Landlord's reasonable determination in consultation with Tenant, are agreed to be a function of Rentable Area) shall all be adjusted accordingly. Landlord may memorialize the intended adjustments during the course of design and construction, subject to final remeasurement in accordance with this Section.

9.2 The Rentable Area of the Entire Project is the total Rentable Area of all buildings within the Entire Project, which Rentable Area of the Entire Project will be adjusted to include the Rentable Area of Building 8 and the Rentable Area of Building 9 upon the Building 8 Operating Expense Commencement Date and the Building 9 Operating Expense Commencement Date, as applicable (as set forth in Section 8.10). For this purpose, the Rentable Area of the Premises shall be determined as described in Section 9.1 and the Rentable Area of all other buildings within the Entire Project shall be determined, at Landlord's option, either (a) in the same manner or (b) in accordance with Landlord's past practices.

9.3 Review of allocations of Rentable Areas as between tenants of the Premises and the Entire Project shall be made as frequently as Landlord deems appropriate in order to facilitate an equitable apportionment of Operating Expenses. If such review is by a licensed architect and allocations are certified by such licensed architect as being correct, then the Tenant shall be bound by such certifications. For the Premises, any such review shall be performed in accordance with Section 9.1.

10. Use and Access.

10.1 Tenant shall use the Premises for any one or more of the purposes set forth in Section 2.11, and shall not use the Premises, or permit or suffer the Premises to be used, for any other purpose without Landlord's prior written consent, which consent Landlord may withhold in its sole and absolute discretion.

10.2 Tenant shall not use or occupy, and shall not permit the use or occupancy of, the Premises in violation of Applicable Laws, zoning ordinances or any certificate of occupancy issued for the Buildings, and Tenant shall, upon five (5) days' notice from Landlord, discontinue any use of the Premises that is declared or claimed by any Governmental Authority having jurisdiction to be a violation of any of the above, or that in Landlord's reasonable opinion violates any of the above. Tenant shall comply with any direction of any Governmental Authority having jurisdiction that shall, by reason of the nature of Tenant's use or occupancy of the Premises, impose any duty upon Tenant or Landlord with respect to the Premises or with respect to the use or occupation thereof.

10.3 Tenant shall not do or permit to be done anything that will invalidate or increase the cost of any fire, environmental, extended coverage or any other insurance policy covering the Buildings and the Entire Project, and shall comply with all rules, orders, regulations and requirements of the insurers of the Buildings and the Entire Project, and Tenant shall promptly, within ten (10) business days of demand including reasonable back-up, reimburse Landlord for any additional premium charged for such policy by reason of Tenant's failure to comply with the provisions of this Section. As of the Execution Date, Landlord acknowledges that Tenant's Permitted Use does not violate the provisions of or increase the cost of any insurance policy covering the Buildings and Entire Project within the meaning of this Section.

10.4 Tenant shall keep all doors opening onto public corridors closed, except when in use for ingress and egress.

10.5 No additional locks or bolts of any kind shall be placed upon any of the doors or windows by Tenant, nor shall any changes be made to existing locks or the mechanisms thereof without Landlord's prior written consent; provided, however, (a) Tenant shall have the right to install a card key security or lock system for the Premises, including common area stairways, provided that such card key or lock system (i) has been approved by Landlord, such approval not to be unreasonably withheld, conditioned or delayed; (ii) does not limit Landlord's access rights under this Lease to any areas other than those designated as high security areas; (iii) to the extent other tenants or subtenants lease or sublease a portion of a Building, does not lock other tenants out from common area stairways, fire exits and Common Areas within such Building and only prevents them from entering within the Premises; and (iv) is installed and maintained at Tenant's expense in accordance with all Applicable Laws; (b) Tenant shall also have the right to install its own locks and access systems (without giving keys or codes to Landlord) in the Premises in high security areas as Tenant designates, and restrict access to such designated high security areas, provided that Tenant (i) gives Landlord escorted entry into such designated high security areas upon Landlord's reasonable request (at least twenty-four (24) hours in advance, except in an emergency, in which case Tenant must have a system in place that permits Landlord immediate, unrestricted access to any area in the Premises regardless of any designation as a high security area); and (ii) maintains a reasonable system to allow entry into such high security areas in the event of an emergency. Except for the high security areas described in Subsection 10.5(b), Tenant shall give Landlord keys and access codes for the entire Premises. Tenant shall, upon termination of this Lease, remove all lock cores installed by Tenant within the Premises. In the event any lock core is not so removed, Tenant shall pay to Landlord the cost of removing the same.

10.6 Except as specifically permitted under Section 10.7 or otherwise approved by Landlord in writing, no awnings or other projections shall be attached to any outside wall of the Buildings. No curtains, blinds, shades or screens shall be attached to, hung in, or used in connection with, any window or exterior door of the Premises, except in conformity with Tenant's commercially reasonable (and reasonably satisfactory to Landlord) Premises-wide standards for such curtains, blinds, shades, and screens. Tenant shall neither coat nor otherwise sunscreen any window nor place any bottles, parcels or other articles on the windowsills. No equipment, furniture or other items of personal property shall be placed on any exterior balcony, except as approved in writing by Landlord. All of the foregoing are subject to Landlord's prior written consent, which Landlord shall grant or withhold based on Landlord's reasonable requirements for the consistent, professional, and orderly appearance of the Entire Project. Except as this Lease otherwise expressly provides, including floor loading, Tenant may place and organize equipment and personal property in the Premises at its reasonable discretion.

10.7 No sign, advertisement or notice ("Signage") shall be exhibited, painted, or affixed by Tenant on any part of the Premises, the Buildings (e.g., signs in windows), or the Entire Project, except: (a) in Tenant's interior spaces not visible outside the Buildings; (b) with Landlord's prior written consent, which shall not be unreasonably withheld; (c) Tenant may place Signage in the interior Common Areas within the Buildings, provided it conforms to Landlord's reasonable Signage program for the Entire Project; and (d) Tenant may install exterior identity Signage, which may be illuminated, on each Building, provided such exterior identity signage is reasonably satisfactory to Landlord or conforms to Landlord's reasonable Signage program for the Entire Project, Tenant continues to lease and actually occupy at least seventy-five percent (75%) percent of the applicable Building and such Signage complies with Applicable Laws. Interior signs on doors and the directory tablet shall be inscribed, painted or affixed for Tenant by Landlord at Tenant's sole cost and expense, and shall be of a size, color and type and be located in a place acceptable to Landlord. The directory tablet shall be provided exclusively for the display of the name and location of tenants only. Tenant shall not place

anything on the exterior of the corridor walls or corridor doors other than Landlord's standard lettering. Notwithstanding anything to contrary in the foregoing portion of this Section, the foregoing provisions of this Section relating to the interior of any Building shall not apply to any portion of the Premises located in a Building in which Tenant is the sole tenant; provided that any Signage placed on one or more windows of a Building that is visible from the exterior of such Building shall be subject to Landlord's prior written approval (which shall not be unreasonably withheld, conditioned or delayed). Without limiting the rights granted to Tenant under this Section, Tenant shall have Signage rights for the Premises substantially consistent with the Signage permitted for other comparable tenants, if any, at the Entire Project, as Landlord reasonably determines. Landlord shall use commercially reasonable efforts at no cost to Landlord to assist Tenant in acquiring municipal and other required approvals for Tenant's Signage reasonably approved by Landlord. At Landlord's option, Landlord may install such exterior Signage, and Tenant shall pay all costs associated with such installation, as Additional Rent, within five (5) days after demand therefor. All Signage must comply with Applicable Laws. To the extent permitted by Applicable Laws and to the extent Landlord has such right, and for so long as Tenant leases (regardless of whether Tenant occupies) one hundred percent (100%) of the Rentable Area of Building 8 and Building 9, then Tenant may name the road that serves Building 8 and Building 9, subject to Landlord's reasonable approval of the name that Tenant selects.

10.8 Tenant, at its sole cost and expense, shall have the right to install and maintain such security devices, including emergency pull stations and CCTV cameras, as Tenant deems advisable in its sole discretion, on the exterior of the Buildings, in the parking lots serving the Premises and in the Exclusive Parking Garage, subject in each instance to Landlord's prior written approval, not to be unreasonably withheld. Any CCTV systems must comply with Applicable Laws (including all surveillance notification procedures required thereby). Any such security devices shall be for the sole use and benefit of Tenant and neither Landlord nor any other party may rely on such devices; provided, however, that Landlord shall have the right to view CCTV footage of any Common Area (to the extent such footage exists) upon its reasonable request relating to a specific safety or legal issue identified by Landlord; provided, further, that in no event shall Tenant be obligated, or have a duty, to record any portion of the Common Area on behalf of Landlord.

10.9 Tenant shall cause any office equipment or machinery to be installed in the Premises so as to reasonably prevent sounds or vibrations therefrom from extending into the Common Areas or other offices in the Buildings. Further, Tenant shall not place any equipment weighing greater than one hundred (100) pounds per square foot live load on the Premises, except to the extent that as a result of the Tenant Improvements or (at Tenant's request) the Landlord Work, the Premises can, in compliance with Applicable Laws, support a greater live load. All such equipment shall be placed in a location designed to carry the weight of such equipment.

10.10 Tenant shall not (a) do or permit anything to be done in or about the Premises or the Entire Project that shall in any way materially obstruct or materially interfere with the rights of other tenants or occupants, if any, of the Buildings or the Entire Project, or injure or annoy them; (b) use or allow the Premises or the Entire Project to be used for unlawful purposes; (c) cause, maintain or permit any annoyance or complaints by any other tenant or person in the Entire Project or physical deterioration to, or about the Premises, the Buildings or the Entire Project; or (d) take any other action that would in Landlord's reasonable determination in any manner adversely and materially affect the quiet use and enjoyment by other tenants, if any, of their space or adversely and materially impact their ability to conduct business in a professional and suitable work environment.

10.11 Notwithstanding any other provision herein to the contrary, Tenant shall be responsible for all liabilities, costs and expenses arising out of or in connection with the compliance of the Premises with the Americans with Disabilities Act, 42 U.S.C. § 12101, et seq. (together with regulations promulgated pursuant thereto, the "ADA"), and Tenant shall indemnify, defend and hold harmless Landlord from and against any loss, cost, liability or expense (including reasonable attorneys' fees and disbursements) arising out of any failure of the Premises to comply with the ADA. Notwithstanding the foregoing, Landlord represents and warrants that upon Substantial Completion of the Landlord Work, the portion of the shell and core of the Buildings included in the Landlord Work (as opposed to as part of the Base Building Work or Tenant Improvements) shall conform with Applicable Laws, including the ADA, to the extent practicable given the condition of the shell and core of the Buildings, unless compliance shall be required by reason of (a) any of Tenant's Alterations, (b) Tenant's particular use of the Premises as opposed to mere office use, generally, or (c) any breach of this Lease by Tenant. The provisions of this Section shall survive the expiration or earlier termination of this Lease.

10.12 From and after the Building 8 Term Commencement Date with respect to Building 8 and the Building 9 Term Commencement Date with respect to Building 9, Tenant shall have the right to continuous access to the Premises twenty-four (24) hours per day, seven (7) days per week, 365/366 days per year, except during reasonable closures for repairs or maintenance, or as the result of casualty or other circumstances beyond Landlord's reasonable control.

10.13 Tenant shall have the nonexclusive right to use Building 8 or Building 9 passenger elevator(s), if any, for access to the Premises, except during reasonable closures for breakdowns, repairs or maintenance. Landlord shall have no liability for any of the aforementioned closures. When the elevator is closed or broken, Tenant may use the stairways Landlord designates. Tenant shall schedule deliveries of building materials with Landlord. The foregoing sentence shall not apply to Building 8 or Building 9 so long as Tenant is in occupancy of the entirety of such Building. Subject to Applicable Laws and Landlord's reasonable fire safety and security requirements, Tenant shall have the non-exclusive right to use common-area stairways in the Buildings allowing its employees to traverse between floors of the Premises to the extent any Building is not one hundred percent (100%) leased by Tenant. Notwithstanding the foregoing, in the case of the Buildings, to the extent a Building is one hundred percent (100%) leased by Tenant, Tenant shall have the exclusive right to use the elevators and stairways of such Building, provided, however, Landlord and its agents may use and access them in Landlord's sole discretion.

10.14 Tenant may use Tenant's Pro Rata Share of the roof of each Building solely to install Tenant's telecommunications, mechanical and heating, ventilation, and air conditioning equipment and satellite television and radio antennas, subject to Landlord's reasonable approval (the "Rooftop Equipment"). Tenant shall install Rooftop Equipment, at Tenant's expense, so as not, in Landlord's reasonable judgment, to interfere with the operation of Landlord's Building equipment, systems, or services. To the extent the installation of such Rooftop Equipment is not part of the Approved Tenant Plans, Tenant's installation of Rooftop Equipment shall constitute Alterations for all purposes of this Lease (and in no event shall any installation of Rooftop Equipment be deemed a "Minor Alteration" under this Lease). Any Rooftop Equipment shall be subject to Landlord's approval in its reasonable discretion. Landlord may require shielding and ballast for any Rooftop Equipment or other measures as Landlord reasonably determines to mitigate vibration, noise, and other adverse impacts to other tenants of the Entire Project. Prior to any Rooftop Equipment installation, Tenant shall request any roof or roof-related warranties from Landlord and Landlord shall provide Tenant with a copy of such warranty(ies) (if any). Tenant shall comply with any roof or roof-related warranties provided by Landlord pursuant to the foregoing sentence. Tenant, with the reasonable cooperation of Landlord (at Tenant's sole cost and expense), shall obtain a letter from Landlord's roofing contractor within thirty (30) days after completion of any Tenant installation of Rooftop Equipment stating that such work did not affect any such warranties.

11. Brokers.

11.1 Tenant and Landlord each represents and warrants to the other that it has had no dealings with any real estate broker or agent in connection with the negotiation of this Lease other than Studley, Inc. ("Broker"), and that it knows of no other real estate broker or agent that is or might be entitled to a commission in connection with this Lease. Landlord shall compensate Broker in relation to this Lease pursuant to a separate agreement between Landlord and Broker.

11.2 Tenant represents and warrants that no broker or agent has made any representation or warranty relied upon by Tenant in Tenant's decision to enter into this Lease, other than as contained in this Lease.

11.3 Tenant acknowledges and agrees that the employment of brokers by Landlord is for the purpose of solicitation of offers of leases from prospective tenants and that no authority is granted to any broker to furnish any representation (written or oral) or warranty from Landlord unless expressly contained within this Lease. Landlord is executing this Lease in reliance upon Tenant's representations, warranties and agreements contained within Sections 11.1, 11.2, 11.3, and 11.4.

11.4 Tenant and Landlord agree to indemnify, defend and hold each other harmless from any and all costs or liabilities for compensation claimed by any other broker or agent, other than Broker, employed or engaged by it or claiming to have been employed or engaged by it.

12. Holding Over.

12.1 If Tenant holds possession of all or any part of a Building (each Building, considered separately, a "Holdover Premises") after the Term, Tenant shall become a tenant from month to month after the expiration or earlier termination of the Term (but only for the specific Holdover Premises in question), and in such case Tenant shall, for the Holdover Premises only, continue to pay (a) the Basic Annual Rent in accordance with Article 6, as adjusted in accordance with Article 7, and (b) Tenant's Pro Rata Share of Operating Expenses. Any such month-to-month tenancy shall be subject to every other term, covenant and agreement contained herein. If Tenant has vacated only a portion of the Premises (for example, Building 8), then (x) only the retained Building shall constitute Holdover Premises; (y) all other portions of the Premises except for such Building shall not constitute Holdover Premises and (z) Landlord may exercise its rights under this Section only as to the retained Building.

12.2 Notwithstanding the foregoing, if Tenant remains in possession of all or any part of any Holdover Premises longer than one hundred twenty (120) days after the expiration or earlier termination of the Term, Tenant shall become a tenant at sufferance of only the entire affected Holdover Premises subject to the terms and conditions of this Lease, except that the monthly rent beginning the first day after the expiration or earlier termination of the Term shall be retroactively recalculated to equal one hundred fifty percent (150%) of the Rent in effect during the last thirty (30) days of the Term.

12.3 Acceptance by Landlord of Rent after the expiration or earlier termination of the Term shall not result in an extension, renewal or reinstatement of this Lease.

12.4 The foregoing provisions of this Article are in addition to and do not affect Landlord's right of reentry or any other rights of Landlord hereunder or as otherwise provided by Applicable Laws.

13. Taxes on Tenant's Property.

13.1 Tenant shall pay prior to delinquency any and all taxes levied against any personal property or trade fixtures placed by Tenant in or about the Premises.

13.2 If any such taxes on Tenant's Personal Property or trade fixtures are levied against Landlord or Landlord's property or, if the assessed valuation of the Buildings, the Mt. Pleasant Project, the Entire Project or the Property is increased by inclusion therein of a value attributable to Tenant's Personal Property or trade fixtures, and if Landlord, after notice to Tenant, pays the taxes based upon any such increase in the assessed value of the Buildings, the Mt. Pleasant Project, the Entire Project or the Property (or any component thereof), then Tenant shall, within ten (10) business days of demand, repay to Landlord the taxes so paid by Landlord.

14. Condition of Premises.

Except as this Lease otherwise expressly provides, Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the condition of the Premises, the Buildings or the Mt. Pleasant Project, or with respect to the suitability of the Premises, the Buildings or the Mt. Pleasant Project for the conduct of Tenant's business. Tenant's taking of possession of the Premises shall, except as otherwise agreed to in writing by Landlord and Tenant, conclusively establish that the Premises, the Buildings and the Mt. Pleasant Project were at such time in good, sanitary and satisfactory condition and repair.

15. Common Areas and Parking Facilities.

15.1 Tenant shall have the non-exclusive right, in common with others, to use the Common Areas, subject to the rules and regulations adopted by Landlord and attached hereto as Exhibit D, together with such other reasonable and nondiscriminatory rules and regulations as are hereafter promulgated by Landlord in its sole and absolute discretion (the "Rules and Regulations"). Tenant shall faithfully observe and comply with the Rules and Regulations. Landlord shall not be responsible to Tenant for the violation or non-performance by any other tenant or any agent, employee or

invitee thereof of any of the Rules and Regulations. Landlord will enforce the Rules and Regulations in a non-discriminatory manner.

15.2 Tenant shall have the non-exclusive right to use Common Area driveways and parking facilities for operation of a shuttle service to transport Tenant's employees and invitees across the Entire Campus in accordance with plans subject to Landlord's approval, such approval not to be unreasonably withheld, delayed or conditioned. Tenant shall be solely responsible for any and all costs, expenses and liabilities associated with such shuttle service and shall indemnify Landlord for any and all losses, costs, damages, judgments and all reasonable expenses incurred in connection with the same. Tenant shall have the right to operate such shuttle service itself or to engage a licensed, third party operator to do so, subject to Landlord's prior written approval of such third party operator. Tenant shall obtain and maintain such additional insurance coverages as may be reasonably required by Landlord with respect to such shuttle service (e.g., automobile and additional public liability coverage), such insurance coverages to comply with the terms of Article 17 to the extent applicable. Any such shuttle service shall be operated in compliance with all Applicable Laws, and Tenant shall not interfere with the occupancy and operations of any other tenant at the Entire Project. Landlord reserves the right to rescind Tenant's rights hereunder if Landlord reasonably determines such shuttle service is threatening the health or safety of any occupant of the Entire Project or if such service is interfering with the rights of Landlord or any other tenant in the Entire Project.

15.3 Tenant shall have a non-exclusive, revocable license to use its Pro Rata Share (of the Entire Project) of the parking facilities serving the Entire Project in common on an unreserved basis with other tenants of the Buildings and the Entire Project; provided, however, that Tenant shall have the exclusive right to use the Exclusive Parking Garage, and no additional Basic Annual Rent shall be payable therefor. All parking spaces in the Exclusive Parking Garage shall be deducted from (and not in addition to) Tenant's Pro Rata Share of parking facilities serving the Entire Project. As Tenant's Pro Rata Share changes from time to time, Tenant's parking rights shall automatically adjust accordingly. If Tenant ceases to lease a portion of Building 8 and/or Building 9, but this Lease remains in effect as to the remainder thereof, then Landlord shall have the right to elect whether (a) Tenant shall maintain the exclusive right to use the Exclusive Parking Garage or (b) another tenant at the Entire Project may use the Exclusive Parking Garage. Landlord shall have no obligation to police the spaces or remove unauthorized vehicles. Subject to Landlord's prior reasonable approval, Tenant shall have the right from time to time, so long as Tenant maintains the exclusive right to use the Exclusive Parking Garage (or a portion thereof), to install gates and other security features in the Exclusive Parking Garage (or the applicable portion thereof), and to provide key card access to the Exclusive Parking Garage to its employees and invitees; provided that Landlord shall at all times have access to the Exclusive Parking Garage in accordance with the terms of this Lease, and such installations and/or systems shall not interfere with Landlord's rights to institute parking controls in the Exclusive Parking Garage pursuant to Section 15.4. Any and all such installations and key card systems shall be paid for by Tenant, and Tenant shall be solely responsible for all maintenance and repair of the same throughout the Term.

15.4 Tenant agrees not to unreasonably overburden the parking facilities and agrees to cooperate with Landlord and other tenants (except with respect to the Exclusive Parking Garage for so long as Tenant has the sole and exclusive right to use the same) in the use of the parking facilities. Landlord reserves the right to determine that parking facilities (other than the Exclusive Parking Garage for so long as Tenant has the sole and exclusive right to use the same) are becoming overcrowded and to limit Tenant's use thereof. Upon such determination, Landlord may reasonably allocate parking spaces among Tenant and other tenants of the Buildings or the Entire Project. Landlord may, but shall not be obligated to, institute parking controls within the parking facilities, including the Exclusive Parking Garage (e.g., parking tag or permit systems). Nothing in this Section, however, is intended to create an affirmative duty on Landlord's part to monitor parking. Notwithstanding the foregoing, the amount of parking spaces available shall not be less than the amount required by applicable zoning laws.

15.5 Landlord reserves the right to modify the Common Areas, including the right to add or remove exterior and interior landscaping and to subdivide real property. The cost of such modifications by Landlord shall not be charged to Tenant as an Operating Expense so long as they are not part of Landlord's reasonable maintenance and repair of such Common Areas in the ordinary course of business; provided, however, that this Section shall in no event apply to any capital outlays made by Landlord pursuant to Article 61.

16. Utilities and Services.

16.1 Tenant shall pay Landlord as part of Operating Expenses for all water (including the cost to provide, service, repair and replace chilled and other treated water provided through Landlord's systems); gas, heat, light, power, electricity, telephone, internet service, cable television, other telecommunications, and other utilities supplied to the Premises, together with any fees, surcharges and taxes thereon (each a "Utility" collectively, the "Utilities"), and shall pay any such amounts directly to the applicable Utility provider for accounts held in Tenant's name (provided that any such amounts paid directly to such Utility provider by Tenant shall not constitute Operating Expenses). If any such Utility is not separately metered to Tenant, Tenant shall pay a reasonable proportion (to be determined by Landlord) of all charges of such Utility jointly metered with other premises as part of Tenant's Pro Rata Share of Operating Expenses or, in the alternative, Landlord may, at its option, monitor the usage of such Utilities by Tenant and charge Tenant with the cost of purchasing, installing and monitoring such metering equipment, which cost shall be paid by Tenant as Additional Rent; provided that Landlord (in its reasonable discretion) may use any other reasonable allocation method then commonly accepted in the real estate industry to determine Tenant's responsibility for any Utility, and Tenant shall pay such amount as part of Operating Expenses. The preceding sentence shall neither limit nor expand Tenant's rights under Section 8.4. In addition, Tenant shall have the right to install submeters within the Premises for any Utility (subject to Landlord's approval, which shall not be unreasonably withheld, conditioned or delayed), which submeters shall be installed, maintained, repaired and replaced at Tenant's sole cost and expense.

16.2 If any Utilities provided by or through Landlord are interrupted for any reason, Landlord shall with reasonable diligence endeavor to restore the interrupted Utilities. Only if such interruption was caused by Landlord's gross negligence or intentionally wrongful acts (or those of someone acting at Landlord's direction), Landlord shall reimburse Tenant's actual, reasonable, and direct costs of obtaining replacement Utilities during Landlord's repairs, but not for any consequential or indirect losses (such as loss of data or product, or resulting from interference with any activities in the Premises). Landlord shall not otherwise be liable for, nor shall any eviction of Tenant result from, failure to furnish any utility or service, regardless of whether such failure is caused by (i) industry-wide strikes; (ii) industry-wide labor troubles; (iii) governmental preemption in connection with a national emergency; (iv) industry-wide shortages or unavailability of labor, fuel, steam, water, electricity or materials by reason of the acts of a governmental body that affect the supply or availability of the same; (v) mechanical breakdown (other than as a result of such party's contractor's or subcontractors' acts or omissions or Landlord's gross negligence); (vi) acts of God; (vii) enemy action or action of terrorists; (viii) civil commotion; (ix) fire or other casualty; or (x) unusually abnormal weather (which events described in items (i) through (x) are hereafter individually or collectively referred to as "Force Majeure"). In the event of such failure resulting from Force Majeure, Tenant shall not be entitled to any abatement or reduction of Rent, nor shall Tenant be relieved from the operation of any covenant or agreement of this Lease. Tenant shall be responsible for obtaining any and all back-up Utilities, generators, like equipment or services that it shall require in the event of a failure of Utilities.

16.3 Tenant shall pay for, prior to delinquency of payment therefor, any Utilities and services that may be furnished to the Premises during or, if Tenant occupies the Premises after the expiration or earlier termination of the Term, after the Term.

16.4 Tenant shall not, without Landlord's prior written consent, use any device in the Premises (including data processing machines) that will in any way exceed the applicable Building's capacity to provide such utilities or services.

16.5 If Tenant shall require Utilities or services in excess of those usually furnished or supplied for tenants in similar spaces in the Buildings by reason of Tenant's equipment or extended hours of business operations, then Tenant shall first procure Landlord's consent for the use thereof, which consent Landlord may condition upon the availability of such excess Utilities or services, and Tenant shall pay as Additional Rent an amount equal to the actual out-of-pocket cost of providing such excess utilities and services.

16.6 Utilities and services provided by Landlord to the Premises shall be paid by Tenant as part of Operating Expenses, except as this Lease expressly provides otherwise. Tenant shall have the right to contract directly with the Utility providers of its choosing, subject to Landlord's reasonable approval, except that electricity shall be submetered

through Landlord as provided in Section 16.9 without mark-up by Landlord. Landlord shall provide Tenant with commercially reasonable assistance and cooperation to help Tenant meet its electrical needs, but Landlord makes no assurances regarding the availability of electricity from any Utility provider.

16.7 Landlord shall provide water in Common Areas for drinking and lavatory purposes only; provided, however, that if Landlord determines that Tenant requires, uses or consumes water for any purpose other than ordinary drinking and lavatory purposes, Landlord may install a water meter and thereby measure Tenant's water consumption for all purposes. Tenant shall pay Landlord for the costs of such meter and the installation thereof and, throughout the duration of Tenant's occupancy of the Premises, Landlord shall keep said meter and installation equipment in good working order and repair at Tenant's sole cost and expense. Tenant agrees to pay for water consumed, as shown on said meter, as Additional Rent (provided that Tenant has received bills or other reasonable documentation related thereto). If Tenant fails to timely make such payments, Landlord may pay such charges and collect the same from Tenant. Any such costs or expenses incurred, or payments made by Landlord for any of the reasons or purposes hereinabove stated, shall be deemed to be Additional Rent payment by Tenant and collectible by Landlord as such.

16.8 Upon five (5) business days' notice to Tenant (except (a) in the case of an emergency (where no notice shall be required) or (b) in the case any other tenant would be affected by the stopping of service described below, then, upon two (2) business days' notice to Tenant), Landlord reserves the right to stop service of the elevator, plumbing, ventilation, air conditioning and electric systems, when Landlord deems necessary, due to accident, emergency or the need to make repairs, alterations or improvements, until such repairs, alterations or improvements shall have been completed, and Landlord shall further have no responsibility or liability for failure to supply elevator facilities, plumbing, ventilation, air conditioning or electric service when prevented from doing so by Force Majeure or a failure by a third party to deliver gas, oil or another suitable fuel supply, or Landlord's inability by exercise of reasonable diligence to obtain gas, oil or another suitable fuel. Landlord will use commercially reasonable efforts to coordinate with Tenant any discretionary interruption of services for repairs, alterations or improvements that Landlord desires to make, but may not be strictly necessary. Without limiting the foregoing, except for any obligation to pay money, it is expressly understood and agreed that any covenants on Landlord's or Tenant's part to furnish any service pursuant to any of the terms, covenants, conditions, provisions or agreements of this Lease, or to perform any act or thing for the benefit of Tenant or Landlord, as the case may be, shall not be deemed breached if Landlord or Tenant, as the case may be, is unable to furnish or perform the same by virtue of Force Majeure. Landlord shall promptly notify Tenant of the occurrence of a Force Majeure event that would reasonably affect a service to Tenant hereunder.

16.9 Subject to the provisions of this Article and Article 46, Landlord shall furnish the electric energy that Tenant shall reasonably require in the Premises for the purposes permitted under this Lease. Electric energy shall be furnished through a meter or meters and related equipment measuring the amount of electric energy furnished to the Premises. Such meter(s) and related equipment shall be installed, serviced, maintained, monitored, and (as appropriate from time to time), upgraded by Landlord, if Landlord deems necessary. Only the initial costs of the upgraded equipment shall be at Landlord's cost and expense and not the costs associated with servicing, maintaining and monitoring such equipment. Notwithstanding the foregoing, Tenant shall pay the cost and expense of upgrading such equipment if Tenant's requirements for electric energy increase beyond those contemplated by this Lease and the Approved Landlord Work Plans and the Approved Tenant Plans. Tenant shall pay for electric energy (for which it is liable for payment under this Article) in accordance with Section 16.1 and Article 46; provided, however, that, within thirty (30) days after Tenant's receipt from Landlord of any bills for the actual cost of such electric energy, Tenant shall pay to Landlord any additional sum due from Tenant to Landlord for such electric energy, or Landlord shall credit Tenant's next installment of Rent for any amounts paid by Tenant that exceed the actual cost for such electric energy. The amount charged for electric energy furnished to the Premises ("Basic Electric") shall be 100% of Landlord's cost including those charges applicable to or computed on the basis of electric consumption, demand and hours of use, any sales or other taxes regularly passed on to or collected from similar consumers by such public utility company, fuel rate adjustments and surcharges, and weighted in each case to reflect differences in consumption or demand applicable to each rate level. Tenant and its authorized representatives may have access to such meter or meters (if any) on at least one (1) business day's notice to Landlord, for the purposes of verifying Landlord's meter readings (if any). From time to time during the Term, Landlord may, in its sole discretion, install or eliminate, or increase or reduce the number of, such meters or vary the portions of the Premises which they serve or replace any or all of such meters. Landlord shall diligently endeavor to minimize the amount of time, if any, that work or service on any meters interrupts or reduces the amount

of electricity available to the Premises, and Landlord shall give Tenant reasonable prior notice of any scheduled interruption.

16.10 If pursuant to any Applicable Laws, the charges to Tenant pursuant to Section 16.9 shall be reduced below that to which Landlord is entitled under such Section, the deficiency shall be paid by Tenant within ten (10) days after being billed therefor, as Additional Rent for the use and maintenance of the electric distribution system of the Buildings.

16.11 Landlord shall not be liable in any event to Tenant for any failure or defect in the supply or character of electric energy furnished to the Premises by reason of any requirement, act or omission of the public utility serving the Buildings with electric energy or for any other reason not attributable solely to Landlord's willful misconduct or gross negligence.

16.12 Subject to Section 8.2, Landlord shall furnish and install all replacement lighting tubes, lamps, bulbs and ballasts required in the Premises, and Tenant shall pay to Landlord or its designated contractor within thirty (30) days of demand the then established charges therefor of Landlord or its designated contractor, as the case may be, as Additional Rent. Such replacements shall be of like kind or as otherwise specified by Tenant. Tenant may elect, by written notice to Landlord, to furnish and install such replacement lighting tubes, lamps, bulbs and ballasts.

16.13 Tenant's use of electric energy in the Premises shall not at any time exceed the capacity of any of the electrical conductors and equipment in or otherwise serving the Premises. In order to insure that such capacity is not exceeded and to avert possible adverse effect upon the Buildings' distribution of electricity via the Buildings' electric system, Tenant shall not exceed its allotted electrical capacity, without Landlord's prior consent. Should Landlord grant such consent, which shall not be unreasonably withheld, conditioned or delayed, all additional risers, distribution cables, or other equipment required therefor shall be provided (a) by Landlord, and the cost thereof shall be paid by Tenant to Landlord within thirty (30) days of demand by Landlord, which demand shall include reasonable back-up documentation detailing the estimated costs; or (b) at Tenant's option, by Tenant pursuant to plans and contractors approved by Landlord, and otherwise in accordance with Article 11 of this Lease.

16.14 If required by any Applicable Laws and provided Tenant is able to obtain electrical service prior to the date of Landlord's discontinuance, Landlord, upon at least sixty (60) days' notice to Tenant, may discontinue Landlord's provision of electric energy hereunder. If Landlord discontinues provision of electric energy pursuant to this Section, Tenant shall not be released from any liability under this Lease, except that as of the date of such discontinuance, Tenant's obligation to pay Landlord's additional charges under Section 16.8 for electric energy thereafter supplied to the Premises shall cease. As of such date, Landlord shall permit Tenant to receive electric energy directly from the public utility company supplying electric energy to the portion of the Entire Project in which the Premises are located, and Tenant shall pay all costs and expenses of obtaining such direct electrical service. Such electric energy may be furnished to Tenant by means of the then existing Building system feeders, risers and wiring to the extent that the same are available, suitable and safe for such purpose. All meters and additional panel boards, feeders, risers, wiring and other conductors and equipment which may be required to obtain electric energy directly from such public utility company shall be furnished and installed by Landlord at Landlord's expense (which shall constitute an Operating Expense, amortized on a straight line basis over the useful life of the items in question, which shall not extend beyond the Term Expiration Date, in accordance with GAAP).

16.15 Notwithstanding anything to the contrary in this Article, to the extent that the CAM Pools specifically provide for the allocation or payment of any Operating Expenses and are inconsistent with this Article, such CAM Pools shall govern.

17. Alterations.

17.1 Subsequent to the completion of the Tenant Improvements (which shall be governed by the provisions of the Tenant Work Letter and shall not be deemed Alterations for purposes of this Lease), Tenant shall make no additions, improvements or alterations in or to the Premises ("Alterations"), other than Minor Alterations, without Landlord's prior written approval, which approval Landlord shall not unreasonably withhold, condition or delay, except as the next

two sentences state. "Landlord's Building Systems and Structures" means the following, except any within the Premises that Tenant installed (other than as part of the Base Building Work and the Tenant Improvements): (a) any structural portions of the Buildings, including exterior walls, roof, foundation or core of the Buildings, (b) the exterior of the Buildings, and (c) any Building systems, including elevator, plumbing, air conditioning, heating, main electrical service equipment, security, life safety and power. If any proposed Alteration affects (to any degree that is more than de minimis) any Landlord's Building Systems and Structures, then Landlord may withhold consent to such proposed Alteration (to the extent it affects Landlord's Building Systems and Structures) in its sole and absolute discretion. Any Alteration costing less than Two Hundred Thousand Dollars ($200,000) (the "Alterations Threshold") (for that particular Alteration or for any group of related Alterations) that do not affect Landlord's Building Systems and Structures ("Minor Alterations") shall not require Landlord's prior written approval, but Tenant shall give Landlord at least fourteen (14) days' prior written notice of such Minor Alterations. Landlord shall increase the Alterations Threshold, once every five (5) years, by multiplying the then current Alterations Threshold by the increase in the Consumer Price Index ("CPI") since the Term Commencement Date and adding that amount to the then current Alterations Threshold to determine the new Alterations Threshold (a "CPI Adjustment" of the Alterations Threshold). Tenant shall, in making any Alterations, use only those architects, contractors, suppliers and mechanics of which Landlord has given prior written approval, which approval shall not be unreasonably withheld. In seeking Landlord's approval, Tenant shall provide Landlord, at least five (5) business days in advance of any proposed construction, with plans, specifications, bid proposals, work contracts, requests for lay down areas and such other information concerning the nature and cost of the Alterations as Landlord may reasonably request. To the extent Tenant must obtain Landlord's prior written approval to any Alterations under the Lease (an "Alterations Consent"), Landlord shall grant or deny such Alterations Consent within five (5) business days after it receives (m) written notice of Tenant's request for such Alterations and (n) all information reasonably necessary to permit Landlord to consider such request. If Landlord fails to grant or deny the requested Alterations Consent within five (5) business days after it receives Tenant's request (and all required additional information, if any), then Landlord shall be deemed to have granted its Alterations Consent. These deemed consent procedures for Alterations Consents shall have no application to any other consent by Landlord. In the event Tenant and Landlord shall disagree as to whether an Alteration or any group of related Alterations exceeds the Alterations Threshold, the dispute shall be resolved by the Neutral Architect pursuant to Subsection 4.2(b)(iii), whose determination shall be final and binding upon the parties. Subject to the last sentence of this Section, Landlord shall promptly execute any approvals, consents or other documentation reasonably necessary for Tenant to perform Alterations, provided that (x) Landlord's execution is in the ordinary course of completion of the Alterations, (y) Landlord's execution does not subject Landlord to any liability not customary for completion of the Alterations and (z) in no event shall Landlord be required to execute any documentation if Landlord reasonably believes doing so would violate any Applicable Law. Tenant covenants that all information included in any such approvals, consents or other documentation presented by Tenant to Landlord for Landlord's execution shall be, to the best of Tenant's then-current knowledge, true, complete and correct.

17.2 Tenant shall not construct or permit to be constructed partitions or other obstructions that might interfere with free access to Landlord's mechanical installation or Landlord's service facilities of the Buildings, or interfere with the moving of Landlord's equipment to or from the enclosures containing such installations or facilities.

17.3 Tenant shall use commercially reasonable efforts to accomplish any work performed on the Premises in such a manner as to permit any fire sprinkler system and fire water supply lines to remain fully operable at all times except at times of necessary cut-overs, but Tenant shall give Landlord prior advance written notice of the same.

17.4 During the Term, Tenant may perform work in the Premises at such times as Tenant elects from time to time in its sole discretion; provided, however, that in the event the Premises include any buildings that are not one hundred percent (100%) leased by Tenant, any work performed in such portion of the Premises by Tenant or Tenant's contractors shall be done at such times and in such manner as Landlord may from time to time designate. Tenant covenants and agrees that all work done on the Premises by Tenant or Tenant's contractors shall be performed in full compliance with Applicable Laws. Within sixty (60) days after final completion of any Alterations which need a building permit (or such longer period as may be reasonably necessary, so long as Tenant is diligently prosecuting the same), Tenant shall provide Landlord with complete "as-built" drawing print sets and electronic CAD files (or files in such other current format in common use as Landlord reasonably approves or requires) on disc showing any changes

in the Premises. Any such "as-built" plans shall show the applicable Alterations as an overlay on the Building's "as-built" plans, to the extent that Landlord provides the Building's "as-built" plans to Tenant for such purpose.

17.5 All alterations, attached equipment, decorations, fixtures, trade fixtures, additions and improvements, subject to Section 17.7, attached to or built into the Premises, made by either Landlord or Tenant, including all floor and wall coverings, built-in cabinet work and paneling, sinks and related plumbing fixtures, laboratory benches, exterior venting fume hoods and walk-in freezers and refrigerators, ductwork, conduits, electrical panels and circuits, shall (unless, prior to such construction or installation, Landlord elects otherwise) become the property of Landlord upon the expiration or earlier termination of the Term, and shall remain upon and be surrendered with the Premises as a part thereof.

17.6 Tenant shall repair any damage to the Premises caused by Tenant's removal of any property from the Premises (unless Landlord agrees in writing prior to removal that such repair is not required). If such restoration is not completed after the first thirty (30) days of any such restoration period, then Tenant shall pay Rent to Landlord as provided herein as if said space were otherwise occupied by Tenant.

17.7 Except as to those items listed on Exhibit C attached hereto and similar or additional items of moveable personal property Tenant shall use in the Premises ("Tenant's Personal Property"), all business and trade fixtures, machinery and equipment, built-in furniture and cabinets, together with all additions and accessories thereto, installed in and upon the Premises shall be and remain the property of Landlord and shall not be moved by Tenant at any time during the Term, unless such movement is part of an approved or permitted Alteration. If Tenant shall fail to remove any of its effects from the Premises prior to termination of this Lease, then Landlord may, at its option, remove the same in any manner that Landlord shall choose and store said effects without liability to Tenant for loss thereof or damage thereto, and Tenant shall pay Landlord, within thirty (30) days of demand, any costs and expenses incurred due to such removal and storage or Landlord may, at its sole option and without notice to Tenant, sell such property or any portion thereof at private sale and without legal process for such price as Landlord may obtain and apply the proceeds of such sale against any (a) amounts due by Tenant to Landlord under this Lease and (b) any expenses incident to the removal, storage and sale of said personal property. Notwithstanding the foregoing, Landlord's right to dispose of Tenant's Personal Property may be subject to liens placed on Tenant's Personal Property by third party lenders, to the extent that Landlord has entered into consents, waivers, or subordinations with such third party lenders.

17.8 Notwithstanding any other provision of this Article to the contrary, in no event shall Tenant remove, replace (unless such replacement is commercially reasonable under the circumstances and made in compliance with this Lease), or make any substitutions for, any improvement from the Premises constituting Tenant Improvements made pursuant to the Tenant Work Letter or the Landlord Work made pursuant to the Landlord Work Letter, without Landlord's prior written consent, which consent Landlord may withhold in its reasonable discretion. The parties acknowledge that Tenant may remove from the Premises those items of Tenant's Personal Property set forth on Exhibit C.

17.9 Tenant shall pay Landlord a construction management fee of two percent (2%) of the cost of any Alterations (or group of related Alterations) Tenant undertakes at one time costing in excess of Five Hundred Thousand Dollars ($500,000). For purposes of payment of such sum, Tenant shall submit to Landlord copies of all bills, invoices and statements covering the costs of such charges, accompanied by payment to Landlord of the fee set forth in this Section. Tenant shall reimburse Landlord within thirty (30) days after demand by Landlord with reasonable back-up documentation for any extra reasonable actual out-of-pocket expenses incurred by Landlord by reason of faulty work done by Tenant or its contractors, or by reason of delays caused by such work, or by reason of inadequate clean-up. If Tenant and Landlord disagree on whether any Alterations require payment of a construction management fee, the parties shall promptly resolve such dispute but this dispute shall not prevent Tenant from proceeding.

17.10 Within sixty (60) days after final completion of any Alterations, Tenant shall submit to Landlord documentation showing the amounts expended by Tenant (other than the TI Allowance) with respect to such Alterations, together with supporting documentation reasonably acceptable to Landlord.

18. Repairs and Maintenance.

18.1 Landlord shall repair and maintain in good condition the Common Areas, the Exclusive Parking Garage and the structural, exterior and base building portions (interior and exterior) of the Buildings, including grounds, roofing and covering materials, foundations, exterior walls, plumbing (excluding eye wash, safety showers, specialty gas, and laboratory services, including RODI), fire sprinkler systems (if any), heating, ventilating, air conditioning, base building management systems, elevators, and electrical systems. Provided (a) Tenant then leases and occupies all of Building 8 and Building 9, (b) the applicable recurring maintenance work is completely within Building 8 and/or Building 9 and (c) the applicable recurring maintenance work does not affect any other tenant of the Entire Project (even in a de minimis amount), then Tenant shall have the right to review and modify the scope of such contracted recurring maintenance work (whether such contract was entered into prior to, on or after the Execution Date), including to add additional scope (the "Tenant Reviewed Recurring Maintenance"). The review right (but not the modification right) in the immediately preceding sentence includes the right to review provisions of the applicable contract that are reasonably necessary to analyze the applicable scope of work set forth therein. If Tenant requests any modifications to the scope of the Tenant Reviewed Recurring Maintenance, Landlord shall use reasonable efforts to accommodate the same; provided, however, that any and all additional costs incurred by Landlord as a result of such modifications shall be included as part of Operating Expenses, subject to the CAM Pools. Notwithstanding anything to the contrary in this Lease, Landlord shall have no responsibility to maintain or repair any vivarium(s) or data center(s) (or any equipment or systems that solely service such areas). Tenant shall have sole responsibility to maintain and repair the vivarium(s) and data center(s) (and any equipment and systems that solely service such areas). Landlord shall maintain the Common Areas in accordance with its property maintenance protocols as established from time to time in accordance with Landlord's reasonable determinations of appropriate property maintenance protocols. Upon Tenant's request, Landlord shall explain such protocols and consider Tenant's comments. Any actual out-of-pocket costs related to the repair or maintenance activities specified in this Section 18.1 shall be included as a part of Operating Expenses subject to the CAM Pools, except Tenant shall pay for such repairs and maintenance to the extent that such repairs and maintenance are: (i) required in whole or in part because of any act, neglect, fault or omissions of Tenant (where there is a duty to act), its agents, servants, employees or invitees, in which case Tenant shall pay to Landlord the cost of such repairs and maintenance; and (ii) not paid out of insurance proceeds. Landlord shall perform all work and have its contractors perform all work in accordance with Applicable Laws.

18.2 Except for services of Landlord, if any, required by Section 18.1 and elsewhere in this Lease, Tenant shall at Tenant's sole cost and expense maintain and keep the Premises and every part thereof in good condition and repair, damage thereto from ordinary wear and tear, insured casualty and permitted alterations excepted. Tenant shall, upon the expiration or sooner termination of the Term, surrender the Premises to Landlord in as good of a condition as when received, ordinary wear and tear and insured casualty excepted. Landlord shall have no obligation to alter, remodel, improve, repair, decorate or paint the Premises or any part thereof, other than pursuant to the terms and provisions of the Landlord Work Letter and this Lease.

18.3 Landlord shall not be liable for any failure to make any repairs or to perform any maintenance that is an obligation of Landlord unless such failure shall persist for an unreasonable time after Tenant provides Landlord with written notice of the need of such repairs or maintenance. Subject to the terms of this Lease, Tenant waives its rights under Applicable Laws now or hereafter in effect to make repairs at Landlord's expense. Notwithstanding the foregoing, if Landlord fails to make any necessary repair in any Building of which Tenant is the sole tenant (other than completion of any Punchlist Item or repair of any Defect in the Landlord Work, which is governed by Section 4.6), that is Landlord's obligation under this Lease within fifteen (15) days after Tenant has reported to Landlord the need for such repair and does not remedy such failure within five (5) business days after further written notice from Tenant, referring to this Section and Tenant's right to perform such repair under this Section (the "Repair Self-Help Work"), then Tenant may perform the Repair Self-Help Work, and the parties shall then have the same rights and obligations (subject to the same restrictions, except Tenant's obligation to give prior notices or allow the passage of any cure periods) as set forth in Section 4.6(b) for Punchlist Self-Help Work. In the event of an emergency on the Premises, Tenant may perform Repair Self-Help Work within any Building of which Tenant is the sole tenant if in its reasonable determination such Repair Self-Help Work is necessary. The reasonable cost and expense of such emergency Repair Self-Help Work will be reimbursable by Landlord within thirty (30) business days of its receipt of an invoice from

Tenant as long as Tenant did not cause the emergency. In the event Tenant and Landlord shall disagree as to the party responsible for the emergency they shall resolve the dispute through arbitration under Article 47.

18.4 Repairs under this Article that are obligations of Landlord (together with any reimbursement for the cost and expense of any Repair Self-Help Work provided for in Section 18.3) are subject to allocation among Tenant and other tenants as Operating Expenses to the extent they are included in the definition thereof, except as otherwise provided in this Article.

18.5 This Article relates to repairs and maintenance arising in the ordinary course of operation of the Buildings and the Entire Project and any related facilities. In the event of fire, earthquake, flood, vandalism, war, terrorism, natural disaster or similar cause of damage or destruction, Article 22 shall apply in lieu of this Article.

19. Liens.

19.1 Subject to the immediately succeeding sentence, Tenant shall keep the Premises, the Buildings and the Entire Project (and any portion thereof) free from any liens arising out of work performed, materials furnished or obligations incurred by Tenant. Tenant further covenants and agrees that any mechanic's lien filed against the Premises, the Buildings or the Entire Project (or portion thereof) for work claimed to have been done for, or materials claimed to have been furnished to, Tenant shall be discharged or bonded by Tenant within the earlier of: (a) forty-five (45) days; and (b) five (5) days less than any shorter period of time provided for in Landlord's loan documents (but in the case of "b" no less than fifteen (15) days), after the filing thereof, at Tenant's sole cost and expense.

19.2 Should Tenant fail to discharge or bond against any lien of the nature described in Section 19.1, Landlord may, at Landlord's election, pay such claim or post a bond or otherwise provide security to eliminate the lien as a claim against title, and Tenant shall immediately reimburse Landlord for the costs thereof as Additional Rent.

19.3 In the event that Tenant leases or finances the acquisition of office equipment, furnishings or other personal property of a removable nature utilized by Tenant in the operation of Tenant's business, Tenant warrants that any Uniform Commercial Code financing statement executed by Tenant shall, upon its face or by exhibit thereto, indicate that such financing statement is applicable only to removable personal property of Tenant located within the Premises. In no event shall the address of the Buildings be furnished on a financing statement without qualifying language as to applicability of the lien only to removable personal property located in the Premises. Should any holder of a financing statement executed by Tenant record or place of record a financing statement that appears to constitute a lien against any interest of Landlord or against equipment that may be located other than within the Premises, Tenant shall, within ten (10) days after filing such financing statement, cause (a) a copy of the lender security agreement or other documents to which the financing statement pertains to be furnished to Landlord to facilitate Landlord's ability to demonstrate that the lien of such financing statement is not applicable to Landlord's interest and (b) Tenant's lender to amend such financing statement and any other documents of record to clarify that any liens imposed thereby are not applicable to any interest of Landlord in the Premises, the Buildings or the Entire Project. Landlord shall, upon request, deliver a consent, lien waiver or subordination in favor of Tenant's third party lender(s) upon Tenant's request, provided that the document: (x) is reasonably satisfactory to Landlord; (y) relates only to specific Tenant's Personal Property; and (z) relates to financing or leasing that complies with this Section.

20. Indemnification and Exculpation.

20.1 Subject to Sections 20.7 and 21.7, Tenant agrees to indemnify, defend and save Landlord harmless from and against any and all demands, claims, liabilities, losses, costs, expenses, actions, causes of action, damages, suits or judgments, and all reasonable expenses (including reasonable attorneys' fees, charges and disbursements, regardless of whether the applicable demand, claim, action, cause of action or suit is voluntarily withdrawn or dismissed) incurred in investigating or resisting the same (collectively, "Claims") arising from injury or death to any person or injury to any property occurring within or about the Premises, the Buildings, the Mt. Pleasant Project or the Entire Project arising out of Tenant's or Tenant's employees', agents' or guests' use or occupancy of the Premises or performance of Tenant Improvements or a breach or default by Tenant in the performance of any of its obligations hereunder, unless and to the extent caused by Landlord's (or Landlord's agents, employees, or guests') willful misconduct or gross

negligence. This indemnity shall apply only after exhaustion of any insurance proceeds available to Landlord or the injured party on account of the damage or injury within the scope of Tenant's indemnity.

20.2 Landlord shall not be liable to Tenant for, and Tenant assumes all risk of, damage to personal property or scientific research, including loss of records kept by Tenant within the Premises and damage or losses caused by fire, electrical malfunction, gas explosion or water damage of any type (including broken water lines, malfunctioning fire sprinkler systems, roof leaks or stoppages of lines), unless any such loss is due to Landlord's (or Landlord's agents, employees' or guests') gross negligence, willful misconduct, or willful disregard of written notice by Tenant of need for a repair that Landlord is responsible to make for an unreasonable period of time. Tenant further waives any claim for injury to Tenant's business or loss of income relating to any such damage or destruction of personal property as described in this Section 20.2, subject to the exceptions described in this Section 20.2.

20.3 Landlord shall not be liable for any damages arising from any act, omission or neglect of any other tenant in the Buildings, the Mt. Pleasant Project or the Entire Project, or of any other third party.

20.4 Tenant acknowledges that security devices and services, if any, while intended to deter crime, may not in given instances prevent theft or other criminal acts. Landlord shall not be liable for injuries or losses caused by criminal acts of third parties, and Tenant assumes the risk that any security device or service may malfunction or otherwise be circumvented by a criminal. If Tenant desires protection against such criminal acts, then Tenant shall, at Tenant's sole cost and expense, obtain appropriate insurance coverage.

20.5 Subject to Sections 20.7 and 21.7, Landlord agrees to indemnify, defend and save Tenant harmless from and against any and all Claims arising from injury or death to any person or injury to any property occurring within or about the Premises, the Buildings or the Entire Project arising directly or indirectly out of Landlord's or Landlord's employees', agents' or guests' willful misconduct or gross negligence; or a breach or default by Landlord in the performance of any of its obligations hereunder, except to the extent caused by Tenant's willful misconduct or negligence. This indemnity shall apply only after exhaustion of any insurance proceeds available to Tenant or the injured party on account of the damage or injury within the scope of Landlord's indemnity.

20.6 Notwithstanding anything to the contrary in this Lease, neither party shall have any liability for punitive or indirect damages.

20.7 The party seeking indemnification under this Lease ("Indemnified Party") agrees to notify the other party ("Indemnifying Party") immediately after the Indemnified Party becomes aware of any claim, suit or other potential liability for which it may seek indemnification ("Liability") and to cooperate fully with and upon request by Indemnifying Party to authorize Indemnifying Party to conduct and control the management of defense of the Liability, including the selection of counsel. Indemnified Party further agrees that Indemnified Party and Indemnified Party's employees and agents shall cooperate with the Indemnifying Party and shall not compromise or settle any such loss or claim, or incur any expense, including any expenses related to outside legal counsel (except at its own expense) without the prior written approval of the Indemnifying Party.

20.8 The provisions of this Article shall survive the expiration or earlier termination of this Lease.

20.9 Landlord waives any claim for injury to Landlord's business or loss of income relating to any damage or destruction of Landlord's personal property from the causes described in Section 20.2, except to the extent caused by Tenant's gross negligence or willful misconduct or those of Tenant's agents, employees, or guests. Nothing in this Section limits Landlord's remedies against Tenant for failure to deliver the Premises back to Landlord upon Lease expiration or termination as this Lease requires.

21. Insurance; Waiver of Subrogation.

21.1 Landlord shall maintain: (a) through the Building 8 Rent Commencement Date and the Building 9 Rent Commencement Date, respectively, builder's risk insurance for Building 8 and Building 9, as the case may be (provided that Landlord may cause such builder's risk insurance to be maintained by its general contractor); and (b)

after the Building 8 Rent Commencement Date and the Building 9 Rent Commencement Date, respectively, property insurance (i) for Building 8 and Building 9, as the case may be, and (ii) other portions of the Entire Project benefiting the Premises and not required to be insured by Tenant under this Lease or by other tenants. Such property insurance shall cover one hundred percent (100%) of replacement cost, exclusive of the costs of excavation, foundations and footings and without reference to depreciation taken by Landlord upon its books or tax returns. Such insurance coverage shall provide protection against any peril generally included within the classification "Fire and Extended Coverage," together with insurance against sprinkler damage (if applicable), vandalism and malicious mischief. Landlord, subject to availability thereof, shall further insure, if Landlord deems it appropriate, coverage against flood, environmental hazard, earthquake, loss or failure of building equipment, rental loss during the period of repairs or rebuilding, workmen's compensation insurance and fidelity bonds for employees employed to perform services. Tenant shall maintain: (j) during the construction of Tenant Improvements through the Building 8 Rent Commencement Date and the Building 9 Rent Commencement Date, respectively, insurance for the Tenant Improvements, and (k) on and after the Building 8 Rent Commencement Date and the Building 9 Rent Commencement Date, respectively, property insurance on (i) the Tenant Improvements in the Premises or any other improvements now or in the future installed by Tenant in the Premises and (ii) Tenant's Personal Property identified in the attached Exhibit C within the Premises in amounts equal to one hundred percent (100%) of replacement cost without reference to depreciation taken by Tenant upon its books or tax returns, which Tenant's casualty insurance coverage shall provide protection for and cover any peril generally included within the classification "Fire and Extended Coverage," together with insurance against sprinkler damage (if applicable), vandalism and malicious mischief. Any costs incurred by Landlord pursuant to this Section 21.1 shall (q) prior to the Building 8 Operating Expense Commencement Date and the Building 9 Operating Expense Commencement date, as applicable, constitute a Project Cost and (r) after the Building 8 Operating Expense Commencement Date and the Building 9 Operating Expense Commencement date, as applicable, constitute a portion of Operating Expenses (to be allocated in accordance with the CAM Pools), provided such costs cover insurance that is either: (x) commercially reasonable; (y) required by any lender to Landlord or (z) consistent with Landlord's national portfolio insurance program, as equitably allocated and pro-rated among all the tenants (including Tenant) occupying the Entire Project. Any costs incurred by Tenant pursuant to this Section 21.1 shall be paid for by Tenant.

21.2 In addition, Landlord shall carry public liability insurance with a minimum single limit of not less than Ten Million Dollars ($10,000,000) for death or bodily injury, or property damage with respect to the Entire Project. Any costs incurred by Landlord pursuant to this Section 21.2 shall constitute a portion of Operating Expenses and shall be equitably allocated and pro-rated among all the tenants (including Tenant) occupying the Entire Project in accordance with the CAM Pools.

21.3 Tenant shall, at its own cost and expense, procure and maintain in effect, beginning on the Term Commencement Date and continuing throughout the Term (and occupancy by Tenant, if any, after termination of this Lease) comprehensive public liability insurance with limits of not less than Ten Million Dollars ($10,000,000) per occurrence for death or bodily injury and not less than Two Million Dollars ($2,000,000) for property damage with respect to the Premises (including $1,000,000 fire legal liability (each loss)). The insurance required to be maintained by Tenant pursuant to this Lease shall name Landlord, BioMed Realty, L.P., BioMed Realty Trust, Inc., and their respective lenders, officers, employees, agents, general partners and members ("Landlord Parties") as additional insured parties.

21.4 All insurance carried by Tenant shall be with companies having a rating of not less than policyholder rating of A- and financial category rating of at least Class VIII in "Best's Insurance Guide." Tenant shall obtain for Landlord from the insurance companies or cause the insurance companies to furnish certificates of coverage to Landlord. No such policy shall be cancelable or subject to reduction of coverage or other material modification or cancellation except after thirty (30) days' prior written notice to Landlord from the insurer (except in the event of non-payment of premium, in which case ten (10) days' prior written notice shall be given). All such policies shall be written as primary policies, not contributing with and not in excess of the coverage that Landlord may carry. Tenant's policy may be a "blanket policy" that specifically provides an amount of insurance that shall be sufficient to provide the coverage set forth in this Article. Tenant shall, at least twenty (20) days prior to the expiration of such policies, furnish Landlord with renewals or binders. Tenant agrees that if Tenant does not take out and maintain such insurance, Landlord may (but shall not be required to) procure said insurance on Tenant's behalf and at its cost to be paid by Tenant as Additional Rent.

21.5 Tenant assumes the risk of damage to all of Tenant's improvements in the Premises and all of Tenant's personal property, including Tenant's Personal Property set forth in the attached Exhibit C. Furthermore, Landlord shall not be liable for injury to Tenant's business or any loss of income therefrom, relative to such damage, all as more particularly set forth within this Lease.

21.6 In each instance where insurance is to name Landlord Parties as additional insureds, Tenant shall, upon Landlord's written request, also designate and furnish certificates evidencing such Landlord Parties as additional insureds to (a) any Lender of Landlord holding a security interest in the Buildings or the Entire Project (or any portion thereof), (b) the Landlord under any lease whereunder Landlord is a tenant of the real property upon which the Buildings is located if the interest of Landlord is or shall become that of a tenant under a ground lease rather than that of a fee owner, and (c) any management company retained by Landlord to manage the Entire Project (or any portion thereof).

21.7 Landlord and Tenant (and in the case of Tenant, any subtenant) hereby waive any and all rights of recovery against the other or against the officers, directors, employees, agents and representatives of the other on account of loss or damage occasioned by such waiving party or its property or the property of others under such waiving party's control, in each case to the extent that such loss or damage is insured against under any fire and extended coverage insurance policy that either Landlord or Tenant may have in force at the time of such loss or damage. Such waivers shall continue so long as their respective insurers so permit. Any termination of such a waiver shall be by written notice to the other party, containing a description of the circumstances hereinafter set forth in this Section 21.7. Landlord and Tenant, upon obtaining the policies of insurance required or permitted under this Lease, shall give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease. If such policies shall not be obtainable with such waiver or shall be so obtainable only at a premium over that chargeable without such waiver, then the party seeking such policy shall notify the other of such conditions, and the party so notified shall have ten (10) days thereafter to either (a) procure such insurance with companies reasonably satisfactory to the other party or (b) agree to pay such additional premium (in Tenant's case, in the proportion that the area of the Premises bears to the insured area). If the parties do not accomplish either (a) or (b), then this Section 21.7 shall have no effect during such time as such policies shall not be obtainable or the party in whose favor a waiver of subrogation is desired refuses to pay the additional premium. If such policies shall at any time be unobtainable, but shall be subsequently obtainable, then neither party shall be subsequently liable for a failure to obtain such insurance until a reasonable time after notification thereof by the other party. If the release of either Landlord or Tenant, as set forth in the first sentence of this Section 21.7, shall contravene Applicable Laws, then the liability of the party in question shall be deemed not released but shall be secondary to the other party's insurer.

21.8 Landlord may require insurance policy limits required of Tenant under this Lease to be raised to conform to requirements of Landlord's Lender or to bring coverage limits to commercially reasonable levels.

21.9 Tenant shall, at its own cost and expense, procure and maintain in effect, beginning on the Term Commencement Date and continuing throughout the Term (and occupancy by Tenant, if any, after termination of this Lease) pollution and environmental liability insurance (covering the environmental risks of Tenant's business) with limits of not less than Three Million Dollars ($3,000,000) per occurrence and not less than Five Million Dollars ($5,000,000) in aggregate, with respect to environmental contamination and pollution of the Premises caused by Tenant. Tenant shall name all Landlord Parties as additional insured parties under Tenant's environmental insurance policy. Tenant shall give Landlord certificates of the foregoing reasonably satisfactory to Landlord.

22. Damage or Destruction.

22.1 In the event of a partial destruction by fire or other perils covered by extended coverage insurance of either Building (or any building containing a portion of the Premises) not exceeding fifty percent (50%) of the full insurable value thereof, and provided that the damage thereto is such that the affected Building may be repaired, reconstructed or restored within a period of eight (8) months from the date of the happening of such casualty, Landlord shall commence and proceed diligently with the work of repair, reconstruction and restoration of the affected Building, and this Lease shall continue in full force and effect. Notwithstanding the foregoing, and although Landlord's and Tenant's repair obligations are absolute and are not conditioned upon either of them receiving insurance proceeds sufficient to cover the cost of their repairs, Landlord and Tenant shall each have the right to postpone commencement

of their respective repair obligations for a period not longer than two (2) months in the case of Landlord and a period not longer than three (3) months in the case of Tenant, from the date of such destruction to attempt to settle with their respective insurance carriers and obtain the funds for restoration.

22.2 In the event of any damage to or destruction of any part of the Buildings and/or the Entire Project other than as described in Section 22.1, Landlord may elect to repair, reconstruct and restore those Building(s) or the Entire Project, as applicable, in which case this Lease shall continue in full force and effect and Landlord shall provide Tenant with an independent engineer's letter stating the estimated time for restoration. If Landlord elects not to repair, then this Lease shall terminate with respect to the entirety of the Premises located in the affected Building only, as of the date of such damage or destruction. To the extent that this Lease terminates in whole or in part, Rent shall be reduced accordingly.

22.3 Landlord shall give notice to Tenant of its election to exercise its right not to repair, reconstruct or restore any of the Buildings within sixty (60) days following the date of damage or destruction referred to in Section 22.2.

22.4 Upon any partial or total termination of this Lease under the provisions of this Article, the parties shall be released for all or the portion of the Premises and this Lease affected thereby without further obligation to the other from the date possession of all or the portion of the Premises is surrendered to the Landlord, except with regard to (a) items occurring prior to the damage or destruction and (b) provisions of this Lease that, by their express terms, survive the expiration or earlier termination hereof.

22.5 In the event of repair, reconstruction and restoration as provided in this Article, all Rent to be paid by Tenant under this Lease shall be abated proportionately based on the extent to which Tenant's use of the Premises is impaired during the period of such repair, reconstruction or restoration, unless Landlord provides Tenant with other space during the period of repair that, in Tenant's reasonable opinion, is suitable for the temporary conduct of Tenant's business.

22.6 Notwithstanding anything to the contrary contained in this Article, should Landlord or Tenant, as the case may be, be delayed or prevented from completing the repair, reconstruction or restoration of the damage or destruction by Force Majeure, then the time for Landlord or Tenant, as the case may be, to commence or complete repairs shall be extended on a day-for-day basis. Tenant shall be released from any obligations under this Lease (except with regard to those provisions that, by their express terms, survive the expiration or earlier termination hereof) if, on the date that is fourteen (14) months after the date of damage or destruction, the repair, reconstruction or restoration required to be performed by Landlord or Tenant to provide Tenant use of the applicable portion of the Premises is not then Substantially Completed.

22.7 If Landlord is obligated to or elects to repair, reconstruct or restore as herein provided, then Landlord shall be obligated to make such repair, reconstruction or restoration only with regard to those portions of the Premises, the Buildings or the Entire Project that were constructed by Landlord and the repair, reconstruction or restoration of improvements constructed by Tenant shall remain the obligation of Tenant.

22.8 Notwithstanding anything to the contrary contained in this Article, neither Landlord nor Tenant shall have any obligation whatsoever to repair, reconstruct or restore their respective portions of the Premises if the damage resulting from any casualty covered under this Article occurs during the last twelve (12) months of the Term or any extension hereof.

22.9 If, at the time of any damage or destruction affecting any Premises, this Lease has already terminated as it applies to the affected Premises, then neither Landlord nor Tenant shall have any rights or obligations regarding such affected Premises, except for those provisions and indemnities that survive termination of the Lease.

23. Eminent Domain.

23.1 In the event the whole of the Premises, or such part thereof as shall substantially interfere with the Tenant's use and occupancy thereof, shall be taken for any public or quasi-public purpose by any lawful power or authority by exercise of the right of appropriation, condemnation or eminent domain, or sold to prevent such taking, Tenant or Landlord may terminate this Lease effective as of the date possession is required to be surrendered to said authority.

23.2 In the event of a partial taking of the Buildings and/or the Entire Project, or of drives, walkways or parking areas serving the Buildings for any public or quasi-public purpose by any lawful power or authority by exercise of right of appropriation, condemnation, or eminent domain, or sold to prevent such taking, then, without regard to whether any portion of the Premises occupied by Tenant was so taken, either Tenant or Landlord may elect to terminate this Lease as of such taking if such taking is, in Landlord's reasonable opinion, of a material nature such as to make it uneconomical to continue use of the unappropriated portion for purposes of renting office or laboratory space.

23.3 Tenant shall be entitled to any award that is specifically awarded as compensation for (a) the taking of Tenant's Personal Property that was installed at Tenant's expense; (b) the costs of Tenant moving to a new location; and (c) the taking of Tenant's permitted alterations performed at Tenant's expense other than the Tenant Improvements (based on Tenant's unamortized cost, in the case of clause "c"). Except as set forth in the previous sentence, any award for such taking shall be the property of Landlord. To the extent that Tenant intends to make any claim for a taking, Landlord and Tenant shall cooperate to assert their claims jointly and share any proceeds in proportion to their full entitlement.

23.4 If, upon any taking of the nature described in this Article, this Lease continues in effect, then Landlord shall promptly proceed to restore the Buildings and/or the Entire Project, if feasible, as applicable (to the extent not taken), to substantially their same condition prior to such partial taking and within ninety (90) days of such taking Landlord shall provide Tenant with an independent engineer's letter stating the estimated time for such restoration. To the extent such restoration is feasible, as determined by Landlord in its reasonable discretion, upon completion of such restoration the Rent shall be adjusted to equal the Rent as it exists immediately after the restoration for the partial taking times a fraction. That fraction shall equal the square feet of Rentable Area of the Premises after such partial taking and restoration divided by the square feet of Rentable Area of the Premises before such partial taking and restoration.

23.5 If Landlord restores the Premises as herein provided, then Landlord shall be obligated to make such restoration only with regard to those portions of the Premises, the Buildings or the Entire Project that were constructed by Landlord, and the repair, reconstruction or restoration of improvements constructed by Tenant shall remain the obligation of Tenant.

24. Defaults and Remedies.

24.1 Late payment by Tenant to Landlord of Rent and other sums due shall cause Landlord to incur costs not contemplated by this Lease, the exact amount of which shall be extremely difficult and impracticable to ascertain. Such costs include, but are not limited to, processing and accounting charges and late charges that may be imposed on Landlord by the terms of any mortgage or trust deed covering the Premises. Therefore, if any installment of Rent due from Tenant is not received by Landlord within five (5) business days after the date such payment is due, Tenant shall pay to Landlord an additional sum of three percent (3%) of the overdue Rent as a late charge. The parties agree that this late charge represents a fair and reasonable estimate of the costs that Landlord shall incur by reason of late payment by Tenant. In addition to the late charge, Rent not paid when due shall bear interest from the fifth (5^{th}) day after the date due until paid at the lesser of (a) three percent (3%) per annum plus the Prime Rate or (b) the maximum rate permitted by Applicable Laws. Notwithstanding the foregoing, Tenant need not pay a late charge or interest if: (a) within the preceding twelve (12) months Tenant has not been obligated to make a late payment; and (b) Tenant pays the installment of Rent at issue within fifteen (15) days of the due date.

24.2 No payment by Tenant or receipt by Landlord of a lesser amount than the Rent payment herein stipulated shall be deemed to be other than on account of the Rent, nor shall any endorsement or statement on any check

or any letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy provided in this Lease or in equity or at law. If a dispute shall arise as to any amount or sum of money to be paid by Tenant to Landlord hereunder, Tenant shall have the right to make payment "under protest," such payment shall not be regarded as a voluntary payment, and there shall survive the right on the part of Tenant to institute suit for recovery of the payment paid under protest.

24.3 If Tenant fails to pay any sum of money (other than Basic Annual Rent) required to be paid by it hereunder, or shall fail to perform any other act on its part to be performed hereunder, Landlord may, without waiving or releasing Tenant from any obligations of Tenant, but shall not be obligated to, make such payment or perform such act; provided that such failure by Tenant continues for three (3) business days after Landlord delivers notice to Tenant demanding performance by Tenant; or that such failure by Tenant unreasonably interfered with the use of the Buildings by any other tenant or with the efficient operation of the Buildings, or resulted or could have resulted in a violation of Applicable Laws or the cancellation of an insurance policy maintained by Landlord. Tenant shall pay to Landlord as Additional Rent all sums so paid or incurred by Landlord, together with interest thereon, from the date such sums were paid or incurred, at the annual rate equal to three percent (3%) per annum plus the Prime Rate or highest rate permitted by Applicable Laws, whichever is less.

24.4 The occurrence of any one or more of the following events shall constitute a "Default" hereunder by Tenant:

(a) The abandonment of the Premises by Tenant and the failure of Tenant to secure and maintain the Premises and perform all of its other obligations hereunder;

(b) The failure by Tenant to make any payment of Rent, as and when due, where such failure shall continue for a period of five (5) business days after written notice thereof from Landlord to Tenant;

(c) The failure by Tenant to observe or perform any obligation or covenant contained herein (other than described in Subsections 24.4(a) and 24.4(b)) to be performed by Tenant, where such failure shall continue for a period of ten (10) days after written notice thereof from Landlord to Tenant; provided that, if the nature of Tenant's default is such that it reasonably requires more than ten (10) days to cure, Tenant shall not be deemed to be in default if Tenant shall commence such cure within said ten (10) day period and thereafter diligently prosecute the same to completion; and provided, further, that such cure is completed no later than sixty (60) days from the date of Tenant's receipt of written notice from Landlord unless: (a) such completion is not reasonably possible within sixty (60) days because of Force Majeure; and (b) Tenant continues to diligently prosecute completion;

(d) Tenant makes an assignment for the benefit of creditors;

(e) A receiver, trustee or custodian is appointed to or does take title, possession or control of all or substantially all of Tenant's assets;

(f) Tenant files a voluntary petition under the United States Bankruptcy Code or any successor statute (the "Code");

(g) Any involuntary petition is filed against Tenant under any chapter of the Code and is not dismissed within one hundred twenty (120) days;

(h) Failure to deliver an estoppel certificate in accordance with Article 29;

(i) Tenant's interest in this Lease is attached, executed upon or otherwise judicially seized and such action is not released within one hundred twenty (120) days of the action; or

(j) If a default occurs under the Lease dated as of December 21, 2006, by and between BMR-Landmark at Eastview LLC and Regeneron Pharmaceuticals, Inc. (as the same may have been amended, amended and

restated, supplemented or otherwise modified from time to time, the "Existing Lease"), which default has continued beyond applicable notice and cure periods under the Existing Lease.

Notices given under this Section 24.4 shall specify the alleged default and shall demand that Tenant perform the provisions of this Lease or pay the Rent that is in arrears, as the case may be, within the applicable period of time, or quit the Premises. No such notice shall be deemed forfeiture or a termination of this Lease unless Landlord elects otherwise in such notice.

24.5 In the event of a Default by Tenant, and any time thereafter unless Tenant cures the Default, with or without notice or demand and without limiting Landlord in the exercise of any right or remedy that Landlord may have, Landlord shall be entitled to terminate Tenant's right to possession of the Premises 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 have the immediate right to re-enter and remove all persons and property, and such property may be removed and stored in a public warehouse or elsewhere at the cost and for the account of Tenant, all without service of notice or resort to legal process and without being deemed guilty of trespass or becoming liable for any loss or damage that may be occasioned thereby. In the event that Landlord shall elect to so terminate this Lease, then Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default, including:

(a) The worth at the time of award of any unpaid Rent that had accrued at the time of such termination; plus

(b) The worth at the time of award of the amount by which the unpaid Rent that would have accrued during the period commencing with termination of the Lease and ending at the time of award exceeds that portion of the loss of Landlord's rental income from the Premises that Tenant proves to Landlord's reasonable satisfaction could have been reasonably avoided; plus

(c) The worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds that portion of the loss of Landlord's rental income from the Premises that Tenant proves to Landlord's reasonable satisfaction could have been reasonably avoided; plus

(d) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or that in the ordinary course of things would be likely to result therefrom, including the cost of restoring the Premises to the condition required under the terms of this Lease; plus

(e) At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by Applicable Laws.

As used in Subsections 24.5(a) and 24.5(b), "worth at the time of award" shall be computed by allowing interest at the rate specified in Section 24.1. As used in Subsection 24.5(c), the "worth at the time of the award" shall be computed by taking the present value of such amount, using the discount rate of the Federal Reserve Bank of San Francisco at the time of the award plus one (1) percentage point.

24.6 If Landlord does not elect to terminate this Lease as provided in Section 24.5, then Landlord may, from time to time, recover all Rent as it becomes due under this Lease.

24.7 In the event Landlord elects to terminate this Lease and relet the Premises, Landlord may execute any new lease in its own name. Tenant hereunder shall have no right or authority whatsoever to collect any Rent from such tenant. The proceeds of any such reletting shall be applied as follows:

(a) First, to the payment of any indebtedness other than Rent due hereunder from Tenant to Landlord, including storage charges or brokerage commissions owing from Tenant to Landlord as the result of such reletting;

(b) Second, to the payment of the costs and expenses of reletting the Premises, including (i) alterations and repairs that Landlord deems reasonably necessary and advisable and (ii) reasonable attorneys' fees, charges and disbursements incurred by Landlord in connection with the retaking of the Premises and such reletting;

(c) Third, to the payment of Rent and other charges due and unpaid hereunder; and

(d) Fourth, to the payment of future Rent and other damages payable by Tenant under this Lease.

24.8 All of Landlord's rights, options and remedies hereunder shall be construed and held to be nonexclusive and cumulative. Landlord shall have the right to pursue any one or all of such remedies, or any other remedy or relief that may be provided by Applicable Laws, regardless of whether stated in this Lease. No waiver of any default of Tenant hereunder shall be implied from any acceptance by Landlord of any Rent or other payments due hereunder or any omission by Landlord to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect defaults other than as specified in said waiver.

24.9 Landlord's termination of (a) this Lease or (b) Tenant's right to possession of the Premises shall not relieve Tenant of any liability to Landlord that has previously accrued or that shall arise based upon events that occurred prior to the later to occur of (i) the date of Lease termination or (ii) the date Tenant surrenders possession of the Premises.

24.10 To the extent permitted by Applicable Laws, Tenant waives any and all rights of redemption granted by or under any present or future Applicable Laws if Tenant is evicted or dispossessed for any cause, or if Landlord obtains possession of the Premises due to Tenant's default hereunder or otherwise.

24.11 Landlord shall not be in Default under this Lease unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event shall such failure continue for more than thirty (30) days after written notice from Tenant specifying the nature of Landlord's failure; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, then Landlord shall not be in default if Landlord commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion. Nothing in this Section limits Tenant's right to make and be reimbursed (or credited) for Punchlist Self-Help Work, Defect Self-Help Work, Seasonable Self-Help Work, Repair Self-Help Work or Self-Help Completion Work.

24.12 In the event of any Default by Landlord, Tenant shall give notice by registered or certified mail to any (a) beneficiary of a deed of trust or (b) mortgagee under a mortgage covering the Premises or the Entire Project and to any landlord of any lease of land upon or within which the Premises, the Buildings or the Entire Project is located, and shall offer such beneficiary, mortgagee or landlord a reasonable opportunity to cure the default, including time to obtain possession of the Buildings by power of sale or a judicial action if such should prove necessary to effect a cure; provided that Landlord shall furnish to Tenant in writing, upon written request by Tenant, the names and addresses of all such persons who are to receive such notices. If Tenant intends to seek to terminate the Lease because of Landlord's Default, then Tenant shall give the notices this Section requires.

24.13 If Landlord is in default under the Existing Lease, which default has continued beyond applicable notice and cure periods under the Existing Lease, then Landlord shall be in Default under this Lease. If Landlord is in Default under this Lease then Landlord shall be deemed to be in default beyond applicable cure periods under the Existing Lease.

25. Assignment or Subletting.

25.1 Except as hereinafter expressly permitted, Tenant shall not, either voluntarily or by operation of law, directly or indirectly sell, hypothecate, assign, pledge, encumber or otherwise transfer this Lease, or sublet the Premises or any part hereof (each, a "Transfer"), without Landlord's prior written consent, which consent Landlord may not unreasonably withhold, condition or delay. Occupancy and use of the Premises by Tenant's Affiliates not pursuant to a sublease is expressly permitted without Landlord's consent. Tenant shall have the right to Transfer without Landlord's

prior written consent the Premises or any part of it as follows (each, an "Exempt Transfer"), provided that Tenant has satisfied the applicable Transfer Conditions for each such Exempt Transfer:

(a) To any person that as of the date of determination and at all times thereafter directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with Tenant ("Tenant's Affiliate");

(b) To any purchaser of all or substantially all of Tenant's assets; or

(c) To any successor of Tenant by merger, consolidation, acquisition of all of or a controlling interest in Tenant's stock or Tenant's equivalent ownership or membership interests, or operation of law.

25.2 For purposes of Section 25.1(a), "control" requires both: (a) owning (directly or indirectly) more than fifty percent (50%) of the stock or other equity interests of another person; and (b) possessing, directly or indirectly, the power to direct or cause the direction of the management and policies of such person.

25.3 Tenant shall not consummate any Exempt Transfer except upon: (a) giving Landlord at least ten (10) business days' prior written notice of such Exempt Transfer (unless Applicable Laws prohibit such prior written notice, in which case Tenant shall give written notice to Landlord within ten (10) business days after the Exempt Transfer); and (b) complying with all applicable Transfer Conditions.

25.4 In the event Tenant desires to effect a Transfer except an Exempt Transfer, then, at least thirty (30) but not more than forty-five (45) days prior to the date when Tenant desires the assignment or sublease to be effective (the "Transfer Date"), Tenant shall provide written notice to Landlord (the "Transfer Notice") containing information (including references) concerning the character of the proposed transferee, assignee or sublessee; the Transfer Date; any ownership or commercial relationship between Tenant and the proposed transferee, assignee or sublessee; and the consideration and all other material terms and conditions of the proposed Transfer in the form of a term sheet, all in such detail as Landlord shall reasonably require. Tenant shall also pay to Landlord within thirty (30) days after demand, including invoice(s) therefor, reasonable and actual out-of-pocket attorneys' fees and other costs incurred by Landlord in reviewing Tenant's request for such Transfer.

25.5 Landlord, in determining whether consent should be given to a proposed Transfer except an Exempt Transfer, may give consideration to the financial strength of such transferee, assignee or sublessee (notwithstanding Tenant remaining liable for Tenant's performance), any change in the Permitted Use that such transferee, assignee or sublessee proposes to make in the use of the Premises, and Landlord's desire to exercise its rights under Section 25.11 to cancel this Lease. In no event shall Landlord be deemed to be unreasonable for declining to consent to a Transfer to a transferee, assignee or sublessee of poor reputation, lacking financial qualifications, seeking a change in the Permitted Use, or jeopardizing directly or indirectly the status of Landlord or any of Landlord's Affiliates as a Real Estate Investment Trust under the Code.

25.6 Except as expressly provided below, as conditions precedent to Tenant subleasing the Premises or to Landlord considering a request by Tenant to Tenant's transfer of rights or sharing of the Premises, and as conditions to any Exempt Transfer, Tenant shall satisfy the following conditions (the "Transfer Conditions"), except to the extent Landlord waives them in writing:

(a) Tenant shall not subdivide any Building into more than four (4) legally separate occupancies;

(b) Based on the advice of Landlord's counsel, such Exempt Transfer shall not jeopardize directly or indirectly the status of Landlord or any of Landlord's Affiliates as a Real Estate Investment Trust under the Code;

(c) Tenant shall remain fully liable under this Lease during the unexpired Term;

(d) Except in the case of an Exempt Transfer, Tenant shall provide Landlord with evidence reasonably satisfactory to Landlord regarding the relevant business experience and financial responsibility and status of the proposed transferee, assignee or sublessee, which evidence Landlord shall keep confidential in accordance with the Confidentiality Agreement;

(e) Tenant shall reimburse Landlord within thirty (30) days of demand, including reasonable back-up documentation, for Landlord's actual costs and expenses, including reasonable attorneys' fees, charges and disbursements incurred in connection with the review, processing and documentation of such request;

(f) Except in the case of an Exempt Transfer, if Tenant's transfer of rights or sharing of the Premises provides for the receipt by, on behalf of or on account of Tenant of any consideration of any kind whatsoever (including a premium rental for a sublease or lump sum payment for an assignment, but excluding Tenant's reasonable costs in marketing and subleasing the Premises) in excess of the rental and other charges due to Landlord under this Lease, Tenant shall pay fifty percent (50%) of all of such excess to Landlord, after deductions for any actual and reasonable out-of-pocket transaction costs incurred by Tenant (which transaction costs shall be amortized over the term of such transaction), including marketing expenses, tenant improvement allowances actually provided by Tenant, alterations, cash concessions, brokerage commissions, reasonable and actual out-of-pocket attorneys' fees and free rent. If said consideration consists of cash paid to Tenant, payment to Landlord shall be made upon receipt by Tenant of such cash payment;

(g) The proposed transferee, assignee or sublessee shall agree that, in the event Landlord gives such proposed transferee, assignee or sublessee notice that Tenant is in default under this Lease, such proposed transferee, assignee or sublessee shall thereafter make all payments otherwise due Tenant directly to Landlord, which payments shall be received by Landlord without any liability being incurred by Landlord, except to credit such payment against those due by Tenant under this Lease, and any such proposed transferee, assignee or sublessee shall agree to attorn to Landlord or its successors and assigns should this Lease be terminated for any reason; provided, however, that in no event shall Landlord or its Lenders, successors or assigns be obligated to accept such attornment;

(h) Any such Transfer shall be effected on Landlord's standard forms;

(i) Tenant shall not then be in Default hereunder in any respect;

(j) Such proposed transferee, assignee or sublessee's use of the Premises shall be the same as the Permitted Use, and such use shall not in Landlord's reasonable determination materially increase the risk of any discharge of Hazardous Materials;

(k) Landlord shall not be bound by any provision of any agreement pertaining to the Transfer, except for Landlord's written consent to the same;

(l) Tenant shall deliver to Landlord one executed copy of any and all written instruments evidencing or relating to the Transfer;

(m) Tenant shall pay all transfer and other taxes (including interest and penalties) assessed or payable, if any, with respect to any Transfer;

(n) Landlord's consent (or waiver of its rights) for any Transfer shall not waive Landlord's right to consent to any later Transfer;

(o) Tenant shall provide to Landlord a list of Hazardous Materials (as defined in Section 38.4), certified by the proposed transferee, assignee or sublessee to be true and correct, that the proposed transferee, assignee or sublessee intends to use or store in the Premises. Additionally, Tenant shall deliver to Landlord, on or before the date any proposed transferee, assignee or sublessee takes occupancy of the Premises, all of the items relating to Hazardous Materials of such proposed transferee, assignee or sublessee as described in Section 38.2;

(p) The Transfer and any related construction, alterations, and occupancy shall comply with all Applicable Laws;

(q) The configuration and demising lines of any subleased space shall be commercially reasonable for laboratory space; and

(r) Tenant's sublease shall comply in all respects with all terms, including the consent requirements, set forth in the Tenant IDA Documentation.

Landlord shall deliver a subordination, nondisturbance and attornment agreement in the form attached as Exhibit M ("Major Subtenant SNDA") for any Major Subtenant (as defined below) so long as Tenant is not in Default (and there is no uncured notice of default sent by Landlord to Tenant); the Building 8 Rent Commencement Date or the Building 9 Rent Commencement Date, as applicable, has occurred; the sublease is in form and substance reasonably satisfactory to Landlord; the sublease conforms to the requirements under this Lease; the sublease does not impose on the Landlord any obligations that exceed Landlord's obligations to Tenant under this Lease; and the Major Subtenant simultaneously countersigns such Major Subtenant SNDA and delivers it to Landlord. A "Major Subtenant" means a subtenant that occupies at least two adjacent full floors in a Building in accordance with the terms provided for in this Lease.

25.7 Any Transfer that is not in compliance with the provisions of this Article shall be void and shall constitute a breach of this Lease.

25.8 The consent by Landlord to a Transfer shall not relieve Tenant or proposed transferee, assignee or sublessee from obtaining Landlord's consent to any further Transfer, nor shall it release Tenant or any proposed transferee, assignee or sublessee of Tenant from full and primary liability under this Lease.

25.9 Notwithstanding any Transfer, Tenant shall remain fully and primarily liable for the payment of all Rent and other sums due or to become due hereunder, and for the full performance of all other terms, conditions and covenants to be kept and performed by Tenant. The acceptance of Rent or any other sum due hereunder, or the acceptance of performance of any other term, covenant or condition thereof, from any person or entity other than Tenant shall not be deemed a waiver of any of the provisions of this Lease or a consent to any Transfer.

25.10 If Tenant delivers to Landlord a Transfer Notice indicating a desire to transfer this Lease (or enter into a subletting) either in whole or affecting all or substantially all of a Building for substantially the entire Term to a proposed transferee, assignee or sublessee other than an Exempt Transfer, then Landlord shall have the option, exercisable by giving notice to Tenant at any time within ten (10) days after Landlord's receipt of such Transfer Notice, to terminate this Lease as to the Premises contemplated in such Transfer Notice as of the date specified in the Transfer Notice as the Transfer Date, except for those provisions that, by their express terms, survive the expiration or earlier termination hereof. If Landlord exercises such option, then Tenant shall have the right to withdraw such Transfer Notice by delivering to Landlord written notice of such election within five (5) days after Landlord's delivery of notice electing to exercise Landlord's option to partially or wholly terminate this Lease. In the event Tenant withdraws the Transfer Notice as provided in this Section 25.10, this Lease shall continue in full force and effect. No failure of Landlord to exercise its option to terminate this Lease shall be deemed to be Landlord's consent to a proposed Transfer.

25.11 If Tenant sublets the Premises or any portion thereof, Tenant hereby immediately and irrevocably assigns to Landlord, as security for Tenant's obligations under this Lease, all rent from any such subletting, and appoints Landlord as assignee and attorney-in-fact for Tenant, and Landlord (or a receiver for Tenant appointed on Landlord's application) may collect such rent and apply it toward Tenant's obligations under this Lease; provided that, until the occurrence of a Default by Tenant, Tenant shall have the right to collect such rent.

25.12 Landlord acknowledges that Tenant may allow suppliers, vendors, auditors, and counsel to work on the Premises, but such individuals shall have no written or unwritten agreements evidencing any real property interest in the Premises and shall be the sole responsibility of Tenant as Tenant's business invitees and guests.

25.13 Notwithstanding the provisions of this Article, if (a) any proposed transferee, assignee or sublessee of Tenant has been required by any prior landlord, lender or Governmental Authority to take remedial action in connection with Hazardous Materials contaminating a property if the contamination resulted from such party's action or omission or use of the property in question or (b) any proposed transferee, assignee or sublessee is subject to an enforcement order issued by any Governmental Authority in connection with the use, disposal or storage of Hazardous Materials, then Landlord shall have the right to withhold its consent to any proposed transfer (including an Exempt Transfer), assignment or subletting that would involve such proposed transferee, assignee, or sublessee.

26. Attorneys' Fees. In the event of any litigation between Landlord and Tenant arising out of or in connection with this Lease, then provided that Landlord or Tenant, as the case may be, substantially prevails, the prevailing party shall be entitled to have and recover from the other reasonable attorneys' fees, charges and disbursements and costs of suit.

27. Bankruptcy. In the event a debtor, trustee or debtor in possession under the Code, or another person with similar rights, duties and powers under any other Applicable Laws, proposes to cure any default under this Lease or to assume or assign this Lease and is obliged to provide adequate assurance to Landlord that (a) a default shall be cured, (b) Landlord shall be compensated for its damages arising from any breach of this Lease and (c) future performance of Tenant's obligations under this Lease shall occur, then such adequate assurances shall include any or all of the following, as designated by Landlord in its sole and absolute discretion:

27.1 Those acts specified in the Code or other Applicable Laws as included within the meaning of "adequate assurance," even if this Lease does not concern a shopping center or other facility described in such Applicable Laws;

27.2 A prompt cash payment to compensate Landlord for any monetary defaults or actual damages arising directly from a breach of this Lease;

27.3 The assumption or assignment of all of Tenant's interest and obligations under this Lease.

28. Definition of Landlord. With regard to obligations imposed upon Landlord pursuant to this Lease, the term "Landlord," as used in this Lease, shall refer only to Landlord or Landlord's then-current successor-in-interest. In the event of any transfer, assignment or conveyance of Landlord's interest in this Lease or in Landlord's fee title to or leasehold interest in the Property (or portion of the Property that includes the Premises), as applicable, the Landlord herein named (and in case of any subsequent transfers or conveyances, the subsequent Landlord) shall be automatically freed and relieved, from and after the date of such transfer, assignment or conveyance, from all liability for the performance of any covenants or obligations contained in this Lease thereafter to be performed by Landlord and, without further agreement, the transferee, assignee or conveyee of Landlord's in this Lease or in Landlord's fee title to or leasehold interest in the Property (or the applicable portion thereof), as applicable, shall be deemed to have assumed and agreed to observe and perform any and all covenants and obligations of Landlord hereunder during the tenure of its interest in the Lease of the Property. Landlord or any subsequent Landlord may transfer its interest in the Premises or this Lease without Tenant's consent.

29. Estoppel Certificate. Tenant shall, within ten (10) business days of receipt of written notice from Landlord, execute, and deliver a statement in writing substantially in the form attached to this Lease as Exhibit E, or on any other form reasonably requested by a proposed Lender or purchaser and reasonably acceptable to Tenant, (a) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease as so modified is in full force and effect) and the dates to which rental and other charges are paid in advance, if any, (b) acknowledging that there are not, to Tenant's knowledge (without having made inquiry), any uncured defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed, and (c) setting forth such further information with respect to this Lease or the Premises as may be reasonably requested thereon. Any such statement may be relied upon by any prospective purchaser or encumbrancer of all or any portion of the real property of which the Premises are a part. If Tenant fails to execute and deliver such a statement by the tenth (10^{th}) business day of its receipt such failure shall be a Default under this Lease and Tenant shall thereafter pay Landlord Five Thousand Dollars ($5,000) per day as liquidated damages for the period commencing after said tenth (10^{th}) business day and ending on the day prior to the day the statement is delivered. Tenant's failure to deliver such statement within the

prescribed time shall, at Landlord's option, constitute a Default under this Lease, and, in any event, shall be binding upon Tenant that the Lease is in full force and effect and without modification except as may be represented by Landlord in any certificate prepared by Landlord and delivered to Tenant for execution.

30. Joint and Several Obligations. If more than one person or entity executes this Lease as Tenant, then:

30.1 Each of them is jointly and severally liable for the keeping, observing and performing of all of the terms, covenants, conditions, provisions and agreements of this Lease to be kept, observed or performed by Tenant; and

30.2 The term "Tenant" as used in this Lease means and include each of them, jointly and severally. The act of, notice from, notice to, refund to, or signature of any one or more of them with respect to the tenancy under this Lease, including any renewal, extension, expiration, termination or modification of this Lease, shall be binding upon each and all of the persons executing this Lease as Tenant, with the same force and effect as if each and all of them had so acted, so given or received such notice or refund, or so signed.

31. Limitation of Liability.

31.1 If Landlord is in default under this Lease and, as a consequence, Tenant recovers a monetary judgment against Landlord, the judgment shall be satisfied only out of (a) the proceeds of sale received on execution of the judgment and levy against the right, title and interest of Landlord in the Buildings and the Project of which the Premises are a part, (b) rent or other income from such real property receivable by Landlord or (c) the consideration received by Landlord from the sale, financing, refinancing or other disposition of all or any part of Landlord's right, title or interest in the Buildings or the Project of which the Premises are a part.

31.2 Landlord shall not be personally liable for any deficiency under this Lease. If Landlord is a partnership or joint venture, then the partners of such partnership shall not be personally liable for Landlord's obligations under this Lease, and no partner of Landlord shall be sued or named as a party in any suit or action, and service of process shall not be made against any partner of Landlord except as may be necessary to secure jurisdiction of the partnership or joint venture. If Landlord is a limited liability company, then the members of such limited liability company shall not be personally liable for Landlord's obligations under this Lease, and no member of Landlord shall be sued or named as a party in any suit or action, and service of process shall not be made against any member of Landlord except as may be necessary to secure jurisdiction of the limited liability company. No partner, shareholder, director, employee, member or agent of Landlord shall be required to answer or otherwise plead to any service of process, and no judgment shall be taken or writ of execution levied against any partner, shareholder, director, employee or agent of Landlord.

31.3 Each of the covenants and agreements of this Article shall be applicable to any covenant or agreement either expressly contained in this Lease or imposed by Applicable Laws and shall survive the expiration or earlier termination of this Lease.

31.4 If either party is a corporation, then the shareholders, directors, officers, employees and agents of such corporation shall not be personally liable for such corporation's obligations under this Lease, and no shareholder, director, officer, employee or agent of such corporation shall be sued or named as a party in any suit or action, and service of process shall not be made against any shareholder, director, officer, employee or agent of such corporation.

32. Project Control by Landlord.

32.1 Landlord reserves full control over the Buildings and the Entire Project to the extent not inconsistent with Tenant's use and enjoyment of the Premises as provided by this Lease. This reservation includes Landlord's right to subdivide the Entire Project, convert the Buildings and other buildings within the Entire Project to condominium units, grant easements and licenses to third parties, and maintain or establish ownership of the Buildings separate from fee title to the Property, provided that the foregoing is at no cost to Tenant, does not increase Tenant's costs or materially adversely affect Tenant's rights hereunder. Landlord represents that it has a leasehold interest in the Property.

32.2 Tenant shall, at Landlord's request, promptly execute such further documents as may be reasonably appropriate to assist Landlord in the performance of its obligations hereunder; provided that Tenant need not execute any document that creates additional liability for Tenant, materially impairs any of Tenant's rights under this Lease or deprives Tenant of the quiet enjoyment and use of the Premises as provided by this Lease.

32.3 Landlord may, at any and all reasonable times during business hours (or during non-business hours if Tenant so requests), and upon one (1) business day's prior notice (provided that no time restrictions shall apply or advance notice be required if an emergency necessitates immediate entry), enter the Premises to (a) inspect the same and to determine whether Tenant is in compliance with its obligations hereunder, (b) supply any service Landlord is required to provide hereunder, (c) show the Premises to prospective purchasers or tenants during the final year of the Term, (d) post notices of nonresponsibility, (e) access the telephone equipment, electrical substation and fire risers and (f) alter, improve or repair any portion of the Buildings other than the Premises for which access to the Premises is reasonably necessary. In connection with any such alteration, improvement or repair as described in Subsection 32.3(f), Landlord may erect in the Premises or elsewhere in the Entire Project scaffolding and other structures reasonably required for the alteration, improvement or repair work to be performed. In no event shall Tenant's Rent abate as a result of Landlord's activities pursuant to this Section 32.3; provided, however, that all such activities shall be conducted in such a manner so as to cause as little interference to Tenant as is reasonably possible. Landlord shall at all times retain access rights in the Premises pursuant to the terms set forth in Section 10.5. If an emergency necessitates immediate access to the Premises, Landlord may use whatever force is necessary to enter the Premises, and any such entry to the Premises shall not constitute a forcible or unlawful entry to the Premises, a detainer of the Premises, or an eviction of Tenant from the Premises or any portion thereof. In accordance with the Confidentiality Agreement, Landlord and Tenant and their agents shall keep confidential any information they obtain as a result of acting under this Section.

33. Quiet Enjoyment. Landlord or anyone acting through or under Landlord shall not disturb Tenant's occupancy of the Premises, subject to the terms of this Lease.

34. Subordination, Non-Disturbance and Attornment.

34.1 Subject to Tenant receiving an SNDA as provided below, this Lease shall be subject and subordinate to the lien of any mortgage, deed of trust, or lease in which Landlord is tenant now or hereafter in force against the Buildings or the real property of which the Premises constitutes a part and to all advances made or hereafter to be made upon the security thereof without the necessity of the execution and delivery of any further instruments on the part of Tenant to effectuate such subordination. Notwithstanding anything to the contrary in this Lease, Landlord agrees not to enter into any such mortgage, deed of trust, or lease (not already of record on the Execution Date) affecting any lot (i.e., tax lot or separately conveyable lot) on which Landlord intends to construct any Building (or any part of a Building) unless either (a) Landlord holds fee title to the entirety of such lot and has completed and paid for the Landlord Work and either (i) has fully funded the TI Allowance or (ii) the TI Disbursement Deadline has passed or (b) Landlord has delivered a corporate guaranty of Biomed Realty Trust, Inc., guaranteeing Landlord's payment and performance of Landlord's obligations to complete and pay for the Landlord Work and fully fund the TI Allowance. Any such corporate guaranty shall be in reasonable and customary form, reasonably satisfactory to Landlord and Tenant.

34.2 Notwithstanding the foregoing, Tenant shall execute and deliver within ten (10) business days after receipt of demand, such further instrument or instruments in form(s) reasonably satisfactory to Tenant evidencing such subordination of this Lease to the lien of any such mortgage or mortgages or deeds of trust or lease in which Landlord is tenant as may reasonably be required by Landlord. However, if any such mortgagee, beneficiary or Landlord under lease wherein Landlord is tenant so elects, this Lease shall be deemed prior in lien to any such lease, mortgage, or deed of trust upon or including the Premises regardless of date and Tenant shall execute a statement in writing to such effect at Landlord's request.

34.3 Upon written request of Landlord and opportunity for Tenant to review, Tenant agrees to execute any Lease amendments, in forms reasonably satisfactory to Tenant, not materially altering the terms of this Lease, if required by a mortgagee or beneficiary of a deed of trust encumbering real property of which the Premises constitute a part incident to the financing of the real property of which the Premises constitute a part. Any change (i) affecting the amount or timing of the consideration (including any Rent) to be paid by Tenant, (ii) modifying the term of this Lease,

or (iii) materially increasing any obligations or materially diminishing any rights hereunder (including increasing or diminishing any rights to terminate this Lease or expand the Premises) shall be deemed to materially alter the terms hereof.

34.4 In the event any proceedings are brought for foreclosure, in the event of the exercise of the power of sale under any mortgage or deed of trust made by the Landlord covering the Premises, or upon assumption of this Lease by a purchaser of Landlord's estate in the Premises, Tenant shall attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as the Landlord under the terms of this Lease.

34.5 Notwithstanding anything to the contrary in this Article, Landlord shall obtain recordable non-disturbance agreements in substantially the form of Exhibit Q, or such other reasonable and customary form as the third party requires and is reasonably satisfactory to Tenant (an "SNDA") from all current and future mortgagees and from future lessors of Landlord and any other parties with rights in Landlord's estate superior to those of Tenant (which rights would give the holder thereof the power to terminate this Lease under any circumstance), except as described in Section 32.1.

35. Surrender.

35.1 No surrender of possession of any part of the Premises shall release Tenant from any of its obligations hereunder, unless such surrender is accepted in writing by Landlord.

35.2 The voluntary or other surrender of this Lease by Tenant shall not effect a merger with Landlord's fee title or leasehold interest in the Premises, the Buildings or the Property, unless Landlord consents in writing, and shall, at Landlord's option, operate as an assignment to Landlord of any or all subleases.

35.3 The voluntary or other surrender of any ground or other underlying lease that now exists or may hereafter be executed affecting the Premises, the Buildings or the Entire Project, or a mutual cancellation thereof or of Landlord's interest therein by Landlord and its lessor shall not effect a merger with Landlord's fee title or leasehold interest in the Buildings or the Entire Property and shall, at the option of the successor to Landlord's interest in the Buildings or the Entire Project, as applicable, operate as an assignment of this Lease.

36. Waiver and Modification. No provision of this Lease may be modified, amended or supplemented except by an agreement in writing signed by Landlord and Tenant. The waiver by Landlord of any breach by Tenant of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition herein contained. The waiver by Tenant of any breach by Landlord of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition herein contained.

37. Waiver of Jury Trial and Counterclaims. The parties waive trial by jury in any action, proceeding or counterclaim brought by the other party hereto related to matters arising out of or in any way connected with this Lease; the relationship between Landlord and Tenant; Tenant's use or occupancy of the Premises, the Buildings or the Entire Project; or any claim of injury or damage related to this Lease or the Premises, the Buildings or the Entire Project.

38. Hazardous Materials.

38.1 Tenant shall not cause or permit any Hazardous Materials (as hereinafter defined) to be brought upon, kept or used in or about the Premises, the Buildings or the Entire Project in violation of Applicable Laws by Tenant, its agents, employees, contractors or invitees. If Tenant breaches such obligation, or if the presence of Hazardous Materials as a result of such a breach results in contamination of the Premises, the Buildings or the Entire Project or any adjacent property, or if contamination of the Premises, the Buildings or the Entire Project or any adjacent property by Hazardous Materials otherwise occurs during the term of this Lease or any extension or renewal hereof or holding over hereunder due to such breach by Tenant, then Tenant shall indemnify, save, defend and hold Landlord, its agents and contractors harmless from and against any and all Claims (including sums paid in settlement, attorneys' fees, consultants' fees and experts' fees, all pursuant to Sections 20.1 and 21.7) that arise during or after the Term as a result

of such breach or contamination. This indemnification of Landlord by Tenant includes costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any Governmental Authority because of Hazardous Materials present in the air, soil or groundwater above, on or under the Premises. Without limiting the foregoing, if the presence of any Hazardous Materials in, on, under or about the Premises, the Buildings or the Entire Project or any adjacent property caused or permitted by Tenant results in any contamination of the Premises, the Buildings or the Entire Project or any adjacent property, then Tenant shall promptly take all actions at its sole cost and expense as are necessary to return the Premises, the Buildings or the Entire Project and any adjacent property to their respective condition existing prior to the time of such contamination; provided that Landlord's written approval of such action shall first be obtained, which approval Landlord shall not unreasonably withhold, condition or delay; and provided, further, that it shall be reasonable for Landlord to withhold its consent if such actions could have a material adverse long-term or short-term effect on the Premises, the Buildings or the Entire Project. Without limiting (or releasing Tenant from) any liability of Tenant which may have arisen or which may arise under Article 40 of the Existing Lease, if any, Landlord acknowledges that Tenant shall not be responsible for environmental conditions or contamination now or hereafter existing on, under or in the Entire Project, the Buildings or the Premises caused by Landlord or tenants other than Tenant or by third parties in the Entire Project prior to the Execution Date or after such date, or for environmental conditions or contamination coming from off-site so long as Tenant, Tenant's Affiliates, its permitted sublessees or its agents did not cause or contribute to such environmental conditions or contamination. If any such conditions or contamination first arise after the Execution Date (other than as a result of Landlord's actions or those of its contractors, employees, or other tenants), Landlord may treat as Operating Expenses the costs of correcting or remediating such conditions or contamination.

38.2 Landlord acknowledges that it is not the intent of this Article to prohibit Tenant from operating its business as described in Section 2.11. Tenant may operate its business according to the custom of Tenant's industry so long as the use or presence of Hazardous Materials is strictly and properly monitored according to Applicable Laws. As a material inducement to Landlord to allow Tenant to use Hazardous Materials in connection with its business, Tenant agrees to deliver to Landlord prior to the Building 8 Term Commencement Date and Building 9 Term Commencement Date, as applicable, a list identifying each type of Hazardous Material to be present on the applicable portion of the Premises and setting forth any and all governmental approvals or permits required in connection with the presence of such Hazardous Material on such portion of the Premises (the "Hazardous Materials List"). Tenant shall deliver to Landlord an updated Hazardous Materials List if reasonably requested by Landlord after a reasonable request by any Governmental Authority or Landlord's insurance carriers or any insurance rating organization and shall also deliver an updated Hazardous Materials List before any new Hazardous Materials (of a nature and magnitude that is material and not substantially consistent with past practice) are brought onto the Premises. Tenant shall deliver to Landlord true and correct copies of the following documents (hereinafter referred to as the "Documents") relating to the handling, storage, disposal and emission of Hazardous Materials prior to the Building 8 Term Commencement Date and Building 9 Term Commencement Date, as applicable, or, if unavailable at that time, concurrent with the receipt from or submission to any Governmental Authority: permits; approvals; reports and correspondence; storage and management plans; notices of violations of Applicable Laws; plans relating to the installation of any storage tanks to be installed in or under the Premises, the Buildings or the Entire Project (provided that installation of storage tanks shall only be permitted after Landlord has given Tenant its written consent to do so, which consent Landlord may withhold in its sole and absolute discretion); and all closure plans or any other documents required by any and all Governmental Authority for any storage tanks installed in, on or under the Premises, the Buildings or the Entire Project for the closure of any such storage tanks. Tenant shall not be required, however, to provide Landlord with any portion of the Documents containing information of a proprietary nature that, in and of themselves, do not contain a reference to any Hazardous Materials or activities related to Hazardous Materials. Upon Landlord's written request, Tenant agrees that it shall enter into a written agreement with other tenants, if any, of the Buildings and the Entire Project concerning the equitable allocation of fire control areas (as defined in the Uniform Building Code as adopted by the local municipality(ies) (the "UBC")) within the Mt. Pleasant Project, the Buildings and the Entire Project for the storage of Hazardous Materials. In the event that Tenant's use of Hazardous Materials is such that it utilizes fire control areas in the Mt. Pleasant Project, the Buildings or the Entire Project in excess of Tenant's Pro Rata Share of the Mt. Pleasant Project, the Buildings or the Entire Project, as applicable, as set forth in Section 2.2, Tenant agrees that it shall, at its sole cost and expense and upon Landlord's written request, establish and maintain a separate area of the Premises classified by the UBC as an "H" occupancy area for the use and storage of Hazardous Materials or take such other action as is necessary to ensure that its share of the fire control areas of the Mt. Pleasant Project, the Buildings and the

Entire Project is not greater than Tenant's Pro Rata Share of the Mt. Pleasant Project, the Buildings or the Entire Project, as applicable. In accordance with the Confidentiality Agreement, information provided by either Landlord or Tenant to the other and its agents under this Section shall remain confidential.

38.3 Subject to Tenant's security requirements as set forth in this Lease, at any time, and from time to time, when Landlord reasonably believes there is a violation of this Lease, prior to the expiration of the Term, Landlord shall have the right to conduct appropriate tests of the Premises, the Buildings and the Entire Project to seek to determine whether Hazardous Materials are present in violation of this Lease or that contamination has occurred due to Tenant or Tenant's agents, employees or invitees. Tenant shall pay all reasonable costs of such tests of the Premises unless such tests demonstrate no contamination has occurred, in which case Landlord shall pay all reasonable costs of such tests. In Landlord's reasonable determination, no later than one (1) day before the Term Expiration Date, Tenant shall engage and pay for an Environmental Phase 1 study of the Premises and areas of the Entire Project that may have been affected by Tenant's use of the Premises to be conducted by a consultant of Landlord's choice. In accordance with the Confidentiality Agreement, information obtained by either Landlord or Tenant and their respective agents under this Section shall remain confidential.

38.4 If underground or other storage tanks storing Hazardous Materials are located on the Entire Project to serve the Premises or are hereafter placed on the Premises and/or the Entire Project by Tenant or anyone for whom Tenant is responsible, Tenant shall monitor the storage tanks, maintain appropriate records, implement reporting procedures, properly close any underground storage tanks, and take or cause to be taken all other steps necessary or required under the Applicable Laws.

38.5 Tenant's obligations under this Article shall survive the expiration or earlier termination of the Lease. During any period of time needed by Tenant or Landlord after the termination of this Lease to complete the removal from the Premises of any such Hazardous Materials, Tenant shall continue to pay Rent for the affected floor(s) in accordance with this Lease, which Rent shall be pro-rated daily, except Tenant shall be excused from paying the first thirty (30) days of Rent so payable after the Term Expiration Date.

38.6 As used herein, the term "Hazardous Material" means any hazardous or toxic substance, material or waste that is or becomes regulated by any Governmental Authority.

39. End of Term.

39.1 The Premises shall at all times remain the property of Landlord and shall be surrendered to Landlord upon the expiration or earlier termination of this Lease. All trade fixtures, equipment, Tenant Improvements, Alterations and Signage installed by or under Tenant (other than Tenant's Personal Property set forth on the attached Exhibit C which Tenant may remove at the end of the Term or earlier termination of this Lease) shall be the property of Landlord.

40. Miscellaneous.

40.1 Where applicable in this Lease, the singular includes the plural and the masculine or neuter includes the masculine, feminine and neuter. The words "include," "includes," "included" and "including" means "'include,' etc., without limitation." The Section headings of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

40.2 Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or option for a lease, and shall not be effective as a lease or otherwise until execution by and delivery to both Landlord and Tenant.

40.3 Time is of the essence with respect to the performance of every provision of this Lease in which time of performance is a factor.

40.4 Each provision of this Lease performable by Tenant shall be deemed both a covenant and a condition.

40.5 Whenever consent or approval of either party is required, that party shall not unreasonably withhold, condition or delay such consent or approval, except as may be expressly set forth to the contrary in this Lease.

40.6 The terms of this Lease are intended by the parties as a final expression of their agreement with respect to the terms as are included herein, and may not be contradicted by evidence of any prior or contemporaneous agreement.

40.7 Any provision of this Lease that 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 and shall be interpreted as if the invalid, void or illegal provision did not exist.

40.8 Landlord or Tenant may, but shall not be obligated to, record a short form memorandum hereof subject to the reasonable approval as to form by the other party. Neither party shall record this Lease. The requesting party shall be responsible for the costs of filing and recording any memorandum of this Lease, including any transfer or other taxes incurred in connection with said recordation, and the reasonable attorneys' fees and related costs of the non-requesting party in connection with such memorandum of lease.

40.9 The language in all parts of this Lease shall be in all cases construed as a whole according to its fair meaning and not strictly for or against either Landlord or Tenant.

40.10 Each of the covenants, conditions and agreements herein contained shall inure to the benefit of and shall apply to and be binding upon the parties hereto and their respective heirs; legatees; devisees; executors; administrators; and permitted successors, assigns, sublessees. Nothing in this Section 40.10 shall in any way alter the provisions of this Lease restricting assignment or subletting.

40.11 Any notice, consent, demand, bill, statement or other communication required or permitted to be given hereunder shall be in writing and shall be given by personal delivery, overnight delivery with a reputable nationwide overnight delivery service, or certified mail (return receipt requested), and if given by personal delivery, shall be deemed delivered upon receipt; if given by overnight delivery, shall be deemed delivered one (1) day after deposit with a reputable nationwide overnight delivery service; and, if given by certified mail (return receipt requested), shall be deemed delivered upon receipt or return of delivery. Any notices given pursuant to this Lease shall be addressed to Tenant at the Premises, or to Landlord or Tenant at the addresses shown in Sections 2.12 and 2.13, respectively. Either party may, by notice to the other given pursuant to this Section, specify additional or different addresses for notice purposes.

40.12 This Lease shall be governed by, construed and enforced in accordance with the laws of the state in which the Premises are located, without regard to such state's conflict of law principles.

40.13 Each of Landlord and Tenant represents that the individual or those individuals signing this Lease on behalf of Landlord or Tenant (respectively) have the power, authority and legal capacity to sign this Lease on behalf of and to bind all entities, corporations, partnerships, limited liability companies, joint venturers or other organizations and entities on whose behalf said individual or individuals have signed.

40.14 To induce Landlord to enter into this Lease, Tenant agrees that it shall promptly furnish to Landlord, from time to time, upon Landlord's written request, the most recent audited year-end financial statements reflecting Tenant's current financial condition. So long as Tenant remains a public company, it need not comply with the previous sentence. Tenant and Landlord each represent and warrant to the other that all financial statements, records and information furnished by Tenant to Landlord or Landlord to Tenant in connection with this Lease are true, correct and complete in all respects.

40.15 This Lease may be executed in one or more counterparts, each of which, when taken together, shall constitute one and the same document.

40.16 This Lease is subject to any recorded easements, covenants, conditions or restrictions on the Entire Project or Property (the "CC&Rs") as described in the preliminary title report Schedule B exceptions attached as Exhibit L, only if, and to the extent, the CC&Rs do not affect Landlord's ability to comply with its obligations hereunder to perform the Landlord Work. Tenant shall comply with the CC&Rs. Tenant shall be subject to amendments to the CC&Rs or new CC&Rs, provided however, if such amendments to the CC&Rs would adversely affect Tenant in any financial respect and/or otherwise materially adversely affect Tenant, they shall be subject to Tenant's prior approval not to be unreasonably withheld, conditioned or delayed.

41. Option to Extend Term. Tenant shall have three (3) options (each, an "Option") to extend the Term of this Lease (and, in each case, the Term Expiration Date) by five (5) years in each case on the same terms and conditions as this Lease except as provided below. If Tenant desires to exercise any Option, Tenant must do so by giving Landlord written notice of exercise at least one (1) year before the Term, as the same may have been previously extended, would otherwise expire. Tenant may exercise an Option to extend the Term only as to any one or more of the following: (a) the entire Premises; (b) the entire Building 8 or (c) the entire Building 9. If Tenant fails to exercise any Option and the time to do so has lapsed, then Tenant shall no longer have any Options for the affected part(s) of the Premises.

41.1 Basic Annual Rent at the commencement of any renewal term (subject to adjustment under Article 7) shall equal the greater of (a) 95% of Fair Market Value for the renewal term; and (b) the then-current Basic Annual Rent at the end of the then-current Term. Basic Annual Rent shall be adjusted on each one (1)-year anniversary date thereafter in accordance with Article 7. "Fair Market Value" means the then-prevailing average annual rate being charged for comparable space in comparable buildings comparably located, taking into consideration all relevant factors, including location in the Entire Project, the proposed lease term, the physical condition of the Premises (i.e., the existence of all the Tenant Improvements and the assumption that such Tenant Improvements are fully suitable and appropriate for the contemplated tenancy in their "as is" condition), the extent of the services provided or to be provided to the Premises, the status as a lease (as opposed to a sublease) and contraction and expansion options. If Landlord and Tenant cannot agree on the Fair Market Value for purposes of any renewal term then they shall engage a mutually agreeable independent third party appraiser with at least ten (10) years' experience in appraising the rental value of leased commercial premises (for research and development and laboratory uses) in the New York metropolitan area (the "Appraiser"). If the parties cannot agree on the Appraiser, each shall within ten (10) days after such impasse appoint an Appraiser and, within ten (10) days after the appointment of both such Appraisers, those two Appraisers shall select a third. If either party fails to timely appoint an Appraiser, then the Appraiser the other party appoints shall be the sole Appraiser. Within ten (10) days after appointment of all Appraiser(s), Landlord and Tenant shall each simultaneously give the Appraisers (with a copy to the other party) its determination of Fair Market Value, with such supporting data or information as each submitting party determines appropriate. Within ten (10) days after such submissions, the Appraisers shall by majority vote select either Landlord's or Tenant's Fair Market Value. The Appraisers may not select or designate any other Fair Market Value. The determination of the Appraiser(s) shall bind the parties.

41.2 No Option is assignable separate and apart from this Lease.

41.3 Each Option is conditional upon Tenant giving Landlord written notice of its election to exercise such Option at least twelve (12) months prior to the end of the expiration of the initial term of this Lease (or the applicable extension of such Term). TIME SHALL BE OF THE ESSENCE AS TO TENANT'S EXERCISE OF EACH OPTION. Tenant assumes full responsibility for maintaining a record of the deadlines to exercise any Option(s). Tenant acknowledges that it would be inequitable to require Landlord to accept any exercise of any Option(s) after the date provided for in this Section.

41.4 Notwithstanding anything contained in this Article, Tenant shall not have the right to exercise an Option:

(a) Commencing from ten (10) days after Landlord delivers to Tenant a written notice that Tenant is in default under any provisions of this Lease and continuing until Tenant has cured the specified default to Landlord's reasonable satisfaction; or

(b) At any time after any Default as described in Article 24 of the Lease (provided, however, that, for purposes of this Subsection 41.4(b), Landlord shall not be required to provide Tenant with notice of such Default) and continuing until Tenant cures any such Default; or

(c) In the event that Tenant has committed two (2) or more events of Default during the twelve (12)-month period immediately prior to the date that Tenant purports to exercise the Option, regardless of whether Tenant has cured such event(s) of Default.

41.5 The period of time within which Tenant may exercise an Option shall not be extended or enlarged by reason of Tenant's inability to exercise the Option because of the provisions of Section 41.4.

42. Right of First Refusal; Right of First Offer. During the first five (5) years after the Term Commencement Date, and during the five (5)-year period following the date on which any Available Premises is added to the Premises pursuant to this Article (but not extending beyond the Term Expiration Date or earlier termination of the Lease), Tenant shall have a right of first refusal ("ROFR") to lease any ROFR Premises if and when Landlord determines to seek a new tenant for such ROFR Premises (the "Available Premises"). The "ROFR Premises" means only any undeveloped portion of the Property on which Landlord intends to construct a new building (as opposed to space in an existing building, and other than the Premises) on the Mount Pleasant portion of the Entire Project, excluding any such space for which Tenant has ever previously received a ROFR Notice but not exercised its ROFR. If Landlord and a potential third party tenant execute a letter of intent containing the material terms and conditions for leasing Available Premises, Landlord shall provide notice thereof to Tenant (the "ROFR Notice"), specifying such terms and conditions of the proposed lease of the Available Premises (the "ROFR Lease").

42.1 Within fifteen (15) business days after its receipt of a ROFR Notice (the "ROFR Response Period"), Tenant shall advise Landlord in writing whether Tenant elects to lease the Available Premises on the terms and conditions set forth in the ROFR Notice. If Tenant fails to notify Landlord of Tenant's election within the ROFR Response Period, then Tenant shall be deemed to have elected not to lease the Available Premises.

42.2 If Tenant within the ROFR Response Period notifies Landlord that Tenant elects to lease the Available Premises on the terms and conditions set forth in the ROFR Notice, then as of the proposed commencement date of the ROFR Lease, the Available Premises shall be added to the Premises under this Lease, upon the following terms and conditions: (a) the terms and conditions set forth in the ROFR Notice; and (b) except to the extent inconsistent with (a) above, the terms and conditions of this Lease. In any event, however, the termination date for the Available Premises shall be the same as the term expiration date of the ROFR Lease as set forth in the ROFR Notice. Tenant shall, upon Landlord's request, promptly enter into an amendment to this Lease to confirm the addition of the Available Premises to the Premises as provided for in this Section and if a memorandum of lease has been recorded as provided for in Section 40.8, the parties shall enter into and record an amendment to the memorandum of lease in accordance with Section 40.8.

42.3 If Tenant notifies Landlord that Tenant elects not to lease the Available Premises on the terms and conditions set forth in the ROFR Notice, or if Tenant fails to notify Landlord of Tenant's election within the ROFR Response Period, then (a) Landlord shall have the right to consummate the lease of the Available Premises on the same terms as set forth in the ROFR Notice within one hundred eighty (180) days following Tenant's election (or deemed election) not to lease the Available Premises and (b) the former Available Premises shall never again be deemed Available Premises or offered to Tenant pursuant to a ROFR Notice. If Landlord does not lease the Available Premises on the terms and conditions set forth in the ROFR Notice (or on other economic terms that are not materially (i.e., 5% or greater on a net effective basis) more favorable to the tenant considered in the aggregate, as determined by Landlord in consultation with Tenant to be completed within two business days after Landlord's request) within said one hundred eighty (180)-day period, then Tenant's ROFR shall be fully reinstated, and Landlord shall not thereafter lease the Available Premises without first complying with the procedures set forth in this Article.

42.4 Notwithstanding anything in this Article to the contrary, Tenant shall not exercise the ROFR during such period of time that Tenant is in Default under any provision of this Lease. Any attempted exercise of the ROFR during a period of time in which Tenant is so in Default shall be void and of no effect. In addition, Tenant shall not be

entitled to exercise the ROFR if Landlord has given Tenant two (2) or more notices of default under this Lease, regardless of whether the defaults are cured, during the twelve (12) month period prior to the date on which Tenant seeks to exercise the ROFR.

42.5 Notwithstanding anything in this Lease to the contrary, Tenant shall not assign or transfer the ROFR except for assignments or transfers in connection with an Exempt Transfer, either separately or in conjunction with an assignment or transfer of Tenant's interest in the Lease, without Landlord's prior written consent, which consent Landlord may withhold in its sole and absolute discretion. The ROFR shall automatically terminate upon any assignment or transfer of the Lease by Tenant, except for Exempt Transfers.

42.6 During the Term, so long as Tenant actually occupies the entire Premises, and subject to any right (as of the Execution Date) of any existing tenants of the Entire Project, Tenant shall have a right of first offer ("ROFO") before Landlord actively offers the space to any other person to lease any space that becomes available (the "ROFO Space") after the Term Commencement Date within the building located at 771 Old Saw Mill River Road in Tarrytown, New York. In addition, upon the expiration of the ROFR and continuing through the remainder of the Term, Tenant shall have a ROFO on, and the ROFO Space shall include, the ROFR Premises. Landlord shall promptly notify Tenant (a "ROFO Notice") if Landlord anticipates any ROFO Space will become available or Landlord receives an offer to lease any ROFO Space. For ten (10) days after Landlord gives Tenant a ROFO Notice, Landlord shall (at Tenant's request) entertain Tenant's offer for part or all of the ROFO Space and negotiate in good faith with Tenant to seek to agree upon terms to amend this Lease to add some or all ROFO Space to the Premises. If, ten (10) days after Landlord gives Tenant a ROFO Notice, the parties have not entered into such a Lease amendment (or agreed in writing to extend such ten (10) day period), then Landlord may lease the ROFO Space to third party(ies). If, however, Landlord later decides to lease less than 95% of the ROFO Space (previously offered to Tenant) to another tenant, Landlord shall give Tenant a ROFO Notice for such lesser amount of ROFO Space, and Tenant shall have a new ten-day response period to make an offer for that lesser ROFO Space.

43. Authority. Tenant hereby covenants and warrants that (a) Tenant is duly incorporated or otherwise established or formed and validly existing under the laws of its state of incorporation, establishment or formation, (b) Tenant has and is duly qualified to do business in the state in which the Property is located, (c) Tenant has full corporate, partnership, trust, association or other appropriate power and authority to enter into this Lease and to perform all of Tenant's obligations hereunder, and (d) each person (and all of the persons if more than one signs) signing this Lease on behalf of Tenant is duly and validly authorized to do so. Landlord hereby covenants and warrants that (w) Landlord is duly incorporated or otherwise established or formed and validly existing under the laws of its state of incorporation, establishment or formation, (x) Landlord has and is duly qualified to do business in the state in which the Property is located, (y) Landlord has full corporate, partnership, trust, association or other appropriate power and authority to enter into this Lease and to perform all of Landlord's obligations hereunder, and (z) each person (and all of the persons if more than one signs) signing this Lease on behalf of Landlord is duly and validly authorized to do so.

44. Confidentiality. Neither Tenant nor Landlord shall disclose any terms or conditions of this Lease (including Rent), or give a copy of this Lease to any third party, and neither party shall release to any third party any nonpublic financial information or nonpublic information about the other party (or any information that this Lease expressly obligates the parties to maintain as confidential), except: (a) if required by Law (including the rules and regulations of any stock exchange or trading market on which a party's securities are traded) or in any judicial proceeding, provided that the releasing party has given the other party reasonable notice of such requirement, if feasible; (b) to a party's attorneys, accountants, brokers, and other bona fide consultants or advisers, provided they agree to be bound by this Section; (c) to bona fide prospective assignees or subtenants of this Lease, provided they agree in writing to be bound by this Section; or (d) through a press release approved by the non-issuing party. This Article of the Lease is sometimes referred to as the "Confidentiality Agreement." The parties acknowledge that either party may be obligated to file a copy of this Lease with the United States Securities and Exchange Commission. Each party shall have the right to make such filing if required in accordance with Applicable Laws, but shall use reasonable efforts to keep confidential that information, including trade secrets, designated by the other party as confidential information. The filing party will provide the non-filing party with an advance copy of the Lease marked to show provisions for which the filing party intends to seek confidential treatment and will reasonably consider the non-filing party's timely comments thereon, but in no event will the filing party file the Lease without providing the non-filing party at least five (5) days' prior

notice. Notwithstanding anything contained herein to the contrary, Landlord and Tenant may disclose any information referenced in this Article in the form of aggregate leasing data provided to its respective investors in the normal course of business.

45. Odors and Exhaust. Tenant acknowledges that Landlord would not enter into this Lease with Tenant unless Tenant assured Landlord that under no circumstances will any other occupants of the Buildings or the Entire Project (including persons legally present in any outdoor areas of the Entire Project) be subjected to odors or fumes (regardless of whether noxious), and the Buildings and the Entire Project will not be damaged by any exhaust, from Tenant's operations, including particularly Tenant's vivarium. Landlord and Tenant therefore agree as follows:

45.1 Tenant shall not cause or permit (or conduct any activities that would cause) any release of any odors or fumes of any kind from the Premises, which odors or fumes would cause material annoyance or adverse effect on other persons.

45.2 If the Buildings have ventilation systems that in Landlord's judgment are adequate, suitable, and appropriate to vent the Premises in a manner that does not release odors affecting any indoor or outdoor part of the Entire Project, Tenant shall vent the Premises through such system. If Landlord at any time determines that any existing ventilation system is inadequate, or if no ventilation system exists, Tenant shall in compliance with Applicable Law vent all fumes and odors from the Premises (and remove odors from Tenant's exhaust stream) as Landlord requires. The placement and configuration of all ventilation exhaust pipes, louvers, and other equipment shall be subject to Landlord's approval. Tenant acknowledges Landlord's legitimate desire to maintain the Entire Project (indoor and outdoor areas) in an odor-free manner, and Landlord may require Tenant to abate and remove all odors in a manner that goes beyond the requirements of Applicable Laws.

45.3 Tenant shall, at Tenant's sole cost and expense, provide odor eliminators and other devices (such as filters, air cleaners, scrubbers, and whatever other equipment may in Landlord's judgment be necessary or appropriate from time to time) to remove, eliminate, and abate any odors, fumes, or other substances in Tenant's exhaust stream that, in Landlord's reasonable judgment, emanate from the Premises and cause material annoyance to, or adverse effect on, other tenants of the Entire Project, if any, or any occupants of neighboring properties of the Entire Project. Any work Tenant performs under this Section shall constitute Alterations.

45.4 Tenant's responsibility to remove, eliminate, and abate odors, fumes, and exhaust shall continue throughout the Term. Landlord's approval of the Tenant Improvements shall not preclude Landlord from requiring additional measures to eliminate odors, fumes, and other adverse impacts of Tenant's exhaust stream (as Landlord may designate in Landlord's discretion). Tenant shall install additional equipment as Landlord requires from time to time under the preceding sentence. Such installations shall constitute Alterations. If Landlord and Tenant disagree as to what this Section requires, they shall resolve the dispute through arbitration under Article 47.

45.5 If Tenant fails to install satisfactory odor control equipment within thirty (30) business days after Landlord's demand made at any time, then Landlord may, without limiting Landlord's other rights and remedies, require Tenant to cease and suspend any operations in the Premises that, in Landlord's reasonable determination, cause odors, fumes, or exhaust causing material annoyance to, or have an adverse effect on, other tenants, if any. For example, if Landlord determines that Tenant's production of a certain type of product causes odors, fumes, or exhausts and Tenant does not install satisfactory odor control equipment within thirty (30) business days after Landlord's request, then Landlord may require Tenant to stop producing such type of product in the Premises unless and until Tenant has installed odor control equipment satisfactory to Landlord.

46. HVAC. For the entire Premises (subject to Section 8.2), excluding any vivarium or data centers (the "Landlord's HVAC Premises"), Landlord shall: (a) maintain and operate (except that, to the extent Tenant leases the entirety of Buildings 8 and/or Building 9, Tenant shall operate and control (with respect to such Building(s)), including managing set points and sequence of operations) the heating, ventilating and air conditioning systems ("HVAC") in good working order; and (b) furnish HVAC as reasonably required (except as this Lease otherwise provides or as to any special requirements that arise from Tenant's particular use of the Premises) for reasonably comfortable occupancy of the

Premises twenty-four (24) hours a day, 365 or 366 days a year, provided Tenant complies with the next sentence, if applicable. To the extent Landlord operates and controls any HVAC systems serving the Premises, and if Tenant will require HVAC outside normal business hours of business days (as reasonably designated by Landlord) in Landlord's HVAC Premises ("Overtime HVAC"), Landlord shall be obligated to provide Overtime HVAC only if Tenant requests it by 4 p.m. on the immediately preceding business day. To the extent that Tenant occupies the Premises for laboratory purposes, Tenant directs Landlord to provide Overtime HVAC at all times outside normal business hours of business days (as reasonably designated by Landlord), pending further written notice from Tenant. For the avoidance of doubt, the immediately preceding sentence does not apply to any portion of the Premises in which Tenant operates and controls the HVAC systems. Tenant shall pay, as part of Tenant's contribution to Operating Expenses in accordance with the CAM Pools, all of Landlord's actual total cost of providing HVAC and Overtime HVAC, as Landlord reasonably calculates such actual total cost. Notwithstanding anything to the contrary in this Section, Landlord shall have no liability, and Tenant shall have no right or remedy, on account of any interruption or impairment in HVAC services, provided that Landlord diligently uses commercially reasonable efforts to cure any such interruption or impairment as quickly as reasonably possible. Any right to operate and control HVAC is personal to the initial Tenant under this Lease and shall not be assigned or otherwise transferred to any other tenant, subtenant or other transferee.

47. Arbitration. Except as otherwise provided herein, either party shall have the right to submit any dispute under this Lease to arbitration under the then prevailing rules of the American Arbitration Association or any successor thereto (the "AAA"), and the following further provisions.

47.1 Any such arbitration shall be resolved solely by arbitration in the City of New York or the City of White Plains under the Expedited Procedures provisions of the AAA (it being the intention of the parties that such provisions shall apply even if the amount at issue exceeds $50,000, notwithstanding the fact that such provisions provide otherwise) of the Commercial Arbitration Rules of the AAA. The time periods set forth in this Section are of the essence. If any party fails to appear at a duly scheduled and noticed hearing, the arbitrator is hereby expressly authorized to enter judgment for the appearing party.

47.2 No later than twenty four (24) hours prior to the scheduled hearing, Landlord and Tenant shall each: (i) first, simultaneously submit to the arbitrator and then (ii) second, simultaneously submit to the other such party's specific written proposal stating such party's last and final position and proposed award.

47.3 The arbitrator shall within three (3) business days after the hearing choose either (a) Landlord's position with respect to all individual matters being arbitrated or (b) Tenant's position with respect to all such matters, in either case as set forth in the proposal described above, whichever of the two considered in the aggregate ("a" or "b") the arbitrator believes is closer to correct resolution of all such disputed matters. The arbitrator shall have no authority to establish or impose any solution or remedy other than "a" or "b" and may not combine elements of "a" and "b" to produce a hybrid award.

47.4 The arbitrator conducting any arbitration shall be bound by the provisions of this Lease and shall not have the power to add to, subtract from, or otherwise modify such provisions. Landlord and Tenant agree to sign all documents and to do all other things necessary to submit any such matter to arbitration and further agree to, and hereby do, waive any and all rights they or either of them may at any time have to revoke their agreement hereunder to submit to arbitration and to abide by the decision rendered thereunder which shall be binding and conclusive on the parties and shall constitute an "award" by the arbitrator within the meaning of the AAA rules and applicable law. Judgment may be had on the decision and award of the arbitrators so rendered in any court of competent jurisdiction. An arbitration award relating to nonmonetary matters shall be effective when rendered by the arbitrator(s). An arbitration award relating to monetary matters shall be effective when judicially confirmed in the same manner, to the same degree and according to the same procedures and conditions as a judgment between the parties. The arbitrator shall be a qualified, disinterested and impartial person who shall have had at least ten (10) years' experience in New York City or White Plains in a calling connected with the matter of the dispute. Landlord and Tenant shall each have the right to appear and be represented by counsel before said arbitrators and to submit such data and memoranda in support of their respective positions in the matter in dispute as may be reasonably necessary or appropriate in the circumstances. Each party hereunder shall pay its own costs, fees and expenses in connection with any arbitration or other action or proceeding brought under this Article, and the expenses and fees of the arbitrators selected shall be shared equally by Landlord

and Tenant. Notwithstanding any contrary provisions hereof, Landlord and Tenant agree that, (i) the arbitrator may not award or recommend any damages to be paid by either party, and (ii) in no event shall either party be liable for, nor be entitled to recover, any damages on account of any unreasonable or allegedly unreasonable withholding of any consent.

48. Tenant Directory. Landlord, at its expense, shall include Tenant's name on any Entire Project directory that Landlord installs, operates, or maintains. Each such directory entry for Tenant shall have a degree of visibility and prominence that is, in Landlord's reasonable determination, substantially comparable to the visibility and prominence of the names of other tenants occupying comparable amounts of space in the Entire Project (or applicable portion thereof).

49. Names. Subject to Tenant's naming rights with respect to the road servicing Building 8 and Building 9 pursuant to Section 10.7 and to the extent expressly set forth therein, Landlord reserves the right to change the name of the Entire Project or the Buildings in its sole discretion.

50. Public Inducements.

(a) Definitions: The following terms shall have the following meanings:

(i) "IDA" means the County of Westchester Industrial Development Agency and/or the Town of Mt. Pleasant Industrial Development Agency.

(ii) "IDA Premises" means that portion of the Premises subject to the Tenant IDA Sublease documentation.

(iii) "PILOT Agreement" means a payment in lieu of taxes agreement to be entered into by Tenant and the IDA and/or the municipalities or school district(s).

(iv) "Public Inducements" means and includes Tax Incentives, as referred to above, and any and all subsidies, incentives, abatements or allowances available from any governmental authority or utility on account of Landlord's acquisition of the land and construction and installation of the Tenant Improvements; and/or Tenant's Personal Property, and Tenant's occupancy of the Premises.

(v) "Tenant IDA Documentation" means the Tenant IDA Sublease, the Tenant IDA Subsublease, as defined below, and such other agreements as Tenant enters into with the IDA.

(b) The parties acknowledge that Tenant has applied for Public Inducements.

(c) If necessary to obtain any of the Public Inducements, Tenant shall have the right, with Landlord's reasonable prior approval (which approval shall not be unreasonably withheld, conditioned or delayed), to enter into various agreements with the IDA, including, but not limited to, an agreement pursuant to which Tenant shall sublease from time to time (including any interim sublease) all or any portion of the Premises to the IDA (the "Tenant IDA Sublease"), and the IDA shall subsublease such portion of the Premises to Tenant (the "Tenant IDA Subsublease"); provided that: (i) the Tenant IDA Sublease shall be entered into simultaneously with the entering into of the Tenant IDA Subsublease and shall have a scheduled expiration date no later than one (1) day prior to the scheduled expiration date of this Lease and shall terminate automatically upon the earlier termination of this Lease with respect to the portion of the Premises demised thereby; (ii) the Tenant IDA Documentation shall be entered into for the sole purpose of implementing the Public Inducements for Tenant; (iii) the Tenant IDA Documentation shall grant no right of occupancy to any party other than Tenant (provided, however, that the foregoing shall not be deemed to limit Tenant's rights under this Lease); (iv) the Tenant IDA Documentation shall not release Tenant from any liability or obligation of Tenant under this Lease, (v) the Tenant IDA Documentation shall not impose any obligation or liability on Landlord, but shall not relieve Landlord from Landlord's obligations under this Lease; (vi) Tenant shall comply with, and the Tenant IDA Documentation shall be in compliance with, the provisions of this Article; (vii) Tenant shall indemnify, defend and save and hold Landlord harmless from and against any and all losses, costs, demands, liabilities and expenses (including

reasonable attorneys' fees and disbursements) which Landlord may incur arising out of or in connection with the Tenant IDA Documentation; and (viii) Tenant, as subsubtenant under the Tenant IDA Subsublease, shall be entitled to exercise all of Tenant's rights under this Lease, as if the Tenant IDA Documentation had not been executed. Without limiting the generality of clause (vii) of the immediately preceding sentence, if Landlord shall incur any out-of-pocket cost or expense in connection with the Tenant IDA Documentation, Tenant shall reimburse Landlord for such out-of-pocket costs or expenses, as Additional Rent within thirty (30) days after Landlord shall have rendered a bill therefor. Landlord shall provide Tenant with documentation reasonably supporting the amount of any such costs or expenses.

(d) Landlord shall reasonably cooperate with Tenant (at Tenant's sole cost and expense) with respect to written requests from the IDA (which may be set forth in the Tenant IDA Documentation) for documentation in Landlord's possession in connection with the Tenant IDA Documentation.

(e) Tenant shall not modify any Tenant IDA Documentation without the prior written consent of Landlord. Landlord's consent pursuant to this Section shall not be unreasonably withheld, conditioned or delayed, provided that the modification does not increase Landlord's obligations or decrease Landlord's rights in any material respect.

(f) If, pursuant to this Lease or by agreement between the parties, the IDA Premises are increased, decreased, or modified (including such changes as may be necessary to reflect Tenant's exercise of the ROFO or ROFR) then, to the extent required by the IDA, the parties shall modify the Tenant IDA Documentation so as to increase, decrease or modify the IDA Premises to conform to the changes in the Premises and shall cooperate with each other in obtaining any required IDA consent to such change in the IDA Premises.

(g) If any portion of the IDA Premises ceases to qualify as IDA Premises, then at the request of either party, the parties shall modify the Tenant IDA Documentation so as to remove such portion of the IDA Premises from the operation of the Tenant IDA Documentation. Any such removed IDA Premises shall continue to be leased to Tenant under this Lease unless and until otherwise removed from the Premises under this Lease.

51. Definitions. For purposes of this Lease, "Applicable Laws" means all laws, codes, ordinances, rules and regulations of governmental authorities, committees, associations, or other regulatory committees, agencies or governing bodies having jurisdiction over the Property, the Entire Project, the Buildings, the Premises, Landlord or Tenant. In addition, the definition of the Entire Project may change from time to time pursuant to Landlord's construction of additional improvements within the Property, as described in Section 8.10. For purposes of this Lease, the "Existing Project" shall include, as of the Execution Date, the following buildings located on the Property, which the parties agree, as of the Execution Date, contain the following square feet of Rentable Area; provided, however, that such Rentable Area is subject to adjustment in accordance with Article 9.

Address (Old Saw Mill River Road)	**Square Feet of Rentable Area**
765	207,820
767	79,224
769	107,349
771	73,831
777	365,790

For purposes of this Lease, the "New Greenburgh Project" shall include, as of the Execution Date, the following buildings located on the Property, which the parties agree, as of the Execution Date, contain the following square feet of Rentable Area; provided, however, that such Rentable Area is subject to adjustment in accordance with Article 9.

Address (Old Saw Mill River Road)	Square Feet of Rentable Area
735	117,935
745	111,708
755	130,877

52. Conditional Limitation. In addition to Landlord's other rights and remedies under this Lease, if any Default occurs, then Landlord may serve upon Tenant a five-day notice of cancellation and termination of this Lease. Upon the expiration of such five-day period, this Lease and the Term shall automatically and without any action by anyone terminate, expire, and come to an end, by the mere lapse of time and by the express terms of this Lease, as fully and completely as if the expiration of such five-day period were the Term Expiration Date. The passage of such five-day period constitutes the limit beyond which Tenant's tenancy no longer exists, and no longer can exist. Upon the mere occurrence of the passage of five days after Landlord's notice of cancellation and termination, this Lease shall automatically expire by its express terms. No re-entry or other act shall be necessary to terminate this Lease. This Section establishes a conditional limitation and not a condition subsequent, but does not limit Landlord's other rights or remedies under this Lease or applicable law.

53. Delivery of Premises. Tenant waives the provisions of New York Real Property Law (the "RPL") § 223-a. The provisions of this Lease on Landlord's delivery of the Premises constitute "an express provision to the contrary" under RPL § 223-a.

54. Casualty. The provisions of this Lease on casualty are an express agreement as to damage or destruction of the Premises by fire or other casualty. RPL § 227, providing for such a contingency absent an express agreement, shall not apply.

55. Window Cleaning. Tenant shall not clean, nor require, permit, suffer or allow any window in the Premises to be cleaned, from the outside in violation of Labor Law § 202, or any other Law, including the rules of the Board of Standards and Appeals.

56. Statutory Right of Redemption. Tenant specifically waives the right of redemption provided for in Real Property Actions and Proceedings Law ("RPAPL") § 761.

57. Acceptance of Rent. If Landlord accepts any payment from Tenant after the Term expires, then Landlord shall credit such payment against any damages that Tenant may become obligated to pay Landlord. By accepting any such payment, Landlord shall not be deemed to have agreed to continue Tenant's tenancy or to accept Tenant as a month-to-month tenant of the Premises or as a tenant on any other basis. This Section constitutes "an agreement…providing otherwise" within the meaning of RPL § 232-c.

58. Consumer Contract Statutes. Tenant acknowledges that this Lease is not entered into for personal, family or household purposes, and therefore GOL § 5-327 (and any other law whose effect is limited to transactions entered into for personal, family, or household purposes) has no application to this Lease.

59. Waiver of Stay. Tenant expressly waives, for every tenant party, any rights under Civil Practice Law and Rules § 2201, in connection with any holdover proceeding or other action or proceeding about this Lease or Tenant's rights as a tenant of the Buildings.

60. No Implied Consent to Remaining in Possession. Notwithstanding anything to the contrary in RPAPL § 711(2) or any other Applicable Law or rule of procedure, Landlord's acceptance of any partial payment on account of Rent, even if acknowledged in writing, shall not be deemed to constitute Landlord's "express consent in writing to permit the tenant to continue in possession" as referred to in RPAPL § 711(2). Landlord shall not be deemed to have granted such "express consent in writing to permit the tenant to continue in possession" unless such alleged written consent by Landlord expressly refers to RPAPL § 711(2) and expressly states (i.e., contains substantially the following words): "Landlord consents to Tenant's remaining in possession notwithstanding nonpayment of Rent."

61. Cafeteria. Throughout the Term, Landlord shall operate or cause a third party to operate a cafeteria (of reasonable size and seating capacity given the size of the Entire Project) offering hot meals and a reasonable range of food service at least substantially consistent with existing practice (as of the Execution Date), to be located within the Entire Project (at a location reasonably satisfactory to Landlord). Tenant and its employees shall have reasonable access to and the right to use such cafeteria under ordinary, normal, and reasonable operating procedures and rules, as established by Landlord or the cafeteria operator from time to time. As of the earlier of (a) Tenant's occupancy of Building 8 for the Permitted Use and (b) Tenant's occupancy of Building 9 for the Permitted Use, and continuing throughout the Term, Landlord shall operate or cause a third party to operate an additional cafeteria (of reasonable size and seating capacity given the size of the Entire Project) at a location on the Mount Pleasant portion of the Entire Project reasonably acceptable to Landlord and Tenant (provided that any location on the spine level of Building 777 (including the portion of the spine level on the Greenburgh portion of the Entire Project) shall be acceptable). Notwithstanding anything to the contrary contained herein, to the extent Landlord makes any capital outlays in connection with additional food services under this Article, such capital outlays shall constitute Operating Expenses.

62. LEED Certification. In the event Tenant elects to obtain LEED certification for the Premises, Landlord (at Tenant's sole cost and expense) shall reasonably cooperate with respect to any administrative efforts of Tenant to obtain such LEED certification.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

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

LANDLORD:

BMR-LANDMARK AT EASTVIEW LLC,
a Delaware limited liability company

By:	/s/ Kevin Simonsen
Name:	Kevin M. Simonsen
Title	VP, Real Estate Legal

TENANT:

REGENERON PHARMACEUTICALS, INC.,
a New York corporation

By:	/s/ Murray Goldberg
Name:	Murray A. Goldberg
Title	Senior Vice President, Finance & Administration and Chief Financial Officer

EXHIBIT A

PREMISES

[IMAGE]

EXHIBIT B

FORM OF ACKNOWLEDGEMENT OF COMMENCEMENT DATE

THIS ACKNOWLEDGEMENT OF [BUILDING 8/9 TERM COMMENCEMENT DATE] is entered into as of [_____], 201[__], with reference to that certain Lease (the "Lease") dated as of [_____], 2013, by [_____], a [_____] ("Tenant"), in favor of BMR-LANDMARK AT EASTVIEW LLC, a Delaware limited liability company ("Landlord"). All capitalized terms used herein without definition shall have the meanings ascribed to them in the Lease.

Tenant hereby confirms the following:

1. Tenant accepted possession of Building [8/9] on [_____], 201[__], subject to latent defects, if any, for construction of the Tenant Improvements.

2. The TI Ready Work required to be constructed by Landlord with respect to Building [8/9] under the Lease has been completed.

3. In accordance with the provisions of Section 5.1(e) of the Lease, the "Building [8/9] Commencement Date" is [_____], 201[__].

4. The obligation to pay Rent as of the [Building 8/9] Rent Commencement Date shall be subject to the provisions of the Lease.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Acknowledgment of Commencement Date as of [_____], 201[__].

TENANT:

REGENERON PHARMACEUTICALS, INC.,
a New York corporation

By: _____
Name: _____
Title: _____

LANDLORD:

BMR-LANDMARK AT EASTVIEW LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

EXHIBIT C

TENANT'S PERSONAL PROPERTY

1. All business and trade fixtures, equipment and machines, communications equipment, office equipment, and laboratory equipment (in each of all the foregoing cases, of a movable nature) that are installed by or for the account of Tenant and which (i) are not part of any building system (including mechanical, electrical, plumbing, life safety, sanitary, heating, ventilating or air conditioning (the "Building Systems"), as the Building Systems may have been modified by any Tenant Alteration, and (ii) can be removed without structural damage to the Premises or damage or operational equipment to the Building Systems in any material respect.

2. All furniture, furnishings and other articles of movable personal property owned by Tenant and located in the Premises.

3. Animal caging systems.

EXHIBIT D

RULES AND REGULATIONS

NOTHING IN THESE RULES AND REGULATIONS ("RULES AND REGULATIONS") SHALL SUPPLANT ANY PROVISION OF THE LEASE. IN THE EVENT OF A CONFLICT OR INCONSISTENCY BETWEEN THESE RULES AND REGULATIONS AND THE LEASE, THE LEASE SHALL PREVAIL.

1. Unless otherwise approved in writing by Landlord, neither Tenant nor any of Tenant's Affiliates, employees, agents, guests, or invitees (each, a "Tenant Party") shall encumber or obstruct the common entrances, lobbies, elevators, sidewalks or stairways of the Building(s) or the Entire Project or use them for any purposes other than ingress or egress to and from the Building(s) or the Entire Project.

2. Except as specifically provided in the Lease, no sign, placard, picture, advertisement, name or notice shall be installed or displayed on any part of the outside of the Premises or the Building(s) without Landlord's prior written consent. Landlord shall have the right to remove, at Tenant's sole cost and expense and without notice, any sign installed or displayed in violation of this rule.

3. If Landlord objects in writing to any curtains, blinds, shades, screens, 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, and (a) such window, door or windowsill is visible from the exterior of the Premises and (b) such curtain, blind, shade, screen, hanging plant or other object is not included in plans approved by Landlord, then Tenant shall promptly remove such curtains, blinds, shades, screens, hanging plants or other similar objects at its sole cost and expense.

4. No deliveries shall be made that impede or interfere with other tenants in or the operation of the Entire Project. Movement of furniture, office equipment or any other large or bulky material(s) through the Common Area shall be restricted to such hours as Landlord may designate and shall be subject to reasonable restrictions that Landlord may impose.

5. Tenant shall not place a load upon any floor of the Premises that exceeds the load per square foot that (a) such floor was designed to carry or (b) is allowed by Applicable Laws. Fixtures and equipment that cause noises or vibrations that may be transmitted to the structure of the Building(s) to such a degree as to be objectionable to other tenants shall be placed and maintained by Tenant, at Tenant's sole cost and expense, on vibration eliminators or other devices sufficient to eliminate such noises and vibrations to levels reasonably acceptable to Landlord and the affected tenants of the Mt. Pleasant Project.

6. Tenant shall not use any method of heating or air conditioning other than that shown in the Approved Tenant Plans or otherwise approved in writing by Landlord.

7. Tenant shall not install any radio, television or other antennae; cell or other communications equipment; or other devices on the roof or exterior walls of the Premises except in accordance with the Lease. Tenant shall not interfere with radio, television or other digital or electronic communications at the Entire Project or elsewhere.

8. Unless otherwise approved in writing by Landlord, canvassing, peddling, soliciting and distributing handbills or any other written material within, on or around the Entire Project (other than within the Premises) are prohibited. Tenant shall cooperate with Landlord to prevent such activities by any Tenant Party.

9. Tenant shall store all of its trash, garbage and Hazardous Materials in receptacles within its Premises or in receptacles designated by Landlord outside of the Premises. Tenant shall not place in any such receptacle any material that cannot be disposed of in the ordinary and customary manner of trash, garbage and Hazardous Materials disposal. Any Hazardous Materials transported through Common Areas shall be transported in compliance with Applicable Laws. Tenant shall be responsible, at its sole cost and expense, for Tenant's removal of its Hazardous Materials.

10. The Premises shall not be used for lodging or for any improper, immoral or objectionable purpose. No cooking shall be done or permitted in the Premises; provided, however, that Tenant may use (a) equipment approved in accordance with the requirements of insurance policies that Landlord or Tenant is required to purchase and maintain pursuant to the Lease for brewing coffee, tea, hot chocolate and similar beverages, (b) microwave ovens for employees' use and (c) equipment shown on Approved Tenant Plans; provided, further, that any such equipment and microwave ovens are used in accordance with Applicable Laws.

11. Tenant shall not, without Landlord's prior written consent, use the name of the Entire Project, if any, in connection with or in promoting or advertising Tenant's business except as Tenant's address.

12. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any Governmental Authority.

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

14. Tenant shall not modify any locks to the Premises without Landlord's prior written consent, which consent Landlord shall not unreasonably withhold, condition or delay. Tenant shall furnish Landlord with copies of keys, pass cards or similar devices for locks to the Premises, except with respect to high security areas (access to which are subject to the terms of the Lease).

15. Tenant shall cooperate and participate in all reasonable security programs affecting the Premises.

16. Unless otherwise approved in writing by Landlord, Tenant shall not permit any animals in the Entire Project, other than guide animals, animals used in connection with providing extermination services and animals for use in laboratory experiments.

17. Bicycles shall not be taken into the Building(s) except into areas designated by Landlord.

18. The water and wash closets and other plumbing fixtures shall not be used for any purposes other than those for which they were constructed, and no sweepings, rubbish, rags or other substances shall be deposited therein.

19. Discharge of industrial sewage shall only be permitted if Tenant, at its sole expense, first obtains all necessary permits and licenses therefor from all applicable Governmental Authorities.

20. Smoking is prohibited inside the Buildings and the Exclusive Parking Garage**,** but is permitted in designated outdoor areas of the Entire Project.

21. The Entire Project's hours of operation are currently 24 hours a day, seven days a week.

22. Tenant shall comply with all orders, requirements and conditions now or hereafter imposed by Applicable Laws or reasonably imposed by Landlord ("Waste Regulations") regarding the collection, sorting, separation and recycling of waste products, garbage, refuse and trash generated by Tenant (collectively, "Waste Products"), including the separation of Waste Products into receptacles reasonably approved by Landlord and the removal of such receptacles in accordance with any collection schedules prescribed by Waste Regulations.

23. If Tenant desires to use any portion of the Common Area for a Tenant-related event, any such use shall be (and Tenant shall notify Landlord) in accordance with the provisions of that certain Master Right of Entry Agreement by and between Landlord and Tenant dated as of August 4, 2010, as the same may be amended, amended and restated, supplemented or otherwise modified from time to time.

24. No excessive overnight parking (greater than one (1) week) is permitted in any parking area of the Entire Project, including the Exclusive Parking Garage, without Landlord's prior written approval.

25. The Exclusive Parking Garage may not be used for storage without Landlord's prior written approval.

26. The Exclusive Parking Garage may only be used for vehicle parking and may not be used for any other purpose without Landlord's prior written approval.

Subject to the terms of the Lease, Landlord may waive any one or more of these Rules and Regulations for the benefit of Tenant or any other tenant, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of Tenant or any other tenant, nor prevent Landlord from thereafter enforcing any such Rules and Regulations against any or all of the tenants of the Entire Project, including Tenant. 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. Landlord reserves the right to make such other and reasonable and non-discriminatory rules and regulations as, in its judgment, may from time to time be needed for safety and security, the care and cleanliness of the Entire Project, or the preservation of good order therein; provided, however, that Tenant shall not be obligated to adhere to such additional rules or regulations until Landlord has provided Tenant with written notice thereof. Tenant agrees to abide by these Rules and Regulations and any additional reasonable and non-discriminatory rules and regulations issued or adopted by Landlord. Tenant shall be responsible for the observance of these Rules and Regulations by all Tenant Parties.

EXHIBIT E

FORM OF ESTOPPEL CERTIFICATE

To: BMR-Landmark at Eastview LLC
17190 Bernardo Center Drive
San Diego, CA 92128
Attention: Vice President, Real Estate Legal

BioMed Realty, L.P.
c/o BioMed Realty Trust, Inc.
17190 Bernardo Center Drive
San Diego, CA 92128

Re: [PREMISES ADDRESS] (the "Premises") at [STREET ADDRESS], [CITY AND STATE] (the "Property")

The undersigned tenant ("Tenant") hereby certifies to you as follows:

1. Tenant is a tenant at the Property under a lease (the "Lease") for the Premises dated as of [_____], 2013. The Lease has not been cancelled, modified, assigned, extended or amended [except as follows: [_____]], and there are no other agreements, written or oral, affecting or relating to Tenant's lease of the Premises. The lease term expires on [_____], 20[__].

2. Tenant took possession of the Premises, currently consisting of [_____] square feet, on [_____], 20[__], and commenced to pay rent on [_____], 20[__]. Tenant has full possession of the Premises, has not assigned the Lease or sublet any part of the Premises, and does not hold the Premises under an assignment or sublease[, except as follows: [_____]].

3. All base rent, rent escalations and additional rent under the Lease have been paid through [_____], 20[__]. There is no prepaid rent[, except $[_____]]. Tenant currently has no right to any future rent abatement under the Lease.

4. Base rent is currently payable in the amount of $[_____] per month.

5. Tenant is currently paying estimated payments of additional rent of $**[_____]** per month on account of real estate taxes, insurance, management fees and common area maintenance expenses.

6. All work to be performed for Tenant under the Lease has been performed as required under the Lease and has been accepted by Tenant[, except [_____]], and all allowances to be paid to Tenant, including allowances for tenant improvements, moving expenses or other items, have been paid[, except [_____]].

7. The Lease is in full force and effect.

8. To the best of Tenant's knowledge, the Lease is free from Default and free from any event that could become a Default under the Lease, and Tenant has no claims against the Landlord or offsets or defenses against rent, and there are no disputes with the Landlord. Tenant has received no notice of prior sale, transfer, assignment, hypothecation or pledge of the Lease or of the rents payable thereunder[, except [_____]].

9. To Tenant's knowledge, no hazardous wastes have been generated, treated, stored or disposed of by or on behalf of the Tenant in, on or around the Premises or the Entire Project in violation of any environmental laws.

10. The undersigned has executed this Estoppel Certificate with the knowledge and understanding that **[INSERT NAME OF LANDLORD, PURCHASER OR LENDER, AS APPROPRIATE]** or its assignee is acquiring the Property in reliance on this certificate and that the undersigned shall be bound by this certificate. The statements

contained herein may be relied upon by **[INSERT NAME OF PURCHASER OR LENDER, AS APPROPRIATE], [LANDLORD]**, BioMed Realty, L.P., BioMed Realty Trust, Inc., and any mortgagee of the Property and their respective successors and assigns.

Any capitalized terms not defined herein shall have the respective meanings given in the Lease.

Dated this [____] day of [_____], 20[__].

REGENERON PHARMACEUTICALS, INC.,
a [_____]

By: _____
Name: _____
Title: _____

EXHIBIT F-1

CURRENTLY APPROVED SITE PLAN

[IMAGE]

EXHIBIT F-2

PRELIMINARY MODIFIED SITE PLAN

[IMAGE]

EXHIBIT G

LANDLORD WORK LETTER

All capitalized terms used but not otherwise defined herein shall have the meanings given them in the Lease.

1. General Requirements.

1.1. Schedule and Budget. The schedule for design and development of the Landlord Work, including the time periods for preparation and review of construction documents, approvals and performance, shall be in accordance with the schedule (the "Landlord Work Schedule") prepared by Landlord, in consultation with, and subject to the reasonable approval of, Tenant and based off the schedule of milestones attached hereto as Schedule I (the Landlord Work Schedule shall supersede and replace the schedule of milestones attached hereto as Schedule I). Any dates set forth in such milestone schedule are estimates and for informational purposes only and shall not be binding on Landlord in any manner whatsoever (provided that this sentence shall not supersede Landlord's obligations under the Lease). The Landlord Work Schedule shall be subject to adjustment as mutually agreed upon in writing by the parties, or as otherwise provided in this Landlord Work Letter or the Lease. The budget for design and development of the Landlord Work (and in any event, all costs that are part of Project Costs), including the costs for preparation and review of construction documents, approvals and performance, shall be in accordance with a budget prepared by Landlord, in consultation with, and subject to the reasonable approval of, Tenant (as the same may be updated pursuant to the terms of this Landlord Work Letter and the Lease, the "Landlord Work Budget"). If, following negotiations for the GMP Contract, the actual budget for the Landlord Work reflects a decrease in the cost of the Landlord Work set forth on the Landlord Work Budget, then the Landlord Work Budget shall be automatically adjusted to reflect the same without any additional approval from Tenant (provided that Landlord shall give Tenant reasonably prompt notice of such adjustment). If, following negotiations for the GMP Contract, the actual budget for the Landlord Work reflects an increase in the cost of the Landlord Work set forth on the Landlord Work Budget, then Landlord and Tenant shall, within ten (10) business days after Tenant's receipt of such actual budget (the "Value Engineering Review Period"), mutually agree in writing upon any modifications to the Landlord Work and the Landlord Work Budget. Any delay beyond the Value Engineering Review Period shall be deemed a Tenant Delay. In addition, the Landlord Work Budget shall be automatically adjusted from time to time to include any increase in the cost of performing the Landlord Work caused by Excused Landlord Delays, Permitted Changes and approved (or deemed approved) Landlord Work Changes (provided that Landlord shall give Tenant reasonably prompt notice of such adjustment). Further, the Landlord Work Budget shall be subject to adjustment as mutually agreed upon in writing by the parties, or as otherwise provided in this Landlord Work Letter.

1.2. Landlord's Architects, Contractors and Consultants. The Contractor, lead architect and primary engineering consultants shall be selected by Landlord and approved by Tenant, which approval shall not be unreasonably withheld, conditioned or delayed. In any event, Landlord shall have the right to elect not to use any contractor, architect or consultant if, in Landlord's reasonable determination, such contractor, architect or consultant would cause labor disharmony. Prior to performing any aspect of the Landlord Work, Landlord shall submit to Tenant for approval copies of each contract relating to the applicable aspect of the Landlord Work and proposed to be executed by Landlord. Tenant shall approve or disapprove such contract(s) as soon as practicable, but in no event later than five (5) business days, after receipt thereof, after which time Tenant shall be deemed to have approved such contract. Landlord shall require that its design team and Contractor use 3D BIM modeling for design and construction.

1.3. Tenant Delay. For purposes of clarity, any reference in this Landlord Work Letter to a Tenant Delay shall be limited to the extent such circumstance actually delays completion of the TI Ready Work, Substantial Completion of the Landlord Work or Substantial Completion of the Final Landlord Work, as applicable, beyond the date when such completion or Substantial Completion, as applicable, would have otherwise occurred (as determined by the Neutral Architect if Landlord and Tenant disagree and whose determination shall be final and binding upon the parties).

2. Landlord Work. The Landlord Work shall be performed by Contractor, at Landlord's sole cost and expense (subject to recompense in the form of Rent pursuant to the terms of the Lease) and in accordance with the Approved Landlord Work Plans (as defined below), the Lease and this Landlord Work Letter. Landlord and Tenant acknowledge

and agree that if for any reason the Contractor selected pursuant to Section 1.2 becomes unable or unavailable to satisfactorily perform the Landlord Work (in Landlord's reasonable discretion), Landlord, in consultation with Tenant, shall select a replacement Contractor and that any Approved Contractor shall be deemed an acceptable replacement Contractor, subject to Tenant's rights set forth in Section 4.2(a) of the Lease with respect to the Approved Contractors and the GMP Contract. All material and equipment furnished by Landlord or its contractors as the Landlord Work shall be new or "like new," and the Landlord Work shall be performed in a first-class, workmanlike manner.

2.1. Schematic Plans. Landlord shall prepare and submit to Tenant for approval schematics covering the Landlord Work (which Landlord Work is described on the Scope Allocation Matrix) prepared in conformity with the applicable provisions of this Landlord Work Letter and in substantial conformance with the Basis of Design (the "Landlord Draft Schematic Plans"). The Landlord Draft Schematic Plans shall contain sufficient information and detail to accurately describe the proposed design to Tenant and such other information as Tenant may reasonably request and include a progress budget report showing any updates to the Landlord Work Budget based on such Landlord Draft Schematic Plans. Tenant shall notify Landlord in writing within ten (10) business days after receipt of the Landlord Draft Schematic Plans (which shall include all information required by the immediately preceding sentence) whether Tenant approves or objects to the Landlord Draft Schematic Plans and of the manner, if any, in which the Landlord Draft Schematic Plans are unacceptable. Tenant's failure to respond within such ten (10) business day period shall be deemed approval by Tenant. If Tenant reasonably objects to the Landlord Draft Schematic Plans, then Landlord shall revise the Landlord Draft Schematic Plans and cause Tenant's objections to be remedied in the revised Landlord Draft Schematic Plans. Landlord shall then resubmit the revised Landlord Draft Schematic Plans to Tenant for approval (including all information required herein to be provided with such plans), though the approval period afforded to Tenant with respect to any revisions shall be five (5) business days (provided, however, that if Tenant reasonably determines that the revisions are substantial and reasonably require more time, then Tenant may by notice to Landlord take an additional five (5) business days to respond). Tenant's approval of or objection to the revised Landlord Draft Schematic Plans and Landlord's correction of the same shall be in accordance with this Section until Tenant has approved the Landlord Draft Schematic Plans in writing or been deemed to have approved them. If Landlord and Tenant cannot agree on the revised Landlord Draft Schematic Plans and Landlord's correction of same after Tenant resubmits to Landlord further revisions to the revised Landlord Draft Schematic Plans, then the Neutral Architect, in accordance with Subsection 4.2(b)(iii) of the Lease (whose determination shall be final and binding upon the parties) shall decide to accept in their entirety either Landlord's revised Landlord Draft Schematic Plans or Tenant's further revisions to Landlord's revised Landlord Draft Schematic Plans. The iteration of the Landlord Draft Schematic Plans that is approved or deemed approved by Tenant without objection (or by the Neutral Architect, if necessary) shall be referred to herein as the "Approved Landlord Work Schematic Plans."

2.2. Design Development Plans. Landlord shall prepare and submit to Tenant for approval design development drawings covering the Landlord Work that (a) are consistent with and are logical evolutions of the Approved Landlord Work Schematic Plans and (b) incorporate any other Tenant-requested (and Landlord-approved) Landlord Work Changes (as defined below) (the "Landlord Draft Design Development Plans"). The Landlord Draft Design Development Plans shall contain sufficient information and detail to accurately describe the proposed design to Tenant and such other information as Tenant may reasonably request and include a progress budget report showing any updates to the Landlord Work Budget based on such Landlord Draft Design Development Plans. Tenant shall notify Landlord in writing within ten (10) business days after receipt of the Landlord Draft Design Development Plans (which shall include all information required by the immediately preceding sentence) whether Tenant approves or objects to the Landlord Draft Design Development Plans and of the manner, if any, in which the Landlord Draft Design Development Plans are unacceptable. Tenant's failure to respond within such ten (10) business day period shall be deemed approval by Tenant. If Tenant reasonably objects to the Landlord Draft Design Development Plans, then Landlord shall revise the Landlord Draft Design Development Plans and cause Tenant's objections to be remedied in the revised Landlord Draft Design Development Plans. Landlord shall then resubmit the revised Landlord Draft Design Development Plans to Tenant for approval (including all information required herein to be provided with such plans), though the approval period afforded to Tenant with respect to any revisions shall be five (5) business days (provided, however, that if Tenant reasonably determines that the revisions are substantial and reasonably require more time, then Tenant may by notice to Landlord take an additional five (5) business days to respond). Tenant's approval of or objection to the revised Landlord Draft Design Development Plans and Landlord's correction of the same shall be in accordance with this Section until Tenant has approved the Landlord Draft Design Development Plans in writing or been deemed to have

approved them. If Landlord and Tenant cannot agree on the revised Landlord Draft Design Development Plans and Landlord's correction of same after Tenant resubmits to Landlord further revisions to the revised Landlord Draft Design Development Plans, then the Neutral Architect, in accordance with Subsection 4.2(b)(iii) of the Lease (whose determination shall be final and binding upon the parties) shall decide to accept in their entirety either Landlord's revised Landlord Draft Design Development Plans or Tenant's further revisions to Landlord's revised Landlord Draft Design Development Plans. The iteration of the Landlord Draft Design Development Plans that is approved or deemed approved by Tenant without objection (or by the Neutral Architect, if necessary) shall be referred to herein as the "Approved Landlord Work Design Development Plans."

2.3. Construction Plans. Landlord shall prepare final plans and specifications for the Landlord Work that (a) are consistent with and are logical evolutions of the Approved Landlord Work Design Development Plans and (b) incorporate any other Tenant-requested (and Landlord-approved) Landlord Work Changes (as defined below). As soon as such final plans and specifications (the "Landlord Work Construction Plans") are completed, Landlord shall deliver the same to Tenant, along with an updated Landlord Work Budget based on such Landlord Work Construction Plans, for Tenant's approval, which approval shall not be unreasonably withheld, conditioned or delayed. Such Landlord Work Construction Plans shall be approved or disapproved by Tenant within ten (10) business days after delivery of the Landlord Work Construction Plans and the updated Landlord Work Budget to Tenant. Tenant's failure to respond within such ten (10) business-day period shall be deemed approval by Tenant. If the Landlord Work Construction Plans are disapproved by Tenant, then Tenant shall notify Landlord in writing of its reasonable objections to such Landlord Work Construction Plans, and the parties shall confer and negotiate in good faith to reach agreement on the Landlord Work Construction Plans. Promptly after the Landlord Work Construction Plans are approved by Landlord and Tenant, two (2) copies of such Construction Plans shall be initialed and dated by Landlord and Tenant, and Landlord shall promptly submit such Landlord Work Construction Plans to all appropriate Governmental Authorities for approval. The Landlord Work Construction Plans so approved, and all change orders specifically permitted by this Landlord Work Letter, are referred to herein as the "Approved Landlord Work Plans." Upon completion and approval of the Approved Landlord Work Plans, the Basis of Design (with respect to the Landlord Work) and the Scope Allocation Matrix (with respect to the Landlord Work) shall automatically be null and void and shall be superseded in all respects by the Approved Landlord Work Plans.

2.4. Changes to Landlord Work. Except for Permitted Changes and De Minimis Variations, any changes to the Approved Landlord Work Plans (each, a "Landlord Work Change") shall be requested and instituted in accordance with the provisions of this Article and shall be subject to the written approval of the non-requesting party in accordance with this Landlord Work Letter.

(a) Change Request. Either Landlord or Tenant may request Landlord Work Changes after Tenant approves the Approved Landlord Work Plans by notifying the other party thereof in writing in substantially the same form as the AIA standard change order form (a "Landlord Work Change Request"), which Landlord Work Change Request shall detail the nature and extent of any requested Landlord Work Changes. Landlord Work Change Requests shall be signed by the requesting party's Authorized Representative.

(b) Approval of Changes. All Landlord Work Change Requests shall be subject to the other party's prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed. The non-requesting party shall have five (5) business days (plus (i) such additional time to which Tenant is entitled under Section 2.3(c) below and (ii) an additional five (5) business days if requested in writing by the non-requesting party (for purposes herein, email to a party's Authorized Representative shall be sufficient)) after receipt of a Landlord Work Change Request to notify the requesting party in writing of the non-requesting party's decision either to approve or object to the Landlord Work Change Request. The non-requesting party's failure to respond within such time period shall be deemed approval by the non-requesting party. If Tenant requests Landlord Work Changes that actually delay the completion of the TI Ready Work, Substantial Completion of the Landlord Work or Substantial Completion of the Final Landlord Work as set forth on the revised Landlord Work Schedule issued in connection with the Landlord Work Change Request, as applicable, then such delay shall constitute a Tenant Delay.

(c) Preparation of Estimates. If Landlord is the party submitting a Landlord Work Change Request, then simultaneously with such request, Landlord shall deliver to Tenant an estimate of the increased costs or

savings that would result from such Landlord Work Change, as well as a reasonable estimate of such Landlord Work Change's effects on the Landlord Work Schedule. If Tenant is the party submitting a Landlord Work Change Request, then Landlord shall, before proceeding with any Landlord Work Change, using commercially reasonable efforts, prepare and deliver to Tenant as soon as is reasonably practicable (but in no event more than five (5) business days after receipt of a Landlord Work Change Request) an estimate of the increased costs or savings that would result from such Landlord Work Change, as well as a reasonable estimate of such Landlord Work Change's effects on the Landlord Work Schedule. Tenant shall have five (5) business days after receipt of such information from Landlord to approve or withdraw, in its reasonable discretion, such Landlord Work Change Request in writing.

3. Requests for Consent. Except as otherwise provided in this Landlord Work Letter, Tenant shall respond to all requests for consents, approvals or directions made by Landlord pursuant to this Landlord Work Letter within five (5) business days following Tenant's receipt of such request; provided, however, Tenant may request an additional five (5) business days in the event Tenant reasonably needs such additional review time and such consent, approval or direction of Tenant is not in connection with a portion of the Landlord Work on the critical path. Any request made to Tenant for consents, approvals or directions pursuant to this Landlord Work Letter shall be delivered to Tenant by electronic mail at each of the following addresses: joanne.deyo@regeneron.com; michael.kaplan@regeneron.com, and michelle.fritsche@regeneron.com (and any other electronic mail addresses of which Tenant notifies Landlord) and shall be deemed delivered on the date sent if such correspondence is sent prior to 5:00 PM Eastern Standard Time (or Eastern Daylight Time, as applicable) on a business day; if such correspondence is sent after 5:00 PM Eastern Standard Time (or Eastern Daylight Time, as applicable) or on a day that is not a business day, it shall be deemed delivered on the next business day. Tenant's failure to respond within such five (5) business day time period (or such additional five (5) business day time period if properly requested as set forth in this Section) shall be deemed approval by Tenant.

SCHEDULE I TO LANDLORD WORK LETTER

MILESTONE SCHEDULE

Indemnification Agreement Executed	02/20/2013
Schematic Design issued	04/02/2013
Submit Final Land Development Drawings	04/15/2013
Design Development Drawings Issued	05/28/2013
Design Development Budget Issued	06/25/2013
Award Long Lead Item Package	07/19/2013
Estimated Amended Site Plan Approval	08/01/2013
Construction Drawings Issued	08/19/2013
GMP Budget Issued	09/30/2013
TI Ready	07/21/2014
Substantial Completion of Landlord Work	12/22/2014

EXHIBIT G-1

TENANT WORK LETTER

All capitalized terms used but not otherwise defined herein shall have the meanings given them in the Lease.

1. General Requirements.

1.1. Changes. Landlord shall not be obligated to respond to or act upon any Tenant plans, drawings, change orders and approvals until such item has been initialed by Tenant's Authorized Representative.

1.2. Schedule. The schedule for design and development of the Tenant Improvements and the Base Building Work, as applicable, including the time periods for preparation and review of construction documents, approvals and performance, shall be in accordance with that certain schedule to be prepared by Tenant, in consultation with, and subject to the reasonable approval of, Landlord (the "Tenant Schedule"). The Tenant Schedule shall be subject to adjustment as the actual progress of the Tenant Improvements and Base Building Work, as applicable, dictates, and as otherwise provided in this Tenant Work Letter and the Lease. Tenant shall deliver to Landlord, on no less than a monthly basis, the Tenant Schedules as so adjusted or otherwise modified, which shall be subject to Landlord's further reasonable approval.

1.3. Architects and Consultants. The lead architect, the MEP engineering consultants and the contractor responsible for the construction of the Tenant Improvements and the Base Building Work shall be selected by Tenant and approved by Landlord. Landlord's approval of the same shall not be unreasonably withheld, provided the same would not, in Landlord's reasonable determination, cause labor disharmony.

2. Tenant Improvements. Tenant shall perform Tenant Improvements and the Base Building Work at Tenant's sole cost and expense and without cost to Landlord (except for the TI Allowance and the Base Building Costs reimbursement that Tenant is entitled to receive under the Lease) and in accordance with the Approved Tenant Plans, the Lease and this Tenant Work Letter. The quality of the Tenant Improvements and the Base Building Work shall be of a nature and character not less than (a) the quality of the tenant improvements and base building work in place at buildings 735, 745 and 755 on the Property and the Entire Project as of the Execution Date of the Lease and (b) Landlord's general standards for the Entire Project as a whole, including that all material and equipment furnished by Tenant or its contractors as the Tenant Improvements and the Base Building Work shall be new or "like new," and the Tenant Improvements and the Base Building Work all be performed in a first-class, workmanlike manner.

2.1. Schematic Plans.

(a) Tenant shall prepare and submit to Landlord for approval schematics covering the Base Building Work and the Tenant Improvements (which Base Building Work and Tenant Improvements are described on the Scope Allocation Matrix) prepared in conformity with the applicable provisions of this Tenant Work Letter and, with respect to the Base Building Work, in substantial conformance with the Basis of Design (the "Tenant Draft Schematic Plans"). The Tenant Draft Schematic Plans shall contain sufficient information and detail to accurately describe Tenant's proposed design to Landlord and such other information as Landlord may reasonably request. Landlord shall notify Tenant in writing within ten (10) business days after receipt of the Tenant Draft Schematic Plans whether Landlord approves or objects to the Tenant Draft Schematic Plans and of the manner, if any, in which the Tenant Draft Schematic Plans are unacceptable. If Landlord objects to the Tenant Draft Schematic Plans, then Tenant shall revise the Tenant Draft Schematic Plans and cause Landlord's objections to be remedied in the revised Tenant Draft Schematic Plans. Tenant shall then resubmit the revised Tenant Draft Schematic Plans to Landlord for approval, except the turn-around approval period afforded to Landlord with respect to any revisions shall be five (5) business days (provided, however, that if Landlord reasonably determines that the revisions are substantial and reasonably require more time, then Landlord may by notice to Tenant take an additional five (5) business days to respond). Landlord's failure to respond within the specified time frames shall be deemed approval by Landlord. If Landlord and Tenant cannot agree on the revised Tenant Draft Schematic Plans and Tenant's correction of same after Landlord resubmits to Tenant further revisions to the revised Tenant Draft Schematic Plans, then the Neutral Architect, in accordance with

Subsection 4.2(b)(iii) of the Lease (whose determination shall be final and binding upon the parties) shall decide to accept in their entirety either Tenant's revised Tenant Draft Schematic Plans or Landlord's further revisions to Tenant's revised Tenant Draft Schematic Plans. The iteration of the Tenant Draft Schematic Plans that is approved (or deemed approved) by Landlord without objection (or by the Neutral Architect, if necessary) shall be referred to herein as the "Approved Tenant Schematic Plans."

2.2. Construction Plans.

(a) Tenant shall prepare final plans and specifications for the Base Building Work and the Tenant Improvements that (i) are consistent with and are logical evolutions of the Approved Tenant Schematic Plans and (ii) incorporate any other Landlord-requested (and Tenant-approved) Tenant Changes (as defined below). As soon as such final plans and specifications ("Tenant Construction Plans") are completed, Tenant shall deliver the same to Landlord for Landlord's approval, which approval shall not be unreasonably withheld, conditioned or delayed. The Tenant Construction Plans shall be approved or disapproved by Landlord within ten (10) days after delivery to Landlord. Landlord's failure to respond within such ten (10)-day period shall be deemed approval by Landlord. If the Tenant Construction Plans are disapproved by Landlord, then Landlord shall notify Tenant in writing of its reasonable objections to such Tenant Construction Plans, and the parties shall confer and negotiate in good faith to reach agreement on the Tenant Construction Plans. If Landlord and Tenant cannot agree on the revised Tenant Construction Plans and Tenant's correction of the same after Landlord resubmits to Tenant further revisions to the revised Tenant Construction Plans, then the Neutral Architect, in accordance with Subsection 4.2(b)(iii) of the Lease (whose determination shall be final and binding upon the parties) shall decide to accept in their entirety either Tenant's revised Tenant Construction Plans or Landlord's further revisions to Tenant's revised Tenant Construction Plans. Promptly after the Tenant Construction Plans are approved (or deemed approved) by Landlord and Tenant (or by the Neutral Architect, if necessary), two (2) copies of the Tenant Construction Plans shall be initialed and dated by Landlord and Tenant, and Tenant shall promptly submit the Tenant Construction Plans to all appropriate Governmental Authorities for approval. The Tenant Construction Plans as so approved, and all change orders specifically permitted by this Tenant Work Letter, are referred to herein as the "Approved Tenant Plans." Upon completion and approval of the Approved Tenant Plans, the Scope Allocation Matrix (with respect to the Tenant Improvements and the Base Building Work) and the Basis of Design (with respect to the Base Building Work) shall automatically be null and void and shall be superseded in all respects by the Approved Tenant Plans.

2.3. Completion of the Base Building Work and Tenant Improvements. Tenant shall perform and complete the Base Building Work and the Tenant Improvements (a) in strict conformance with the Approved Tenant Plans, as applicable (and otherwise subject only to De Minimis Variations), (b) in compliance with the Lease and (c) in accordance with Applicable Laws, Tenant's insurance carriers and the board of fire underwriters having jurisdiction over the Entire Project and the Premises. The determination of whether the Base Building Work and the Tenant Improvements, as applicable, have reached the stage of substantial completion or final completion shall be made by Tenant's Authorized Representative, in consultation with and subject to the reasonable approval of Landlord's Authorized Representative. In the event of a dispute among the parties relating to (v) the stage of completion of the Tenant Improvements or the Base Building Work, as applicable, (w) whether the Tenant Improvements or the Base Building Work has been completed in conformance with the Approved Tenant Plans, (x) whether a Landlord Delay or Force Majeure event has occurred, (y) Tenant's entitlement to a postponement of the Building 8 Rent Commencement Date or Building 9 Rent Commencement Date, as the case may be, by reason of a Landlord Change Order Request under Section 7.2 or (z) any other dispute arising under this Section 2.3, the same shall be resolved by the Neutral Architect in accordance with Subsection 4.2(b)(iii) of the Lease, whose determination shall be final and binding upon the parties.

2.4. Conditions to Performance of Base Building Work and Tenant Improvements. Prior to the commencement of the Base Building Work and the Tenant Improvements, Tenant shall submit to Landlord for Landlord's approval (which approval Landlord shall not unreasonably withhold) a list (the "List") of project managers that will perform the Base Building Work and the Tenant Improvements, as applicable. Landlord shall give Tenant notice in writing of its approval or disapproval of the List within the time periods set forth above. If Landlord disapproves of one or more parties on the List, Tenant shall revise the List and resubmit the same to Landlord for Landlord's approval in accordance with the preceding two sentences.

2.5. Requests for Consent. Landlord shall respond to all requests for consents, approvals or directions made by Tenant pursuant to this Tenant Work Letter (except as described in Sections 2.1 and 2.2) within five (5) business days following Landlord's receipt of such request; provided, however, that Landlord may request an additional five (5) business days in the event Landlord reasonably needs such additional review time and such consent, approval or direction of Landlord is not in connection with a portion of the Base Building Work or Tenant Improvements, as applicable, on the critical path. Any request made to Landlord for consents, approvals or directions pursuant to this Tenant Work Letter shall be delivered to Landlord by electronic mail at each of the following addresses: john.bonanno@biomedrealty.com; timothy.stoll@biomedrealty.com and tiffany.phipps@biomedrealty.com (and any other email addresses of which Landlord notifies Tenant), and shall be deemed delivered on the date sent if such correspondence is sent prior to 5:00 p.m. Eastern Standard Time (or Eastern Daylight Time, as applicable) on a business day. If such correspondence is sent after 5:00 p.m. Eastern Standard Time (or Eastern Daylight Time, as applicable) or on a day that is not a business day, then it shall be deemed delivered on the next business day. Landlord's failure to respond within such five (5) business day time period (or such additional five (5) business day time period, if properly requested pursuant to this Section) shall be deemed approval by Landlord.

3. Tenant's Construction Obligations Shall Not Delay Commencement of the Term. Notwithstanding any Tenant Improvements or Base Building Work performed by Tenant, the Building 8 Term Commencement Date, the Building 9 Term Commencement Date and Tenant's obligation to pay Rent shall not, under any circumstance, be extended or delayed for any reason, other than as set forth in the Lease or Section 7.2. Tenant shall perform promptly such of its obligations contained in this Tenant Work Letter as are to be performed by it. Tenant shall also observe and perform all of its obligations under the Lease from the Building 8 Term Commencement Date and Building 9 Term Commencement Date, as applicable.

4. Completion of Tenant's Construction Obligations. Tenant, at its sole cost and expense (except for the TI Allowance and Base Building Costs reimbursement Tenant is entitled to receive under the Lease), shall complete the Base Building Work and the Tenant Improvements described in this Tenant Work Letter in all respects in accordance with the provisions of the Lease and this Tenant Work Letter. The Base Building Work and the Tenant Improvements shall be deemed completed at such time as Tenant, at its sole cost and expense (except for any TI Allowance and Base Building Costs reimbursement Tenant is entitled to receive under the Lease) shall furnish to Landlord (a) evidence satisfactory to Landlord that (i) all the Base Building Work and the Tenant Improvements, as applicable, have been completed and paid for in full, or in the event of a dispute between Tenant and its contractor, or any of its subcontractors, regarding payment, the amount in dispute has been fully bonded (which shall be evidenced by the Tenant's architect's certificate of completion and the contractor's and each subcontractor's and material supplier's final waivers and releases of liens), (ii) all the Base Building Work and the Tenant Improvements, as applicable, have been accepted by Landlord, (iii) any and all liens related to the Base Building Work and the Tenant Improvements have either been discharged of record (by payment, bond, order of a court of competent jurisdiction or otherwise) or waived by the party filing such lien and (iv) no security interests relating to the Base Building Work and the Tenant Improvements are outstanding, (b) all certifications and approvals with respect to the Base Building Work and the Tenant Improvements that may be required from any Governmental Authority and any board of fire underwriters or similar body for the use and occupancy of the Premises, (c) certificates of insurance required by the Lease to be purchased and maintained by Tenant, (d) an affidavit from Tenant's architect certifying that all work performed in, on or about the Premises is in strict conformance with the Approved Tenant Plans, as applicable (subject only to De Minimis Variations), and (e) complete "as-built" drawing print sets and electronic CAD files on disc (or files in such other current format in common use as Landlord reasonably approves or requires) of all contract documents for work performed by Tenant's architect and engineers in relation to the Base Building Work and the Tenant Improvements. Any such "as-built" plans shall show the applicable Base Building Work and the Tenant Improvements as an overlay on the Building "as-built" plans, to the extent that Landlord has provided the Building "as-built" plans to Tenant for such purpose.

5. Insurance. Prior to commencing the Base Building Work or the Tenant Improvements, Tenant shall provide, or shall cause Tenant's contractors and subcontractors to provide, to Landlord, in addition to the insurance required of Tenant pursuant to the Lease, the following types of insurance in the following amounts, upon the following terms and conditions:

5.1. Builders' All-Risk Insurance. At all times during the period beginning with commencement of construction of the Base Building Work and the Tenant Improvements and ending with final completion of the same, Tenant shall maintain, or cause to be maintained, casualty insurance in Builder's All-Risk Form, insuring the Landlord Parties and Tenant's contractors, as their interests may appear, all as required under Section 21.1 of the Lease. Such policy shall, on a completed values basis for the full insurable value at all times, insure against loss or damage by fire, vandalism and malicious mischief and other such risks as are customarily covered by the so-called "broad form extended coverage endorsement" upon all of the Base Building Work and the Tenant Improvements and the contractor's and any subcontractors' machinery, tools and equipment, all while each forms a part of, or is contained in, the Base Building Work and the Tenant Improvements or any temporary structures on the Premises, or is adjacent thereto. As provided in the Lease, said Builder's All-Risk Insurance shall contain an express waiver of any right of subrogation by the insurer against Landlord and Landlord's Affiliates, agents and employees.

5.2. Workers' Compensation. At all times during the period of construction of the Base Building Work and the Tenant Improvements, Tenant shall, or shall cause its contractors or subcontractors to, maintain statutory workers' compensation insurance as required by Applicable Laws.

6. Liability. Tenant assumes sole responsibility and liability for any and all injuries or the death of any persons, including Tenant's contractors and subcontractors and their respective employees, and for any and all damages to property caused by, resulting from or arising out of any act or omission on the part of Tenant, Tenant's contractors or subcontractors, or their respective employees in the prosecution of the Base Building Work and the Tenant Improvements. Tenant agrees to indemnify, defend, protect and save free and harmless Landlord and Landlord's Affiliates, agents and employees from and against all losses and expenses, including reasonable attorneys' fees and expenses, that Landlord may incur as the result of claims or lawsuits due to, because of, or arising out of any and all such injuries, death or damage, whether real or alleged, and Tenant and Tenant's contractors and subcontractors shall assume and defend at their sole cost and expense all such claims or lawsuits; provided, however, that nothing contained in this Tenant Work Letter shall be deemed to indemnify or otherwise hold Landlord harmless from or against liability caused by Landlord's negligence or willful misconduct. Any deficiency in design or construction of the Base Building Work and the Tenant Improvements shall be solely the responsibility of Tenant, notwithstanding the fact that Landlord may have approved of the same in writing. All material and equipment furnished by Tenant as part of the Base Building Work and the Tenant Improvements shall be new or "like new," and the Base Building Work and the Tenant Improvements shall be performed in a first-class, workmanlike manner.

7. Changes. Any material changes (subject to De Minimis Variations) to the Base Building Work and/or the Tenant Improvements (each, a "Base Building Change" or "Tenant Improvement Change," as applicable, and together a "Tenant Change") requested by Landlord or Tenant after Landlord approves the Approved Tenant Plans, as applicable, in writing shall be requested and instituted in accordance with the provisions of this Section 7 and shall be subject to the reasonable written approval of the other party.

7.1. Changes Requested by Tenant.

(a) Tenant may request Base Building Changes or Tenant Improvement Changes after Landlord approves the Approved Tenant Plans, as applicable, by notifying Landlord thereof in writing in substantially the same form as the AIA standard change order form (a "Tenant Change Order Request"), which Tenant Change Order Request shall detail the nature and extent of any requested Base Building Changes or Tenant Improvement Changes. If the nature of a Tenant Change Order Request requires revisions to the Approved Tenant Plans, then Tenant shall be solely responsible for the cost and expense of such revisions. Tenant Change Order Requests shall be signed by Tenant's Authorized Representative.

(b) Landlord shall approve or reject any Tenant Change Order Requests in accordance with the procedures established pursuant to Section 2. If Landlord does not approve in writing a Tenant Change Order Request, then such Tenant Change Order Request shall be deemed approved by Landlord as long as Landlord receives with such written Tenant Change Order Request all information reasonably necessary to permit Landlord to consider such request. If Landlord fails to grant or deny the requested Tenant Change Order Request within five (5) business days after it receives Tenant's request (and all required additional information, if any), then Landlord shall be deemed to have

granted its consent to a given Tenant Change Order Request. These deemed consent procedures for Tenant Change Order Requests shall have no application to any other consent by Landlord.

7.2. Changes Requested by Landlord. Landlord may request Base Building Changes or Tenant Improvement Changes after Landlord approves the Approved Tenant Plans, as applicable, by notifying Tenant thereof in writing in substantially the same form as the AIA standard change order form (a "Landlord Change Order Request"), which Landlord Change Order Request shall describe in reasonable detail the nature and extent of any requested Base Building Changes or Tenant Improvement Changes. If the nature of a Tenant Improvement Change requires revisions to the Approved Tenant Plans and Tenant reasonably agrees to the Tenant Improvement Change, then Landlord shall be solely responsible for the cost and expense of such revisions (for the sake of clarity, the parallel concept does not apply to Base Building Changes since Landlord reimburses Tenant for Base Building Costs and then includes such Base Buildings Costs as a Project Cost). Landlord shall reimburse Tenant for all additional costs and expenses payable by Tenant to complete Tenant Improvements due to a Landlord-requested Change in accordance with the payment provisions of this Tenant Work Letter. If Landlord requests Base Building Changes or Tenant Improvement Changes that would delay the Tenant Schedule beyond the twelve (12) month period reserved to Tenant under Section 2.5 of the Lease to design and construct the Base Building Work and the Tenant Improvements, then Tenant may disapprove such Base Building Changes or Tenant Improvement Changes, as applicable, unless Landlord agrees to a reasonable extension of the Building 8 Rent Commencement Date or Building 9 Rent Commencement Date, as the case may be, for the applicable portion of the Premises to equitably compensate Tenant for such delay. If Tenant does not approve or disapprove in writing a Landlord Change Order Request, then such Landlord Change Order Request shall be deemed approved by Tenant as long as it receives with such written Landlord Change Order Request all information reasonably necessary to permit Tenant to consider such request. If Tenant fails to grant or deny the requested Landlord Change Order Request within five (5) business days after it receives Landlord's request (and all required additional information, if any), then Tenant shall be deemed to have granted its consent to a given Landlord Change Order Request. These deemed consent procedures for Landlord Change Order Requests shall have no application to any other consent by Tenant.

7.3. Preparation of Estimates. Tenant shall, before proceeding with any Base Building Change or Tenant Improvement Change, using commercially reasonable efforts, prepare and deliver to Landlord as soon as is reasonably practicable (but in no event more than five (5) business days after delivering a Tenant Change Order Request to Landlord or receipt of a Landlord Change Order Request) an estimate of the increased costs or savings that would result from such Base Building Change or Tenant Improvement Change, as well as a reasonable estimate on such Tenant Improvement Change's effects on the applicable Tenant Schedule. Landlord shall have five (5) business days after receipt of such information from Tenant to (a) in the case of a Tenant Change Order Request, approve or reject such Tenant Change Order Request in writing, or (b) in the case of a Landlord Change Order Request, notify Tenant in writing of Landlord's decision either to proceed with or abandon the Landlord-requested Tenant Improvement Change.

EXHIBIT H

APPROVED CONTRACTORS

Suffolk Construction Company, Inc.
John Moriarty & Associates of Virginia, LLC
Pavarini North East Construction Co., Inc.
Bovis Construction Corp.

EXHIBIT I

REAL PROPERTY DESCRIPTION

[IMAGE]

EXHIBIT J

FINAL LANDLORD WORK

[IMAGE]

EXHIBIT K-1

SCOPE ALLOCATION MATRIX

[IMAGE]

EXHIBIT K-2

BASIS OF DESIGN

[IMAGE]

EXHIBIT L

PRELIMINARY TITLE REPORT SCHEDULE B EXCEPTIONS

[IMAGE]

EXHIBIT M

FORM OF MAJOR-SUBTENANT SNDA

SUBTENANT RECOGNITION AND ATTORNMENT AGREEMENT

This **SUBTENANT RECOGNITION AND ATTORNMENT AGREEMENT** (this "Agreement") is entered into as of _____ __, 20__ (the "Effective Date"), between **BMR-Landmark at Eastview LLC**, a Delaware limited liability company whose address is 17190 Bernardo Center Drive, San Diego, California 92128 (Attn: Vice President, Real Estate Legal) ("Overlandlord"), and _____, a _____ [type of entity], whose address is _____ ("Subtenant"), based on these facts:

A. Regeneron Pharmaceuticals, Inc., a New York corporation, whose address is 777 Old Saw Mill River Road, Tarrytown, New York 10591 ("Sublandlord"), occupies and leases portions of the real property and improvements commonly known as The Landmark at Eastview ("Sublandlord's Premises"), under that certain Mt. Pleasant Lease dated _____, 2013 between Overlandlord and Sublandlord (as amended, renewed, extended, or otherwise changed from time to time, the "Overlease").

B. By that certain Sublease dated as of _____ (the "Sublease"), Sublandlord demised to Subtenant part of Sublandlord's Premises ("Subtenant's Premises").

C. Subtenant and Overlandlord desire to agree upon the relationship between their interests in Sublandlord's Premises and their rights and obligations if certain events occur.

NOW, THEREFORE, for good and sufficient consideration, receipt of which the parties acknowledge, Subtenant and Overlandlord agree:

1. Definitions.

These terms shall have the following meanings in this Agreement.

1.1 "Construction-Related Obligation" means any obligation to make, pay for, or reimburse Subtenant for any alterations, demolition, or other improvements or work. "Construction-Related Obligations" shall not include (a) reconstruction or repair after fire, casualty or condemnation; or (b) day-to-day maintenance and repairs.

1.2 "Overlease Termination" means any termination of the Overlease or eviction of Sublandlord under the Overlease, whether arising (a) by agreement of Overlandlord and Sublandlord; (b) as a result of Sublandlord's rejection of the Overlease under bankruptcy or similar law; (c) under applicable state landlord-tenant law or any other applicable law; or (d) from merger of Overlandlord's and Sublandlord's estates thereunder.

1.3 "Subrent" means any fixed, base, or additional rent or subrent under the Sublease.

2. Subordination.

The Sublease shall be, and shall at all times remain, subject and subordinate to the Overlease and Overlandlord's interest in Overlandlord's Premises.

3. Recognition and Attornment.

3.1 *No Exercise of Landlord-Tenant Remedies Against Subtenant*. So long as the Sublease has not been terminated on account of Subtenant's default that has continued beyond applicable cure periods (an "Event of Default"), Overlandlord shall not name or join Subtenant as a defendant in any exercise of Overlandlord's rights and remedies arising upon a default under the Overlease unless applicable law requires Overlandlord to join Subtenant as a condition

to proceeding against Sublandlord or prosecuting such rights and remedies. In the latter case, Overlandlord may join Subtenant only for such purpose and not to terminate the Sublease or otherwise adversely affect Subtenant's rights.

3.2 *Termination; New Lease*. If the Sublease has not been terminated because of Subtenant's Event of Default, then, effective upon and from and after any Overlease Termination, Overlandlord shall not terminate or disturb Subtenant's possession of Subtenant's Premises. Instead, as of the Overlease Termination Overlandlord and Sublandlord shall take the following actions (and shall automatically be deemed to have taken such actions, which they shall promptly confirm in writing). As of Overlease Termination, the Sublease shall automatically terminate, and Subtenant hereby surrenders and releases any rights to occupy Subtenant's Premises under the Sublease after Overlease Termination. The Overlease shall simultaneously be replaced with a new lease directly between Overlandlord and Subtenant (a "New Lease"), on these terms:

(a) The demised premises shall consist of Subtenant's Premises;

(b) The terms and conditions shall be identical to those of the Overlease, to the extent applicable (and as allocated in Overlandlord's reasonable judgment taking into account the terms of the Overlease) to Subtenant's Premises (including any extension or renewal rights), except that Subtenant shall have none of the following rights: (a) options relating to expansion, first refusal, or first offer; (b) any rights relating to real property outside Subtenant's Premises in excess of such rights as Overlandlord is then granting to other full-floor tenants within the Project (for example, reserved parking rights if new full-floor tenants are not receiving reserved parking rights at such time); and (c) any rights of offset or self-help;

(c) Subtenant shall have no rights or interests in the Security Deposit under the Overlease (if any) and instead shall provide Overlandlord with a new security deposit in accordance with the formula under the New Lease (any security actually received by Overlandlord from Sublandlord with respect to the Sublease will be credited towards the security deposit under the New Lease);

(d) Subtenant's existing occupancy of Subtenant's Premises shall be deemed to constitute delivery of possession under the New Lease (subject to any other occupancies or rights of possession created directly or indirectly by or through Sublandlord or Subtenant);

(e) Overlandlord shall have no obligation to perform any Construction-Related Obligations under the New Lease;

(f) Subtenant and Overlandlord shall have no obligations or liability under the New Lease for any period(s) before Overlease Termination; and

(g) Subtenant shall pay as Basic Annual Rent under the New Lease an amount (to be calculated once for the term of the New Lease, taking into account market conditions as of the date of the Overlease Termination) equal to the higher of: (i) Basic Annual Rent under the Overlease, as Overlandlord reasonably allocates such rent to Subtenant's Premises; or (ii) fair market rental value of Subtenant's Premises (taking into account all terms of the New Lease except Basic Annual Rent) as determined by agreement of Overlandlord and Subtenant or, failing such agreement, under Section 41.1 of the Overlease.

3.3 *Further Documentation*. This Article shall be effective and self-operative without any need for Overlandlord or Subtenant to execute any further documents. Each shall, however, confirm the provisions of this Article in writing upon request by either of them, including execution and delivery of a New Lease in the form this Article requires.

4. Protection of Overlandlord.

Notwithstanding anything to the contrary in the Sublease or the Overlease, Overlandlord shall have no liability under the Sublease, including any liability for any acts or omissions of Sublandlord, any payments Subtenant makes to Sublandlord, or any security deposit.

5. Miscellaneous.

5.1 *Notices*. All notices or other communications required or permitted under this Agreement shall be in writing and given by nationally recognized overnight courier service that regularly maintains records of items delivered. Each party's address is stated in the opening Section, subject to change by notice under this Section. Notices shall be effective the next business day after being sent by overnight courier service.

5.2 *Successors and Assigns*. This Agreement shall bind and benefit the parties and their successors and assigns. If Overlandlord conveys Overlandlord's Premises and assigns the Overlease, then upon delivery to Subtenant of written notice thereof accompanied by the assignee's written assumption of all obligations under this Agreement, the assignor's liability shall end. "Sublandlord" includes Sublandlord's successors and assigns as sublandlord under the Sublease.

5.3 *Entire Agreement*. This Agreement constitutes the entire agreement between Overlandlord and Subtenant regarding the subordination of the Sublease to the Overlease and the rights and obligations of Subtenant and Overlandlord as to the subject matter of this Agreement.

5.4 *Conflicts*. If this Agreement conflicts with the Sublease, then this Agreement shall govern as between the parties, including upon any Overlease Termination. This Agreement supersedes, and constitutes full compliance with, any provisions in the Sublease that provide for delivery of a recognition or attornment agreement by, Overlandlord. Overlandlord confirms that Overlandlord has consented to Sublandlord's entering into the Sublease.

5.5 *Overlandlord's Rights and Obligations*. Overlandlord shall have no obligations to Subtenant with respect to the Sublease.

5.6 *Miscellaneous*. The interpretation, validity and enforcement of this Agreement shall be governed by and construed under the internal laws of the State of New York, excluding its principles of conflict of laws. This Agreement may be amended, discharged or terminated, or any of its provisions waived, only by a written instrument executed by the party to be charged. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. Overlandlord represents that Overlandlord has full authority to enter into this Agreement, and Overlandlord's entry into this Agreement has been duly authorized by all necessary actions.

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IN WITNESS WHEREOF, Overlandlord and Subtenant have duly executed this Agreement as of the Effective Date.

OVERLANDLORD:

BMR-LANDMARK AT EASTVIEW LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

SUBTENANT:

[_____],
a [_____]

By: _____
Name: _____
Title: _____

Sublandlord consents and agrees to the foregoing Agreement, which was entered into at Sublandlord's request. The foregoing Agreement shall not alter, waive or diminish any of Sublandlord's obligations under the Overlease or the Sublease. The above Agreement discharges any obligations of Overlandlord under the Overlease to enter into a recognition and attornment agreement with Subtenant. Sublandlord is not a party to the above Agreement.

SUBLANDLORD

REGENERON PHARMACEUTICALS, INC.,
a New York corporation

By: __
Name: __
Title: __

Attachment:

Schedule A - Description of Sublandlord's Premises

SCHEDULE A

DESCRIPTION OF SUBLANDLORD'S PREMISES

[TO BE ATTACHED]

EXHIBIT N

777 NORTH SPINE PREMISES

[IMAGE]

EXHIBIT O

CAM POOLS

[IMAGE]

EXHIBIT P

EXCLUDED SERVICES

Tenant shall with respect to any full calendar year(s) have the right to elect to arrange or provide Tenant's own internal security services, internal janitorial services, and/or internal maintenance and repair services, as Tenant elects (the "Excluded Services") at Tenant's option for Building 8 and Building 9 (but only to the extent Tenant leases such Buildings in their entirety) (the "Excluded Services Premises") provided that Tenant gives Landlord notice by November 1 of any calendar year, effective as of January 1 of the next calendar year, of such election (an "Excluded Services Notice").

Tenant may not give an Excluded Services Notice for internal maintenance and repair services, except to the extent that such internal maintenance and repair services only affect areas within Building 8 and Building 9 and do not affect (a) any structural portions of the Buildings, including the exterior walls, roof, foundation or core of the Buildings or (b) the exterior of the Buildings.

Starting on the first January 1 that occurs at least two months after Landlord receives any Excluded Services Notice (an "Excluded Services Date"), Landlord shall: (e) have no obligation to provide any Excluded Services in the Excluded Services Premises; and (f) for purposes of this Lease, exclude the cost of such Excluded Services from the corresponding CAM Pools for the Excluded Services Premises.

In the event Tenant elects to assume any Excluded Services, Tenant shall (m) at Tenant's sole cost and expense, procure and maintain contracts, with copies of the same and of any related records furnished promptly to Landlord after execution thereof, in customary form and substance for, and with contractors specializing and experienced in, the repair and maintenance of the equipment and improvements related to such Excluded Services and (n) be responsible for any and all termination and/or severance costs incurred by Landlord under its then-existing service contracts for the Excluded Services in order to transfer such repair and maintenance obligations to Tenant; provided, however, that if such contracts are assignable with respect to services relating only to Building 8 or Building 9, as the case may be, then Landlord will reasonably cooperate (at Tenant's sole cost and expense) to assign such contracts from Landlord to Tenant, if Tenant so elects. Notwithstanding the foregoing, in the event Landlord determines (in its reasonable discretion) that Tenant is not repairing and maintaining the improvements or equipment in accordance with Tenant's obligations under this Exhibit and Section 18.2 of the Lease, Landlord may provide Tenant with a written notice specifying which equipment or improvements Tenant is not maintaining and repairing pursuant to this Exhibit and Section 18.2 of the Lease. Tenant shall have thirty (30) days upon receipt of such notice to cure all failures set forth in such notice. In the event Tenant does not cure such failures within such thirty (30) day period, Landlord may (but shall not be obligated to), upon written notice to Tenant, revoke Tenant's right to repair and maintain the equipment or improvements listed in such notice and take on such repair and maintenance obligations (including procurement of any such service contracts) in the manner set forth in Section 18.1 of the Lease and, in such event, all costs associated with such repair and maintenance (including procurement of any such service contracts) shall constitute Operating Expenses and shall be included in the appropriate CAM Pool. Notwithstanding anything to the contrary in the Lease, Landlord shall have no liability, and Tenant shall have no right or remedy, on account of any interruption or impairment in HVAC services or any other services provided by the equipment in which Tenant elects (and therefore is responsible) to maintain and repair pursuant to an Excluded Services Notice.

Tenant may at any time (by giving at least two (2) months' prior written notice, effective on the next January 1 after the date of such notice) revoke any Excluded Services Notice. After any such revocation, Tenant may not give another Excluded Services Notice for a year. Any Excluded Services Notice (or its revocation) may relate to any one or a combination of the following: (w) all internal security; (x) all janitorial; (y) all internal maintenance and repair services; or (z) all of items (w), (x) and (y).

EXHIBIT Q

FORM OF MORTGAGE SNDA

SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT

This SUBORDINATION, NONDISTURBANCE, AND ATTORNMENT AGREEMENT (this "Agreement") is entered into as of _____, 20___ (the "Effective Date"), between _____, a _____, whose address is _____ ("Mortgagee"), and Regeneron Pharmaceuticals, Inc., a New York corporation, whose address is 777 Old Saw Mill River Road, Tarrytown, New York 10591 ("Tenant"), with reference to the following facts:

A. BMR-Landmark at Eastview LLC, a Delaware limited liability company, whose address is 17190 Bernardo Center Drive, San Diego, California 92128 (Attn: Vice President, Real Estate Legal) ("Landlord"), owns the real property known as The Landmark at Eastview located at [_____] (such real property, including all buildings, improvements, structures and fixtures located thereon, "Landlord's Premises"), as more particularly described in **Schedule A**.

B. Mortgagee has made a loan to Landlord in the original principal amount of $_____ (the "Loan").

C. To secure the Loan, Landlord has encumbered Landlord's Premises by entering into that certain _____ dated _____, 20___, in favor of Mortgagee (as amended, increased, renewed, extended, spread, consolidated, severed, restated, or otherwise changed from time to time, the "Mortgage") to be recorded in the Official Records of the County of Westchester, State of New York (the "Land Records").

D. Pursuant to that certain Mt. Pleasant Lease dated as of _____, _____, as amended on _____, ____, and _____, ____ (the "Lease"), Landlord demised to Tenant [part of] Landlord's Premises ("Tenant's Premises").

E. Tenant and Mortgagee desire to agree upon the relative priorities of their interests in Landlord's Premises and their rights and obligations if certain events occur.

NOW, THEREFORE, for good and sufficient consideration, Tenant and Mortgagee agree:

1. Definitions.

The following terms shall have the following meanings for purposes of this Agreement.

1.1 *Construction-Related Obligation*. "Construction-Related Obligation" means any obligation of Landlord under the Lease to make, pay for, or reimburse Tenant for any alterations, demolition, or other improvements or work at Landlord's Premises, including Tenant's Premises. "Construction-Related Obligations" shall not include: (a) reconstruction or repair following fire, casualty or condemnation; or (b) day-to-day maintenance and repairs.

1.2 *Foreclosure Event*. "Foreclosure Event" means (a) foreclosure under the Mortgage; (b) any other exercise by Mortgagee of rights and remedies (whether under the Mortgage or under applicable law, including bankruptcy law) as holder of the Loan and/or the Mortgage, as a result of which Successor Landlord becomes owner of Landlord's Premises; or (c) delivery by Landlord to Mortgagee (or its designee or nominee) of a deed or other conveyance of Landlord's interest in Landlord's Premises in lieu of any of the foregoing.

1.3 *Former Landlord*. "Former Landlord" means Landlord and any other party that was landlord under the Lease at any time before the occurrence of any attornment under this Agreement.

1.4 *Offset Right*. "Offset Right" means any right or alleged right of Tenant to any offset, defense (other than one arising from actual payment and performance, which payment and performance would bind a Successor

Landlord pursuant to this Agreement), claim, counterclaim, reduction, deduction, or abatement against Tenant's payment of Rent or performance of Tenant's other obligations under the Lease, arising (whether under the Lease or under applicable law) from Landlord's breach or default under the Lease.

1.5 *Rent*. "Rent" means any fixed rent, base rent or additional rent under the Lease.

1.6 *Successor Landlord*. "Successor Landlord" means any party that becomes owner of Landlord's Premises as the result of a Foreclosure Event.

1.7 *Termination Right*. "Termination Right" means any right of Tenant to cancel or terminate the Lease or to claim a partial or total eviction arising (whether under the Lease or under applicable law) from Landlord's breach or default under the Lease.

2. Subordination.

The Lease shall be, and shall at all times remain, subject and subordinate to the lien imposed by the Mortgage, and all advances made under the Mortgage.

3. Nondisturbance, Recognition and Attornment.

3.1 *No Exercise of Mortgage Remedies Against Tenant*. So long as the Lease has not been terminated on account of Tenant's default that has continued beyond applicable cure periods (an "Event of Default"), Mortgagee shall not name or join Tenant as a defendant in any exercise of Mortgagee's rights and remedies arising upon a default under the Mortgage unless applicable law requires Tenant to be made a party thereto as a condition to proceeding against Landlord or prosecuting such rights and remedies. In the latter case, Mortgagee may join Tenant as a defendant in such action only for such purpose and not to terminate the Lease or otherwise adversely affect Tenant's rights under the Lease or this Agreement in such action.

3.2 *Nondisturbance and Attornment*. If the Lease has not been terminated on account of an Event of Default by Tenant, then, when Successor Landlord takes title to Landlord's Premises (a) Successor Landlord shall not terminate or disturb Tenant's possession of Tenant's Premises under the Lease, except in accordance with the terms of the Lease; (b) Successor Landlord shall be bound to Tenant under all the terms and conditions of the Lease (except as provided in Section 4 of this Agreement); (c) Tenant shall recognize and attorn to Successor Landlord as Tenant's direct landlord under the Lease, subject to Section 4 of this Agreement; and (d) the Lease shall continue in full force and effect as a direct lease, in accordance with its terms (except as provided in Section 4 of this Agreement), between Successor Landlord and Tenant.

3.3 *Further Documentation*. The provisions of this Article shall be effective and self-operative without any need for Successor Landlord or Tenant to execute any further documents. Tenant and Successor Landlord shall, however, confirm the provisions of this Article in writing upon request by either of them.

4. Protection of Successor Landlord.

Notwithstanding anything to the contrary in the Lease or the Mortgage, Successor Landlord shall not be liable for or bound by any of the following matters:

4.1 *Claims Against Former Landlord*. Any Offset Right that Tenant may have against any Former Landlord relating to any event or occurrence before the date of attornment, including any claim for damages of any kind whatsoever as the result of any breach by Former Landlord that occurred before the date of attornment. (The foregoing shall not limit either (a) Tenant's right to exercise against Successor Landlord any Offset Right otherwise available to Tenant because of events occurring after the date of attornment or (b) Successor Landlord's obligation to correct any non-monetary conditions that existed as of the date of attornment and violate Successor Landlord's obligations as landlord under the Lease.)

4.2 *Prepayments*. Any payment of Rent that Tenant may have made to Former Landlord more than thirty days before the date such Rent was first due and payable under the Lease with respect to any period after the date of attornment other than, and only to the extent that, the Lease expressly required such a prepayment.

4.3 *Payment; Security Deposit*. Any obligation (a) to pay Tenant any sum(s) that any Former Landlord owed to Tenant or (b) with respect to any security deposited with Former Landlord, unless such security was actually delivered to Mortgagee.

4.4 *Modification, Amendment, or Waiver*. Any modification or amendment of the Lease, or any waiver of any terms of the Lease, made without Mortgagee's written consent, which consent will not be unreasonably withheld or delayed, provided, however, the consent of Mortgagee will not be required for any modification or amendment of a ministerial nature or any modification or amendment executed and delivered by Landlord and Tenant to reflect the valid and timely exercise of a right or option contained in the Lease.

4.5 *Surrender, Etc*. Any consensual or negotiated surrender, cancellation, or termination of the Lease, in whole or in part, agreed upon between Landlord and Tenant, unless effected unilaterally by Tenant pursuant to the express terms of the Lease.

4.6 *Construction-Related Obligations*. Any Construction-Related Obligation of Former Landlord.

5. Exculpation of Successor Landlord.

Notwithstanding anything to the contrary in this Agreement or the Lease, upon any attornment pursuant to this Agreement, the Lease shall be deemed to have been automatically amended to provide that Successor Landlord's obligations and liability under the Lease shall never extend beyond Successor Landlord's (or its successors' or assigns') interest, if any, in Landlord's Premises from time to time, including insurance and condemnation proceeds; Successor Landlord's interest in the Lease; and the proceeds from the operation, financing and any sale or other disposition of Landlord's Premises by Successor Landlord (collectively, "Successor Landlord's Interest"). Tenant shall look exclusively to Successor Landlord's Interest (or that of its successors and assigns) for payment or discharge of any obligations of Successor Landlord under the Lease, as affected by this Agreement. If Tenant obtains any money judgment against Successor Landlord with respect to the Lease or the relationship between Successor Landlord and Tenant, then Tenant shall look solely to Successor Landlord's Interest (or that of its successors and assigns) to collect such judgment. Tenant shall not collect or attempt to collect any such judgment out of any other assets of Successor Landlord.

6. Mortgagee's Right to Cure.

6.1 *Notice to Mortgagee*. Notwithstanding anything to the contrary in the Lease or this Agreement, before exercising any Termination Right or Offset Right, Tenant shall provide Mortgagee with notice of the breach or default by Landlord giving rise to same (the "Default Notice") and, thereafter, the opportunity to cure such breach or default as provided for below.

6.2 *Mortgagee's Cure Period*. After Mortgagee receives a Default Notice, Mortgagee shall have a period of thirty (30) days beyond the time available to Landlord under the Lease in which to cure the breach or default by Landlord. Mortgagee shall have no obligation to cure (and shall have no liability or obligation for not curing) any breach or default by Landlord, except to the extent that Mortgagee agrees or undertakes otherwise in writing.

6.3 *Extended Cure Period*. In addition, as to any breach or default by Landlord, the cure of which requires possession and control of Landlord's Premises, provided that (a) Mortgagee undertakes to Tenant by written notice to Tenant within thirty (30) days after receipt of the Default Notice to exercise reasonable efforts to cure or cause to be cured by a receiver such breach or default within the period permitted by this Section and (b) Tenant shall be able to conduct its business at the Tenant's Premises despite such default by Landlord, Mortgagee's cure period shall continue for such additional time (the "Extended Cure Period") as Mortgagee may reasonably require to either (y) obtain possession and control of Landlord's Premises and thereafter cure the breach or default with reasonable diligence and

continuity or (z) obtain the appointment of a receiver and give such receiver a reasonable period of time in which to cure the default.

7. Miscellaneous.

7.1 *Rent Payment Notices*. From and after Tenant's receipt of written notice from Mortgagee (a "Rent Payment Notice"), Tenant shall pay all Rent to Mortgagee or as Mortgagee shall direct in writing, until such time as Mortgagee directs otherwise in writing. Tenant shall comply with any Rent Payment Notice, notwithstanding any contrary instruction, direction or assertion from Landlord. Mortgagee's delivery to Tenant of a Rent Payment Notice, or Tenant's compliance therewith, shall not be deemed to (a) cause Mortgagee to succeed to or to assume any obligations or responsibilities as Landlord under the Lease, all of which shall continue to be performed and discharged solely by Landlord unless and until any attornment has occurred pursuant to this Agreement; or (b) relieve Landlord of any obligations under the Lease.

7.2 *Notices*. All notices or other communications required or permitted under this Agreement shall be in writing and given by nationally recognized overnight courier service that regularly maintains records of items delivered. Each party's address is as set forth in the opening paragraph of this Agreement, subject to change by notice under this Section. Notices shall be effective the next business day after being sent by overnight courier service. Notwithstanding the foregoing, any notice to Tenant shall be sent to the addresses specified in the Lease.

7.3 *Successors and Assigns*. This Agreement shall bind and benefit the parties, their successors and assigns, any Successor Landlord, and its successors and assigns. If Mortgagee assigns the Mortgage, then upon delivery to Tenant of written notice thereof accompanied by the assignee's written assumption of all obligations under this Agreement, all liability of the assignor shall terminate.

7.4 *Entire Agreement*. This Agreement constitutes the entire agreement between Mortgagee and Tenant regarding the subordination of the Lease to the lien of the Mortgage and the rights and obligations of Tenant and Mortgagee as to the subject matter of this Agreement.

7.5 *Interaction with Lease and with Mortgage*. This Agreement supersedes and constitutes full compliance with any provisions in the Lease that provide for subordination of the Lease to, or for delivery of nondisturbance agreements by the holder of, the lien of the Mortgage. Mortgagee confirms that Mortgagee has consented to Landlord's entering into the Lease.

7.6 *Mortgagee's Rights and Obligations*. Except as expressly provided for in this Agreement, Mortgagee shall have no obligations to Tenant with respect to the Lease. If an attornment occurs pursuant to this Agreement, then all rights and obligations of Mortgagee under this Agreement shall terminate, without thereby affecting in any way the rights and obligations of Successor Landlord provided for in this Agreement.

7.7 *Interpretation; Governing Law*. The interpretation, validity and enforcement of this Agreement shall be governed by and construed under the internal laws of the State where Landlord's Premises are located, excluding its principles of conflict of laws.

7.8 *Amendments*. This Agreement may be amended, discharged or terminated, or any of its provisions waived, only by a written instrument executed by the party to be charged.

7.9 *Execution*. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

7.10 *Mortgagee's Representation*. Mortgagee represents that Mortgagee has full authority to enter into this Agreement, and Mortgagee's entry into this Agreement has been duly authorized by all necessary actions.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this Agreement has been duly executed by Mortgagee and Tenant as of the Effective Date.

MORTGAGEE:

[_____],
a [_____]

By: _____
Name: _____
Title: _____

TENANT:

REGENERON PHARMACEUTICALS, INC.,
a New York corporation

By: _____
Name: _____
Title: _____

Landlord consents and agrees to the foregoing Agreement. The Agreement shall not alter, waive or diminish any of Landlord's obligations under the Mortgage or the Lease. The Agreement discharges any obligations of Mortgagee under the Mortgage and related loan documents to enter into a nondisturbance agreement with Tenant. Landlord is not a party to the Agreement. Landlord irrevocably directs Tenant to comply with any Rent Payment Notice, notwithstanding any contrary direction, instruction or assertion by Landlord. Tenant shall be entitled to rely on any Rent Payment Notice, and shall be under no duty to controvert or challenge any Rent Payment Notice. Tenant's compliance with a Rent Payment Notice shall not be deemed to violate the Lease. Landlord hereby releases Tenant from, and shall indemnify and hold Tenant harmless from and against, any and all loss, claim, damage, liability, cost or expense (including payment of reasonable attorneys' fees and disbursements) arising from any claim based upon Tenant's compliance with a Rent Payment Notice. Landlord shall look solely to Mortgagee with respect to any claims Landlord may have on account of an incorrect or wrongful Rent Payment Notice. Tenant shall be entitled to full credit under the Lease for any Rent paid to Mortgagee pursuant to a Rent Payment Notice to the same extent as if such Rent were paid directly to Landlord.

LANDLORD:

BMR-LANDMARK AT EASTVIEW LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

Attachment:
Schedule A - Description of Landlord's Premises

SCHEDULE A

DESCRIPTION OF LANDLORD'S PREMISES

Exhibit 10.2

ELEVENTH AMENDMENT TO LEASE

THIS ELEVENTH AMENDMENT TO LEASE (this "Eleventh Amendment") is entered into as of this 3rd day of April, 2013 (the "Execution Date"), by and between BMR-LANDMARK AT EASTVIEW LLC, a Delaware limited liability company ("Landlord"), and REGENERON PHARMACEUTICALS, INC., a New York corporation ("Tenant").

RECITALS

A. WHEREAS, Landlord and Tenant entered into that certain Lease dated as of December 21, 2006, as amended by that certain First Amendment to Lease dated as of October 24, 2007, that certain Second Amendment to Lease dated as of September 30, 2008, that certain Third Amendment to Lease dated as of April 29, 2009, that certain Fourth Amendment to Lease dated as of December 3, 2009 (the "Fourth Amendment"), that certain Fifth Amendment to Lease dated as of February 11, 2010, that certain Sixth Amendment to Lease dated as of June 4, 2010, that certain Seventh Amendment to Lease dated as of December 22, 2010, that certain Eighth Amendment to Lease dated as of August 1, 2011, that certain Ninth Amendment to Lease dated as of September 30, 2011 and that certain Tenth Amendment to Lease dated as of October 25, 2012 (collectively, and as the same may have been further amended, amended and restated, supplemented or modified from time to time, the "Lease"), whereby Tenant leases certain premises (the "Premises") from Landlord at 735, 745, 755, 765 and 777 Old Saw Mill River Road in Tarrytown, New York (collectively, the "Buildings" and each, a "Building");

B. WHEREAS, Landlord and Tenant desire to extend the Term for a portion of the Premises; and

C. WHEREAS, Landlord and Tenant desire to modify and amend the Lease only in the respects and on the conditions hereinafter stated.

AGREEMENT

NOW, THEREFORE, Landlord and Tenant, in consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, agree as follows:

1. Definitions. For purposes of this Eleventh Amendment, capitalized terms shall have the meanings ascribed to them in the Lease unless otherwise defined herein. The Lease, as amended by this Eleventh Amendment, is referred to herein as the "Amended Lease."

2. Current Premises. Landlord and Tenant conclusively agree that as of the Execution Date, (a) the Premises is comprised of the spaces set forth in Exhibit A attached hereto and (b) the Rentable Area for each portion of the Premises, the Existing Project, the New Greenburgh Project (as defined below) and the Entire Project is as set forth in Exhibit A attached hereto, subject to adjustment as set forth in the Amended Lease.

3. Project Definitions.

3.1. Notwithstanding anything to the contrary, the term "Existing Project" as used in the Amended Lease is hereby amended to mean, collectively, that certain portion of the Property and all landscaping, parking facilities and other improvements and appurtenances related thereto, under, around and together with the 765 Building, the 767 Building, the 769 Building, the 771 Building and the 777 Building.

3.2. From and after the Execution Date, the term "New Project" as used in the Lease shall mean the "New Greenburgh Project". "New Greenburgh Project" means, collectively, that certain portion of the Property and all landscaping, parking facilities and other improvements and appurtenances related thereto, under, around and together with the 735 Building, the 745 Building and the 755 Building.

3.3. Notwithstanding anything to the contrary, the term "Entire Project" as used in the Amended Lease is hereby amended to mean, collectively, the Existing Project, the New Greenburgh Project and any other portion of the Property not included in the Existing Project or the New Greenburgh Project and all landscaping, parking facilities, buildings and other improvements and appurtenances related to such portion of the Property.

4. Extension Term.

4.1. The Term with respect to the New Premises (i.e., the 735 Building and the 745 Building) and the 755 Premises (collectively, the "Extension Premises") is hereby extended for five (5) years and the Term Expiration Date with respect to the Extension Premises is hereby amended to be June 30, 2029, as may be extended pursuant to Section 4.2 or as otherwise set forth in the Lease (the "Extension Premises Term Expiration Date"). The period of time from July 1, 2024 through June 30, 2029 is referred to herein as the "Extension Term." For purposes of clarity, the Term Expiration Date for all portions of the Premises other than the Extension Premises (such portions, the "Expiration Premises") shall continue to be June 30, 2024 (the "Expiration Premises Term Expiration Date"), subject to certain early termination rights and extension rights as set forth in the Amended Lease. Any surrender of the Expiration Premises (or then-applicable portion thereof) shall be in accordance with the terms of the Amended Lease with respect to surrendering Premises. From and after the date that Tenant actually surrenders any portion of the Expiration Premises to Landlord in accordance with the terms of the Lease, the "Premises," as defined in the Lease, shall no longer include such surrendered portion of the Expiration Premises.

4.2. Only to the extent that the Term Expiration Date of the Mt. Pleasant Lease (as defined below) is extended pursuant to Sections 4.1(d) or 5.1(d) thereof, the Extension Premises Term Expiration Date shall be automatically extended for an equal number of days.

5. Extension Premises Basic Annual Rent. Notwithstanding anything to the contrary in the Amended Lease, commencing on the first day of the Extension Term and continuing through the Extension Premises Term Expiration Date, Basic Annual Rent for the Extension Premises shall be at an initial rate equal to Fifty-Five and 00/100 Dollars ($55.00) per square foot of Rentable Area of the Extension Premises per year, and shall be payable in accordance with the terms for payment of Basic Annual Rent set forth in the Amended Lease. The parties agree that the Rentable Area of the Extension Premises is three hundred sixty thousand five hundred twenty (360,520) square feet, as set forth on Exhibit A. Basic Annual Rent for the Extension Premises shall increase annually every July 1st by two and one-half percent (2.5%) of the then-current applicable Basic Annual Rent for the Extension Premises, with the first such increase occurring as of July 1, 2025; provided, however, that if the Extension Premises Term Expiration Date is extended pursuant to Section 4.2, then the Basic Annual Rent annual escalation provided for in this Section that would otherwise be scheduled for July 1, 2029 (and each July 1 thereafter) shall not occur. For the sake of clarity, nothing in the immediately preceding sentence shall affect any Basic Annual Rent escalations provided for as a result of Tenant's exercise of any Option to extend the Term.

6. Condition of Extension Premises. Tenant acknowledges that (a) it is in possession of and is fully familiar with the condition of the Extension Premises and, notwithstanding anything contained in the Lease to the contrary, agrees to take the same in its condition "as is" as of the first day of the Extension Term, and (b) Landlord shall have no obligation to alter, repair or otherwise prepare the Extension Premises for Tenant's continued occupancy for the Extension Term or to pay for any improvements to the Extension Premises, except as may be expressly provided in the Lease; provided, however, that nothing in this Section shall limit Landlord's repair and maintenance obligations set forth under the Amended Lease.

7. Expansion of Core Campus. Notwithstanding anything to the contrary in the Lease (including Section 8.8 thereof), the definition of "Core Campus" and the Rentable Area of the Entire Project shall not be expanded to include (a) Building 8 until the Building 8 Operating Expense Commencement Date and (b) Building 9 until the Building 9 Operating Expense Commencement Date. "Building 8," "Building 9," the "Building 8 Operating Expense Commencement Date" and the "Building 9 Operating Expense Commencement Date" shall have the meanings given to them in that certain Mt. Pleasant Lease (the "Mt. Pleasant Lease") dated as of even date herewith, by and between Landlord and Tenant.

8. CAM Pools.

8.1. Notwithstanding anything to the contrary contained in the Lease, if the Exclusive Parking Garage (as defined in the Mt. Pleasant Lease) is constructed, then for purposes of calculating the CAM Pool Charges relating to surface parking maintenance only, the Rentable Area for the Entire Project shall be deemed not to include the Rentable Area of Building 8 and Building 9.

8.2. The term "CAM Pool," as used in the Amended Lease, means each pool of CAM Pool Charges.

9. Repairs and Maintenance.

9.1. Section 19.1 of the Lease is hereby deleted in its entirety and replaced with the following:

> "Landlord shall repair and maintain in good condition the Common Areas and the structural, exterior and base building portions (interior and exterior) of the Buildings, including grounds, roofing and covering materials, foundations, exterior walls, plumbing (excluding eye wash, safety showers, specialty gas, and laboratory services, including RODI), fire sprinkler systems (if any), heating, ventilating, air conditioning, base building management systems, elevators, and electrical systems. Provided (a) Tenant then leases and occupies all of the 735 Building, the 745 Building and the 755 Building, (b) the applicable recurring maintenance work is completely within the 735 Building, the 745 Building and/or the 755 Building and (c) the applicable recurring maintenance work does not affect any other tenant of the Entire Project (even in a de minimis amount), then Tenant shall have the right to review and modify the scope of such contracted recurring maintenance work (whether such contract was entered into prior to, on or after the Execution Date of the Eleventh Amendment), including to add additional scope (the "Tenant Reviewed Recurring Maintenance"). The review right (but not the modification right) in the immediately preceding sentence includes the right to review provisions of the applicable contract that are reasonably necessary to analyze the applicable scope of work set forth therein. If Tenant requests any modifications to the scope of the Tenant Reviewed Recurring Maintenance, Landlord shall use reasonable efforts to accommodate the same; provided, however, that any and all additional costs incurred by Landlord as a result of such modifications shall be included as part of Operating Expenses, subject to the CAM Pools. Notwithstanding anything to the contrary in this Lease, Landlord shall have no responsibility to maintain or repair any vivarium(s) or data center(s) (or any equipment or systems that solely service such areas). Tenant shall have sole responsibility to maintain and repair the vivarium(s) and data center(s) (and any equipment and systems that solely service such areas). Landlord shall maintain the Common Areas in accordance with its property maintenance protocols as established from time to time in accordance with Landlord's reasonable determinations of appropriate property maintenance protocols. Upon Tenant's request, Landlord shall explain such protocols and consider Tenant's comments. Any actual out-of-pocket costs related to the repair or maintenance activities specified in this Section 19.1 shall be included as a part of Operating Expenses subject to the CAM Pools, except Tenant shall pay for such repairs and maintenance to the extent that such repairs and maintenance are: (i) required in whole or in part because of any act, neglect, fault or omissions of Tenant (where there is a duty to act), its agents, servants, employees or invitees, in which case Tenant shall pay to Landlord the cost of such repairs and maintenance; and (ii) not paid out of insurance proceeds. Landlord shall perform all work and have its contractors perform all work in accordance with Applicable Laws."

9.2. Exhibit T to the Lease is hereby deleted in its entirety.

10. HVAC. Article 49 of the Lease is hereby deleted in its entirety and replaced with the following:

"HVAC. For the entire Premises (subject to the last sentence of Section 8.1), excluding any vivarium or data centers (the "Landlord's HVAC Premises"), Landlord shall: (a) maintain and operate (except that, to the extent Tenant leases the entirety of the 735 Building, the 745 Building and/or the 755 Building, Tenant shall operate and control (with respect to such Building(s)), including managing set points and sequence of operations) the heating, ventilating and air conditioning systems ("HVAC") in good working order; and (b) furnish HVAC as reasonably required (except as this Lease otherwise provides or as to any special requirements that arise from Tenant's particular use of the Premises) for reasonably comfortable occupancy of the Premises twenty-four (24) hours a day, 365 or 366 days a year, provided Tenant complies with the next sentence, if applicable. To the extent Landlord operates and controls any HVAC systems serving the Premises, and if Tenant will require HVAC outside normal business hours of business days (as reasonably designated by Landlord) in Landlord's HVAC Premises ("Overtime HVAC"), Landlord shall be obligated to provide Overtime HVAC only if Tenant requests it by 4 p.m. on the immediately preceding business day. To the extent that Tenant occupies the Premises for laboratory purposes, Tenant directs Landlord to provide Overtime HVAC at all times outside normal business hours of business days (as reasonably designated by Landlord), pending further written notice from Tenant. For the avoidance of doubt, the immediately preceding sentence does not apply to any portion of the Premises in which Tenant operates and controls the HVAC systems. Tenant shall pay, as part of Tenant's contribution to Operating Expenses in accordance with the CAM Pools, all of Landlord's actual total cost of providing HVAC and Overtime HVAC, as Landlord reasonably calculates such actual total cost. Notwithstanding anything to the contrary in this Section, Landlord shall have no liability, and Tenant shall have no right or remedy, on account of any interruption or impairment in HVAC services, provided that Landlord diligently uses commercially reasonable efforts to cure any such interruption or impairment as quickly as reasonably possible. Any right to operate and control HVAC is personal to the initial Tenant under this Lease and shall not be assigned or otherwise transferred to any other tenant, subtenant or other transferee."

11. Excluded Services. Exhibit P of the Lease is hereby deleted in its entirety and replaced with Exhibit P attached hereto as Schedule I.

12. Right of First Refusal/Right of First Offer.

12.1. The first paragraph of Article 45 of the Lease is hereby deleted in its entirety and replaced with the following:

"During the Term (through the Extension Premises Term Expiration Date), Tenant shall have a right of first refusal ("ROFR") to lease any ROFR Premises if and when Landlord determines to seek a new tenant for such ROFR Premises (the "Available Premises"). The "ROFR Premises" means only any undeveloped portion of the Property on the Greenburgh portion of the Entire Project on which Landlord intends to construct a new building (as opposed to space in an existing building and other than the Premises), excluding any such space for which Tenant has ever previously received a ROFR Notice but not exercised the ROFR. If Landlord and a potential third party tenant execute a letter of intent containing the material terms and conditions for leasing Available Premises, Landlord shall

provide notice thereof to Tenant (the "ROFR Notice"), specifying such terms and conditions of the proposed lease of the Available Premises (the "ROFR Lease")."

12.2. Section 45.2 of the Lease is hereby deleted in its entirety and replaced with the following:

"If Tenant within the ROFR Response Period notifies Landlord that Tenant elects to lease the Available Premises on the terms and conditions set forth in the ROFR Notice, then, as of the proposed commencement date of the ROFR Lease, the Available Premises shall be added to the Premises under this Lease, upon the following terms and conditions: (a) the terms and conditions set forth in the ROFR Notice and (b) except to the extent inconsistent with (a) above, the terms and conditions of this Lease. In any event, however, the termination date for the Available Premises shall be the same as the term expiration date of the ROFR Lease as set forth in the ROFR Notice. Tenant shall, upon Landlord's request, promptly enter into an amendment to this Lease to confirm the addition of the Available Premises to the Premises as provided for in this Section and, if a memorandum of lease has been recorded as provided for in Section 43.8, the parties shall enter into and record an amendment to the memorandum of lease in accordance with Section 43.8."

12.3. Section 45.6 of the Lease is hereby deleted in its entirety and replaced with the following:

"During the Term, so long as Tenant actually occupies the entire Premises, and subject to any right (as of the Execution Date of the Eleventh Amendment) of any existing tenants of the Entire Project, Tenant shall have a right of first offer ("ROFO") before Landlord actively offers the space to any other person to lease any space that becomes available after the Execution Date of the Eleventh Amendment within the 765 Building or the 777 Building (the "ROFO Space"). Landlord shall promptly notify Tenant (a "ROFO Notice") if Landlord anticipates any ROFO Space will become available or Landlord receives an offer to lease any ROFO Space. For ten (10) days after Landlord gives Tenant a ROFO Notice, Landlord shall (at Tenant's request) entertain Tenant's offer for part or all of the ROFO Space and negotiate in good faith with Tenant to seek to agree upon terms to amend this Lease to add some or all ROFO Space to the Premises. If, ten (10) days after Landlord gives Tenant a ROFO Notice, the parties have not entered into such a Lease amendment (or agreed in writing to extend such ten (10) day period), then Landlord may lease the ROFO Space to any third party(ies). If, however, Landlord later decides to lease less than ninety-five percent (95%) of the ROFO Space (previously offered to Tenant) to another tenant, Landlord shall give Tenant a ROFO Notice for such lesser amount of ROFO Space, and Tenant shall have a new ten (10)-day response period to make an offer for that lesser ROFO Space; provided, however, that if the ROFO Space previously offered to Tenant is space that is configured or marketed as generic and flexible laboratory space such that one or multiple tenants could occupy such space ("Speculative Laboratory Space"), then Landlord shall not be required to give Tenant any additional ROFO Notices for any portion of such Speculative Laboratory Space, regardless of whether Landlord decides to lease less than ninety-five percent (95%) of such Speculative Laboratory Space previously offered to Tenant."

13. Security Deposit. Effective as of the Execution Date, Tenant shall no longer be obligated to provide the Security Deposit. Within ten (10) days after the Execution Date, Landlord shall return the original of the L/C Security that is currently being held as the Security Deposit (in the amount of Three Million Four Hundred Thousand Dollars ($3,400,000)) to JP Morgan Chase Bank, N.A. in accordance with the instructions set forth in that certain letter agreement

dated as of even date herewith by and between Landlord and Tenant. From and after the Execution Date, all references in the Lease to the Security Deposit shall be null and void and of no further force or effect.

14. 755 Premises Termination Option. Section 10 of the Fourth Amendment is hereby deleted in its entirety and replaced with the following: "[Intentionally omitted]."

15. Broker. Tenant represents and warrants that it has not dealt with any broker or agent in the negotiation for or the obtaining of this Eleventh Amendment, other than Studley, Inc. ("Broker"), and agrees to indemnify, defend and hold Landlord harmless from any and all cost or liability for compensation claimed by any such broker or agent, other than Broker, employed or engaged by it or claiming to have been employed or engaged by it. Broker is entitled to a leasing commission in connection with the making of this Eleventh Amendment, and Landlord shall pay such commission to Broker pursuant to a separate agreement between Landlord and Broker.

16. No Default. Tenant represents, warrants and covenants that, to the best of Tenant's knowledge, Landlord and Tenant are not in default of any of their respective obligations under the Lease and no event has occurred that, with the passage of time or the giving of notice (or both) would constitute a default by either Landlord or Tenant thereunder.

17. Notices. Tenant confirms that, notwithstanding anything in the Lease to the contrary, notices delivered to Tenant pursuant to the Amended Lease should be sent to:

Regeneron Pharmaceuticals, Inc.
777 Old Saw Mill River Road
Tarrytown, New York 10591
Attn: General Counsel

with a copy to:

Regeneron Pharmaceuticals, Inc.
777 Old Saw Mill River Road
Tarrytown, New York 10591
Attn: Vice President of Facilities.

18. Effect of Eleventh Amendment. Except as modified by this Eleventh Amendment, the Lease and all the covenants, agreements, terms, provisions and conditions thereof shall remain in full force and effect and are hereby ratified and affirmed. The covenants, agreements, terms, provisions and conditions contained in this Eleventh Amendment shall bind and inure to the benefit of the parties hereto and their respective successors and, except as otherwise provided in the Lease, their respective assigns. In the event of any conflict between the terms contained in this Eleventh Amendment and the Lease, the terms herein contained shall supersede and control the obligations and liabilities of the parties. From and after the date hereof, the term "Lease" as used in the Lease shall mean the Lease, as modified by this Eleventh Amendment.

19. Miscellaneous. This Eleventh Amendment becomes effective only upon execution and delivery hereof by Landlord and Tenant. The captions of the paragraphs and subparagraphs in this Eleventh Amendment are inserted and included solely for convenience and shall not be considered or given any effect in construing the provisions hereof. All exhibits hereto are incorporated herein by reference. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or option for a lease, and shall not be effective as a lease, lease amendment or otherwise until execution by and delivery to both Landlord and Tenant.

20. Counterparts. This Eleventh Amendment may be executed in one or more counterparts, each of which, when taken together, shall constitute one and the same document.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Landlord and Tenant have hereunto set their hands as of the date and year first above written, and acknowledge that they possess the requisite authority to enter into this transaction and to execute this Eleventh Amendment.

LANDLORD:

BMR-LANDMARK AT EASTVIEW LLC,
a Delaware limited liability company

By:	/s/ Kevin Simonsen
Name:	Kevin M. Simonsen
Title	VP, Real Estate Legal

TENANT:

REGENERON PHARMACEUTICALS, INC.,
a New York corporation

By:	/s/ Murray Goldberg
Name:	Murray A. Goldberg
Title	Senior Vice President, Finance & Administration and Chief Financial Officer

EXHIBIT A

CURRENT PREMISES

[IMAGE]

SCHEDULE I

EXHIBIT P

Tenant shall with respect to any full calendar year(s) have the right to elect to arrange or provide Tenant's own internal security services, internal janitorial services, and/or internal maintenance and repair services, as Tenant elects (the "Excluded Services") at Tenant's option for the 735 Building, the 745 Building and the 755 Building (but only to the extent Tenant leases such Buildings in their entirety) (the "Excluded Services Premises") provided that Tenant gives Landlord notice by November 1 of any calendar year, effective as of January 1 of the next calendar year, of such election (an "Excluded Services Notice").

Tenant may not give an Excluded Services Notice for internal maintenance and repair services, except to the extent that such internal maintenance and repair services only affect areas within the 735 Building, the 745 Building and the 755 Building and do not affect (a) any structural portions of the Buildings, including the exterior walls, roof, foundation or core of the Buildings or (b) the exterior of the Buildings.

Starting on the first January 1 that occurs at least two months after Landlord receives any Excluded Services Notice (an "Excluded Services Date"), Landlord shall: (e) have no obligation to provide any Excluded Services in the Excluded Services Premises; and (f) for purposes of this Lease, exclude the cost of such Excluded Services from the corresponding CAM Pools for the Excluded Services Premises.

In the event Tenant elects to assume any Excluded Services, Tenant shall (m) at Tenant's sole cost and expense, procure and maintain contracts, with copies of the same and of any related records furnished promptly to Landlord after execution thereof, in customary form and substance for, and with contractors specializing and experienced in, the repair and maintenance of the equipment and improvements related to such Excluded Services and (n) be responsible for any and all termination and/or severance costs incurred by Landlord under its then-existing service contracts for the Excluded Services in order to transfer such repair and maintenance obligations to Tenant; provided, however, that if such contracts are assignable with respect to services relating only to the 735 Building, the 745 Building or the 755 Building, as the case may be, then Landlord will reasonably cooperate (at Tenant's sole cost and expense) to assign such contracts from Landlord to Tenant, if Tenant so elects. Notwithstanding the foregoing, in the event Landlord determines (in its reasonable discretion) that Tenant is not repairing and maintaining the improvements or equipment in accordance with Tenant's obligations under this Exhibit and Section 19.2 of the Lease, Landlord may provide Tenant with a written notice specifying which equipment or improvements Tenant is not maintaining and repairing pursuant to this Exhibit and Section 19.2 of the Lease. Tenant shall have thirty (30) days upon receipt of such notice to cure all failures set forth in such notice. In the event Tenant does not cure such failures within such thirty (30) day period, Landlord may (but shall not be obligated to), upon written notice to Tenant, revoke Tenant's right to repair and maintain the equipment or improvements listed in such notice and take on such repair and maintenance obligations (including procurement of any such service contracts) in the manner set forth in Section 19.1 of the Lease and, in such event, all costs associated with such repair and maintenance (including procurement of any such service contracts) shall constitute Operating Expenses and shall be included in the appropriate CAM Pool. Notwithstanding anything to the contrary in the Lease, Landlord shall have no liability, and Tenant shall have no right or remedy, on account of any interruption or impairment in HVAC services or any other services provided by the equipment in which Tenant elects (and therefore is responsible) to maintain and repair pursuant to an Excluded Services Notice.

Tenant may at any time (by giving at least two (2) months' prior written notice, effective on the next January 1 after the date of such notice) revoke any Excluded Services Notice. After any such revocation, Tenant may not give another Excluded Services Notice for a year. Any Excluded Services Notice (or its revocation) may relate to any one or a combination of the following: (w) all internal security; (x) all janitorial; (y) all internal maintenance and repair services; or (z) all of items (w), (x) and (y).

Exhibit 10.3

TWELFTH AMENDMENT TO LEASE

THIS TWELFTH AMENDMENT TO LEASE (this "Twelfth Amendment") is entered into as of this _31_ day of May, 2013 (the "Execution Date"), by and between BMR-LANDMARK AT EASTVIEW LLC, a Delaware limited liability company ("Landlord"), and REGENERON PHARMACEUTICALS, INC., a New York corporation ("Tenant").

RECITALS

A. WHEREAS, Landlord and Tenant entered into that certain Lease dated as of December 21, 2006, as amended by that certain First Amendment to Lease dated as of October 24, 2007, that certain Second Amendment to Lease dated as of September 30, 2008, that certain Third Amendment to Lease dated as of April 29, 2009, that certain Fourth Amendment to Lease dated as of December 3, 2009, that certain Fifth Amendment to Lease dated as of February 11, 2010, that certain Sixth Amendment to Lease dated as of June 4, 2010, that certain Seventh Amendment to Lease dated as of December 22, 2010, that certain Eighth Amendment to Lease dated as of August 1, 2011, that certain Ninth Amendment to Lease dated as of September 30, 2011, that certain Tenth Amendment to Lease dated as of October 25, 2012 and that certain Eleventh Amendment to Lease dated as of April 3, 2013 (collectively, and as the same may have been further amended, amended and restated, supplemented or modified from time to time, the "Lease"), whereby Tenant leases certain premises (the "Premises") from Landlord at 735, 745, 755, 765 and 777 Old Saw Mill River Road in Tarrytown, New York (collectively, the "Buildings" and each, a "Building");

B. WHEREAS, Tenant desires to lease approximately two thousand eight hundred thirty-three (2,833) square feet of additional Rentable Area located on the G-Level of the Building located at 765 Old Saw Mill River Road in Tarrytown, New York, as depicted on Exhibit A attached hereto (the "High Bay Premises"); and

C. WHEREAS, Landlord and Tenant desire to modify and amend the Lease only in the respects and on the conditions hereinafter stated.

AGREEMENT

NOW, THEREFORE, Landlord and Tenant, in consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, agree as follows:

1. Definitions. For purposes of this Twelfth Amendment, capitalized terms shall have the meanings ascribed to them in the Lease unless otherwise defined herein. The Lease, as amended by this Twelfth Amendment, is referred to herein as the "Amended Lease."

2. Additional Premises.

2.1. Subject to Tenant's termination option set forth in Section 3 hereof, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the High Bay Premises as of the date (the "High Bay Premises Commencement Date") that Landlord tenders possession of the High Bay Premises to Tenant in accordance with the terms of Section 5. From and after the High Bay Premises Commencement Date, the term "Premises" shall include the High Bay Premises. The Term with respect to the High Bay Premises shall expire on the Expiration Premises Term Expiration Date, subject to (a) Tenant's option to extend the Term of the Lease as provided in Article 44 of the Lease and (b) Tenant's termination option set forth in Section 3 below. Tenant shall execute and deliver to Landlord written acknowledgment of the actual High Bay Premises Commencement Date within ten (10) days after Tenant takes occupancy of the High Bay Premises, in the form attached as Exhibit C hereto. Failure to execute and deliver such acknowledgment, however, shall not affect the High Bay Premises Commencement Date or Landlord's or Tenant's liability hereunder. Failure by Tenant to obtain validation by any medical review board or other similar governmental

licensing of the High Bay Premises required for the Permitted Use by Tenant shall not serve to extend the High Bay Premises Commencement Date.

2.2. Landlord shall use commercially reasonable efforts to tender possession of the High Bay Premises to Tenant on or before September 30, 2013. Tenant agrees that in the event Landlord does not tender possession of the High Bay Premises to Tenant on or before September 30, 2013 for any reason, then this Twelfth Amendment shall not be void or voidable and Landlord shall not be liable to Tenant for any loss or damage resulting therefrom. Notwithstanding anything in the Amended Lease to the contrary, Landlord's obligation to timely tender possession of the High Bay Premises to Tenant shall be subject to extension on a day-for-day basis as a result of Force Majeure. In the event Landlord has not tendered possession of the High Bay Premises to Tenant by September 30, 2013 (subject to extension on a day-for-day basis as a result of Force Majeure, the "High Bay Outside Date"), Tenant may provide written notice to Landlord (no later than fifteen (15) days after the High Bay Outside Date) of its intent to terminate the Amended Lease with respect to the High Bay Premises only. Upon Landlord's receipt of such notice, Landlord shall have fifteen (15) days (the "High Bay Cure Period") to tender possession of the High Bay Premises to Tenant. If, prior to the expiration of the High Bay Cure Period, Landlord has tendered possession of the High Bay Premises to Tenant, then such termination notice shall be null and void and of no further force or effect and the Amended Lease with respect to the High Bay Premises shall continue in full force and effect. If, prior to the expiration of the High Bay Cure Period, Landlord has not tendered possession of the High Bay Premises to Tenant, then the Amended Lease with respect to the High Bay Premises only shall terminate upon the expiration of the High Bay Cure Period, except for those provisions that expressly survive the expiration or earlier termination thereof.

3. Termination Option. Tenant shall be entitled to terminate the Amended Lease with respect to the High Bay Premises at any time after June 30, 2015; provided that, Tenant (a) provides Landlord with no less than twelve (12) months' prior written notice and (b) pays (on or before the effective date of such termination) to Landlord a termination fee equal to the unamortized (as of the effective date of such termination) amounts (calculated by amortizing the same at zero percent (0%) per annum commencing on the High Bay Premises Commencement Date, and continuing thereafter for the period of time equal to the remainder of the Term) of any brokers' commission payable in connection with this Twelfth Amendment. If Tenant timely exercises its option to terminate the Amended Lease with respect to the High Bay Premises, then Tenant shall surrender the High Bay Premises to Landlord on the applicable surrender date in the condition required by the Amended Lease for surrendering Premises upon the expiration or earlier termination thereof and the Amended Lease (with respect to the High Bay Premises only) shall terminate and be of no further force or effect as of the termination date, except for those provisions that expressly survive the expiration or earlier termination thereof.

4. Lease Extension Options. From and after the Execution Date, the first paragraph of Article 44 of the Lease is hereby deleted and replaced with the following:

> 44. Option to Extend Term. Tenant shall have three (3) options (each, an "Option") to extend the Term of this Lease (and, in each case, the Expiration Premises Term Expiration Date and/or the Extension Premises Term Expiration Date, as applicable), with respect to the applicable portion of the Premises extended by an Option, by five (5) years, in each case on the same terms and conditions as this Lease, except as provided below. If Tenant desires to exercise any Option, Tenant must do so by giving Landlord written notice of such exercise at least one (1) year before the Term would otherwise expire. Tenant may exercise its Option to extend the Term only as to any one or more of the following: (a) the entire Retained Premises plus the Corridor Space and the 765 Expansion Premises III, (b) the entire New Whole Building Premises, (c) the entire New Multiple Tenant Building Premises, (d) the Modified Additional Premises, (e) the Swap Premises, 765 Elevator Lobby Premises, the 765 2nd Floor Elevator Lobby Premises and the 765 2nd Floor Corridor Premises, (f) each full floor of the 755 Premises, (g) the 765 Expansion Premises, (h) the 765 Expansion Premises II, (i) C-Level Storage Spaces, (j) the 777 License Area Premises and the 777 S-Level Corridor Premises, (k) the 01 Premises and the Additional 01 Premises, (l) the 777-02 Premises, (m)

the 765 Mezz Premises and (n) from and after the High Bay Premises Commencement Date, the High Bay Premises. If Tenant fails to exercise an Option with respect to less than all of the Premises and the time to do so has lapsed (or if a Retained Premises Early Termination, a termination pursuant to a Swap Premises Termination Option, or any other termination of a portion of the Premises pursuant to the Amended Lease has occurred), then Tenant shall no longer have an Option with respect to those portions of the Premises (y) for which it failed to exercise an Option, although Tenant's Options for the remaining Premises shall remain in full force and effect or (z) that have terminated.

5. Condition of High Bay Premises. Tenant acknowledges that, except as expressly set forth herein, neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the condition of the High Bay Premises with respect to the suitability of the same for the conduct of Tenant's business. Subject to the immediately following sentence, Tenant acknowledges that (a) it is generally familiar with the condition of the High Bay Premises and, notwithstanding anything contained in the Amended Lease to the contrary, agrees to take the same in its condition "as is" as of the High Bay Premises Commencement Date, and (b) Landlord shall have no obligation to alter, repair or otherwise prepare the High Bay Premises for Tenant's occupancy or to pay for any improvements to the High Bay Premises. Notwithstanding the immediately preceding sentence, Landlord shall (y) deliver the High Bay Premises to Tenant in the same or substantially similar condition as it was on the Execution Date, except that upon delivery, the High Bay Premises shall be in broom clean condition and (z) prior to delivery of the High Bay Premises, cure any breach of its representations set forth in this Section. Tenant's taking possession of the High Bay Premises, except as otherwise agreed to in writing by Landlord and Tenant, shall conclusively establish that the High Bay Premises were at such time in good, sanitary and satisfactory condition and repair. Notwithstanding the foregoing, Landlord represents and warrants to Tenant that, as of the Execution Date, to the best of Landlord's actual knowledge (without any duty of investigation), the High Bay Premises does not contain any asbestos or asbestos containing materials.

6. Rent. Commencing on the High Bay Premises Commencement Date and continuing through the Expiration Premises Term Expiration Date (as may be extended in accordance with the Amended Lease), but subject to Section 3 hereof, Tenant shall pay to Landlord Basic Annual Rent for the High Bay Premises at an initial rate equal to Five and 00/100 Dollars ($5.00) per square foot of Rentable Area of the High Bay Premises per year in accordance with the terms for payment of Basic Annual Rent set forth in the Lease. Basic Annual Rent for the High Bay Premises shall increase annually every July 1st by two and one-half percent (2.5%) of the then-current applicable Basic Annual Rent for the High Bay Premises, with the first such increase occurring as of July 1, 2014. In addition to Basic Annual Rent, commencing on the High Bay Premises Commencement Date, Tenant shall pay to Landlord as Additional Rent, at times specified in the Amended Lease, Tenant's Pro Rata Share of Operating Expenses with respect to the High Bay Premises. For the avoidance of doubt, HVAC for the High Bay Premises shall be calculated in the same manner as provided in the Amended Lease with respect to the Retained Premises, and the High Bay Premises shall be treated as Retained Premises for the purposes of allocation of the CAM Pool Charges in accordance with Exhibit O of the Amended Lease (as of the High Bay Premises Commencement Date).

7. Tenant's Pro Rata Shares. From and after the High Bay Premises Commencement Date, Tenant's Pro Rata Shares of the 765 Building, the Existing Project and the Entire Project shall be incrementally increased by the amounts set forth in Exhibit B attached hereto. As of the High Bay Premises Commencement Date, the defined terms in Section 2.2 of the Lease shall be automatically amended to reflect the adjustments set forth in this Section. Rentable Area and Tenant's Pro Rata Shares are all subject to adjustment under the Amended Lease, including pursuant to Section 9.2 of the Lease.

8. Parking. The parties acknowledge that, in accordance with the Amended Lease, Tenant shall be entitled to its pro rata share of unreserved parking spaces with respect to each portion of the Premises leased to Tenant.

9. Certificate of Occupancy. To the extent a certificate of occupancy is required by Applicable Laws, Tenant shall deliver (or cause to be delivered) to Landlord a certificate of occupancy for the High Bay Premises suitable for the Permitted Use.

10. Broker. Tenant represents and warrants that it has not dealt with any broker or agent in the negotiation for or the obtaining of this Twelfth Amendment, other than Studley, Inc. ("Broker"), and agrees to indemnify, defend and hold Landlord harmless from any and all cost or liability for compensation claimed by any such broker or agent, other than Broker, employed or engaged by it or claiming to have been employed or engaged by it. Broker is entitled to a leasing commission in connection with the making of this Twelfth Amendment, and Landlord shall pay such commission to Broker pursuant to a separate agreement between Landlord and Broker.

11. No Default. Tenant represents, warrants and covenants that, to the best of Tenant's knowledge, Landlord and Tenant are not in default of any of their respective obligations under the Lease and no event has occurred that, with the passage of time or the giving of notice (or both) would constitute a default by either Landlord or Tenant thereunder.

12. Notices. Tenant confirms that, notwithstanding anything in the Lease to the contrary, notices delivered to Tenant pursuant to the Amended Lease should be sent to:

Regeneron Pharmaceuticals, Inc.
777 Old Saw Mill River Road
Tarrytown, New York 10591
Attn: General Counsel;

with a copy to:

Regeneron Pharmaceuticals, Inc.
777 Old Saw Mill River Road
Tarrytown, New York 10591
Attn: Vice President of Facilities.

13. Effect of Twelfth Amendment. Except as modified by this Twelfth Amendment, the Lease and all the covenants, agreements, terms, provisions and conditions thereof shall remain in full force and effect and are hereby ratified and affirmed. The covenants, agreements, terms, provisions and conditions contained in this Twelfth Amendment shall bind and inure to the benefit of the parties hereto and their respective successors and, except as otherwise provided in the Lease, their respective assigns. In the event of any conflict between the terms contained in this Twelfth Amendment and the Lease, the terms herein contained shall supersede and control the obligations and liabilities of the parties. From and after the date hereof, the term "Lease" as used in the Lease shall mean the Lease, as modified by this Twelfth Amendment.

14. Miscellaneous. This Twelfth Amendment becomes effective only upon execution and delivery hereof by Landlord and Tenant. The captions of the paragraphs and subparagraphs in this Twelfth Amendment are inserted and included solely for convenience and shall not be considered or given any effect in construing the provisions hereof. All exhibits hereto are incorporated herein by reference. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or option for a lease, and shall not be effective as a lease, lease amendment or otherwise until execution by and delivery to both Landlord and Tenant.

15. Counterparts. This Twelfth Amendment may be executed in one or more counterparts, each of which, when taken together, shall constitute one and the same document.

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IN WITNESS WHEREOF, Landlord and Tenant have hereunto set their hands as of the date and year first above written, and acknowledge that they possess the requisite authority to enter into this transaction and to execute this Twelfth Amendment.

LANDLORD:

BMR-LANDMARK AT EASTVIEW LLC,
a Delaware limited liability company

By:	/s/ Kevin Simonsen
Name:	Kevin M. Simonsen
Title:	VP, Real Estate Legal

TENANT:

REGENERON PHARMACEUTICALS, INC.,
a New York corporation

By:	/s/ Murray Goldberg
Name:	Murray A. Goldberg
Title:	Senior Vice President, Finance & Administration and Chief Financial Officer

EXHIBIT A

HIGH BAY PREMISES

[IMAGE]

EXHIBIT B

TENANT'S PRO RATA SHARES

Definition or Provision	Means the Following:	Square Feet of Rentable Area	Tenant's Pro Rata Share of the 765 Building	Tenant's Pro Rata Share of Existing Project	Tenant's Pro Rata Share of the Entire Project
Portion of added "Premises" and corresponding Rentable Area	High Bay Premises	2,833	1.36%	0.34%	0.24%

EXHIBIT C

ACKNOWLEDGEMENT OF HIGH BAY PREMISES COMMENCEMENT DATE

THIS ACKNOWLEDGEMENT OF HIGH BAY PREMISES COMMENCEMENT DATE is entered into as of _____, 201__, with reference to that certain Lease dated as of December 21, 2006 (the "Original Lease"), as amended by that certain First Amendment to Lease dated as of October 24, 2007 (the "First Amendment"), that certain Second Amendment to Lease dated as of September 30, 2008 (the "Second Amendment"), that certain Third Amendment to Lease dated as of April 29, 2009 (the "Third Amendment"), that certain Fourth Amendment to Lease dated as of December 3, 2009 (the "Fourth Amendment"), that certain Fifth Amendment to Lease dated as of February 11, 2010 (the "Fifth Amendment"), that certain Sixth Amendment to Lease dated as of June 4, 2010 (the "Sixth Amendment"), that certain Seventh Amendment to Lease dated as of December 22, 2010 (the "Seventh Amendment"), that certain Eighth Amendment to Lease dated as of August 1, 2011 (the "Eighth Amendment"), that certain Ninth Amendment to Lease dated as of September 30, 2011 (the "Ninth Amendment"), that certain Tenth Amendment to Lease dated as of October 25, 2012 (the "Tenth Amendment"), that certain Eleventh Amendment to Lease dated as of April 3, 2013 (the "Eleventh Amendment") and that certain Twelfth Amendment to Lease dated as of [_____], 2013 (the "Twelfth Amendment" and, collectively with the Original Lease and the First Amendment, Second Amendment, Third Amendment, Fourth Amendment, Fifth Amendment, Sixth Amendment, Seventh Amendment, Eighth Amendment, Ninth Amendment, Tenth Amendment and Eleventh Amendment and as the same may have been further amended, amended and restated, supplemented or otherwise modified from time to time, the "Amended Lease"), by REGENERON PHARMACEUTICALS, INC., a New York corporation ("Tenant"), in favor of BMR-LANDMARK AT EASTVIEW LLC, a Delaware limited liability company ("Landlord"). All capitalized terms used herein without definition shall have the meanings ascribed to them in the Amended Lease.

Tenant hereby confirms the following:

1. Tenant accepted possession of the High Bay Premises on [_____], 20[__].

2. The High Bay Premises are in good order, condition and repair.

3. The High Bay Premises were delivered to Tenant in the same or substantially similar condition as it existed on the Execution Date of the Twelfth Amendment, subject to the terms of Section 5 of the Twelfth Amendment.

4. All conditions of the Amended Lease with respect to the High Bay Premises to be performed by Landlord as a condition to the full effectiveness of the Amended Lease have been satisfied.

5. In accordance with the provisions of Section 2 of the Twelfth Amendment, the High Bay Premises Commencement Date is [_____], 20[__].

6. Tenant commenced occupancy of the High Bay Premises for the Permitted Use on [_____], 20[__].

7. The obligation to pay Rent is presently in effect and all Rent obligations on the part of Tenant under the Amended Lease with respect to the High Bay Premises commenced to accrue on [_____], 20[__], with Basic Annual Rent for the High Bay Premises payable on the dates and in amounts set forth in the Twelfth Amendment.

8. The Amended Lease is in full force and effect, and the same represents the entire agreement between Landlord and Tenant concerning the Premises[, except [_____]].

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IN WITNESS WHEREOF, Tenant has executed this Acknowledgment of Term Commencement Date and Term Expiration Date as of the date first written above.

TENANT:

REGENERON PHARMACEUTICALS, INC.
a New York Corporation

By: _____
Name: _____
Title: _____

Exhibit 10.4

THIRTEENTH AMENDMENT TO LEASE

THIS THIRTEENTH AMENDMENT TO LEASE (this "Thirteenth Amendment") is entered into as of this _31_ day of May, 2013 (the "Execution Date"), by and between BMR-LANDMARK AT EASTVIEW LLC, a Delaware limited liability company ("Landlord"), and REGENERON PHARMACEUTICALS, INC., a New York corporation ("Tenant").

RECITALS

A. WHEREAS, Landlord and Tenant entered into that certain Lease dated as of December 21, 2006, as amended by that certain First Amendment to Lease dated as of October 24, 2007, that certain Second Amendment to Lease dated as of September 30, 2008, that certain Third Amendment to Lease dated as of April 29, 2009, that certain Fourth Amendment to Lease dated as of December 3, 2009, that certain Fifth Amendment to Lease dated as of February 11, 2010, that certain Sixth Amendment to Lease dated as of June 4, 2010, that certain Seventh Amendment to Lease dated as of December 22, 2010, that certain Eighth Amendment to Lease dated as of August 1, 2011, that certain Ninth Amendment to Lease dated as of September 30, 2011, that certain Tenth Amendment to Lease dated as of October 25, 2012, that certain Eleventh Amendment to Lease dated as of April 3, 2013 and that certain Twelfth Amendment to Lease dated as of May _31_, 2013 (collectively, and as the same may have been further amended, amended and restated, supplemented or modified from time to time, the "Lease"), whereby Tenant leases certain premises (the "Premises") from Landlord at 735, 745, 755, 765 and 777 Old Saw Mill River Road in Tarrytown, New York (collectively, the "Buildings" and each, a "Building");

B. WHEREAS, Landlord desires to lease to Tenant, and Tenant desires to lease from Landlord, approximately twenty-one thousand two hundred seventy-two (21,272) square feet of additional Rentable Area located on the S-Level of the 777 Building, as depicted on Exhibit A-1 attached hereto (the "777 North Spine Level Premises"), conditioned upon 777 Spine Vacating Tenant (as defined below) vacating and surrendering the 777 North Spine Level Premises to Landlord in accordance with 777 Spine Vacating Tenant's lease;

C. WHEREAS, Landlord desires to lease to Tenant, and Tenant desires to lease from Landlord, approximately seven thousand five hundred sixty-eight (7,568) square feet of additional Rentable Area located on the Lobby Level of the 777 Building, as depicted on Exhibit A-2 attached hereto (the "777 Northwest Lobby Level Premises" and together with the 777 North Spine Level Premises, the "13th Amendment Expansion Premises"), conditioned upon 777 Lobby Vacating Tenant (as defined below) vacating and surrendering the 777 Northwest Lobby Level Premises to Landlord in accordance with 777 Lobby Vacating Tenant's lease.

D. WHEREAS, one of Landlord's tenants currently leases and occupies the 777 North Spine Level Premises ("777 Spine Vacating Tenant") and another of Landlord's tenants currently leases and occupies the 777 Northwest Lobby Level Premises ("777 Lobby Vacating Tenant");

E. WHEREAS, on or about the Execution Date, Landlord and 777 Spine Vacating Tenant have entered into an amendment providing for 777 Spine Vacating Tenant to vacate and surrender the 777 North Spine Level Premises;

F. WHEREAS, on or about the Execution Date, Landlord and 777 Lobby Vacating Tenant have entered into an amendment providing for 777 Lobby Vacating Tenant to vacate and surrender the 777 Northwest Lobby Level Premises; and

G. WHEREAS, Landlord and Tenant desire to modify and amend the Lease only in the respects and on the conditions hereinafter stated.

AGREEMENT

NOW, THEREFORE, Landlord and Tenant, in consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, agree as follows:

1. Definitions. For purposes of this Thirteenth Amendment, capitalized terms shall have the meanings ascribed to them in the Lease unless otherwise defined herein. The Lease, as amended by this Thirteenth Amendment, is referred to herein as the "Amended Lease."

2. Additional Premises.

2.1. 777 North Spine Level Premises.

(a) Conditional upon 777 Spine Vacating Tenant surrendering the 777 North Spine Level Premises to Landlord in accordance with 777 Spine Vacating Tenant's lease, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the 777 North Spine Level Premises as of the date (the "777 North Spine Level Premises Commencement Date") that Landlord tenders possession of the 777 North Spine Level Premises to Tenant in accordance with the terms of Section 4. From and after the 777 North Spine Level Premises Commencement Date, the term "Premises," as used in the Amended Lease, shall include the 777 North Spine Level Premises. The Term with respect to the 777 North Spine Level Premises shall expire on the Extension Premises Term Expiration Date, subject to Tenant's option to extend the Term of the Lease as provided in Article 44 of the Lease. Tenant shall execute and deliver to Landlord written acknowledgment of the actual 777 North Spine Level Premises Commencement Date within ten (10) days after Tenant takes occupancy of the 777 North Spine Level Premises, in the form attached as Exhibit C hereto. Failure to execute and deliver such acknowledgment, however, shall not affect the 777 North Spine Level Premises Commencement Date or Landlord's or Tenant's liability hereunder. Failure by Tenant to obtain validation by any medical review board or other similar governmental licensing of the 777 North Spine Level Premises required for the Permitted Use by Tenant shall not serve to extend the 777 North Spine Level Premises Commencement Date.

(b) Landlord shall use commercially reasonable efforts to tender possession of the 777 North Spine Level Premises to Tenant on or before September 1, 2013. If the 777 North Spine Level Premises Commencement Date has not occurred on or before September 1, 2013 for any reason, then the Amended Lease shall not be void or voidable and Landlord shall not be liable to Tenant for any loss or damage resulting therefrom. Notwithstanding anything in the Amended Lease to the contrary, Landlord's obligation to timely tender possession of the 777 North Spine Level Premises to Tenant shall be subject to extension on a day-for-day basis as a result of Force Majeure. In the event that the 777 North Spine Level Premises Commencement Date has not occurred on or before December 31, 2013 (subject to extension on a day-for-day basis as a result of Force Majeure), then Tenant's obligation to commence paying Basic Annual Rent for the 777 North Spine Level Premises, as set forth in Section 5.1, will be postponed by two (2) days for each day after December 31, 2013 (as extended for Force Majeure) until the day immediately preceding the 777 North Spine Level Premises Commencement Date.

2.2. 777 Northwest Lobby Level Premises.

(a) Conditional upon 777 Lobby Vacating Tenant surrendering the 777 Northwest Lobby Level Premises to Landlord in accordance with 777 Lobby Vacating Tenant's lease, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the 777 Northwest Lobby Level Premises as of the date (the "777 Northwest Lobby Level Premises Commencement Date") that Landlord tenders possession of the 777 Northwest Lobby Level Premises to Tenant in accordance with the terms of Section 4. From and after the 777 Northwest Lobby Level Premises Commencement Date, the term "Premises," as used in the Amended Lease, shall include the 777 Northwest Lobby Level Premises. The Term with respect to the 777 Northwest Lobby Level Premises shall expire on the Extension Premises Term Expiration Date, subject to Tenant's option to extend the Term of the Lease as provided in Article 44 of the Lease. Tenant shall execute and deliver to Landlord written acknowledgment of the actual 777 Northwest Lobby Level Premises Commencement Date within ten (10) days after Tenant takes occupancy of the 777 Northwest Lobby Level Premises, in the form attached as Exhibit C hereto. Failure to execute and deliver such acknowledgment, however, shall not affect the 777 Northwest Lobby Level Premises Commencement Date or Landlord's or Tenant's liability hereunder. Failure by Tenant to obtain validation by any medical review board or other similar governmental licensing

of the 777 Northwest Lobby Level Premises required for the Permitted Use by Tenant shall not serve to extend the 777 Northwest Lobby Level Premises Commencement Date.

(b) Landlord shall use commercially reasonable efforts to tender possession of the 777 Northwest Lobby Level Premises to Tenant on or before September 1, 2013. If the 777 Northwest Lobby Level Premises Commencement Date has not occurred on or before September 1, 2013 for any reason, then the Amended Lease shall not be void or voidable and Landlord shall not be liable to Tenant for any loss or damage resulting therefrom. Notwithstanding anything in the Amended Lease to the contrary, Landlord's obligation to timely tender possession of the 777 Northwest Lobby Level Premises to Tenant shall be subject to extension on a day-for-day basis as a result of Force Majeure. In the event that the 777 Northwest Lobby Level Premises Commencement Date has not occurred on or before December 31, 2013 (subject to extension on a day-for-day basis as a result of Force Majeure), then Tenant's obligation to commence paying Basic Annual Rent for the 777 Northwest Lobby Level Premises, as set forth in Section 5.2, will be postponed by two (2) days for each day after December 31, 2013 (as extended for Force Majeure) until the day immediately preceding the 777 Northwest Lobby Level Premises Commencement Date.

3. Lease Extension Options. From and after the Execution Date, the first paragraph of Article 44 of the Lease is hereby deleted and replaced with the following:

> 44. Option to Extend Term. Tenant shall have three (3) options (each, an "Option") to extend the Term of this Lease (and, in each case, the Expiration Premises Term Expiration Date and/or the Extension Premises Term Expiration Date, as applicable), with respect to the applicable portion of the Premises extended by an Option, by five (5) years, in each case on the same terms and conditions as this Lease, except as provided below. If Tenant desires to exercise any Option, Tenant must do so by giving Landlord written notice of such exercise at least one (1) year before the Term would otherwise expire. Tenant may exercise its Option to extend the Term only as to any one or more of the following: (a) the entire Retained Premises plus the Corridor Space and the 765 Expansion Premises III, (b) the entire New Whole Building Premises, (c) the entire New Multiple Tenant Building Premises, (d) the Modified Additional Premises, (e) the Swap Premises, 765 Elevator Lobby Premises, the 765 2nd Floor Elevator Lobby Premises and the 765 2nd Floor Corridor Premises, (f) each full floor of the 755 Premises, (g) the 765 Expansion Premises, (h) the 765 Expansion Premises II, (i) C-Level Storage Spaces, (j) the 777 License Area Premises and the 777 S-Level Corridor Premises, (k) the 01 Premises and the Additional 01 Premises, (l) the 777-02 Premises, (m) the 765 Mezz Premises, (n) from and after the High Bay Premises Commencement Date, the High Bay Premises, (o) from and after the 777 North Spine Level Premises Commencement Date, the 777 North Spine Level Premises and (p) from and after the 777 Northwest Lobby Level Premises Commencement Date, the 777 Northwest Lobby Level Premises. If Tenant fails to exercise an Option with respect to less than all of the Premises and the time to do so has lapsed (or if a Retained Premises Early Termination, a termination pursuant to a Swap Premises Termination Option, or any other termination of a portion of the Premises pursuant to the Amended Lease has occurred), then Tenant shall no longer have an Option with respect to those portions of the Premises (y) for which it failed to exercise an Option, although Tenant's Options for the remaining Premises shall remain in full force and effect or (z) that have terminated.

4. Condition of 13th Amendment Expansion Premises. Tenant acknowledges that, except as expressly set forth herein, neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the condition of the 13th Amendment Expansion Premises with respect to the suitability of the same for the conduct of Tenant's business. Subject to the immediately following sentence, Tenant acknowledges that (a) it is generally familiar with the condition of the 13th Amendment Expansion Premises and agrees to take the same in its condition "as is" as of the 777 North Spine Level Premises Commencement Date (with respect to the 777 North Spine Level Premises) and the 777

Northwest Lobby Level Premises Commencement Date (with respect to the 777 Northwest Lobby Level Premises) and (b) Landlord shall have no obligation to alter, repair or otherwise prepare the 13th Amendment Expansion Premises for Tenant's occupancy or to pay for any improvements to the 13th Amendment Expansion Premises, except as expressly set forth in Sections 7.1 and 7.2. Notwithstanding the immediately preceding sentence, Landlord shall (p) deliver the 13th Amendment Expansion Premises to Tenant in the same or substantially similar condition as it was on the Execution Date, except that (i) upon delivery, the 13th Amendment Expansion Premises shall be in broom clean condition, (ii) prior to the 777 North Spine Level Premises Commencement Date and the 777 Northwest Lobby Level Premises Commencement Date, as applicable, the 777 Spine Vacating Tenant and the 777 Lobby Vacating Tenant, respectively, may remove any of its personal property from the applicable portion of the 13th Amendment Expansion Premises, (iii) prior to the 777 North Spine Level Premises Commencement Date, Landlord shall remove (and Tenant has no expectation of receiving) the autoclave, glass wash, glass dryer, reverse osmosis/deionized water system and all associated connecting equipment that, as of the Execution Date, exist in the 777 North Spine Level Premises, (iv) prior to the 777 Northwest Lobby Level Premises Commencement Date, Landlord shall install a new demising wall in the location described on Exhibit A-2, (v) prior to the 777 Northwest Lobby Level Premises Commencement Date, Landlord may remove (and Tenant has no expectation of receiving) any bottled gas manifolds and regulators (including all control wiring and local piping within the tank room) and all gas distribution piping (including all associated valves, outlets and other associated equipment) that was installed by the 777 Lobby Vacating Tenant and (vi) Tenant acknowledges that any additional egress required (by Applicable Laws or otherwise) for Tenant to occupy and use the 777 Northwest Lobby Level Premises for the Permitted Use shall be Tenant's sole responsibility (and shall be installed at Tenant's sole cost and expense), (q) deliver the 777 North Spine Level Premises demised in the same or substantially similar manner as depicted on Exhibit D attached hereto (which Landlord and Tenant acknowledge is the manner in which the 777 North Spine Level Premises is demised as of the Execution Date) and (r) prior to delivery of the 13th Amendment Expansion Premises, cure any breach of its representations set forth in this Section. Tenant's taking possession of any portion of the 13th Amendment Expansion Premises, except as otherwise agreed to in writing by Landlord and Tenant, shall conclusively establish that such portion of the 13th Amendment Expansion Premises were at such time in good, sanitary and satisfactory condition and repair. Notwithstanding the foregoing, Landlord represents and warrants to Tenant that, (x) as of the 777 North Spine Level Premises Commencement Date, the Building Systems serving the 777 North Spine Level Premises shall be in good working condition and that the same shall be serviced by Utilities and other base building services, (y) as of the 777 Northwest Lobby Level Premises Commencement Date, the Building Systems serving the 777 Northwest Lobby Level Premises shall be in good working condition and that the same shall be serviced by Utilities and other base building services and (z) as of the Execution Date, to the best of Landlord's actual knowledge (without any duty of investigation), the 13th Amendment Expansion Premises does not contain any asbestos or asbestos containing materials.

5. Rent.

5.1. 777 North Spine Level Premises. Commencing on the 777 North Spine Level Premises Commencement Date and continuing through the Extension Premises Term Expiration Date (as may be extended in accordance with the Amended Lease), Tenant shall pay to Landlord Basic Annual Rent for the 777 North Spine Level Premises at an initial rate equal to Twenty-Nine and 00/100 Dollars ($29.00) per square foot of Rentable Area of the 777 North Spine Level Premises per year in accordance with the terms for payment of Basic Annual Rent set forth in the Lease. Basic Annual Rent for the 777 North Spine Level Premises shall increase annually every July 1st by two and one-half percent (2.5%) of the then-current applicable Basic Annual Rent for the 777 North Spine Level Premises, with the first such increase occurring as of July 1, 2014. In addition to Basic Annual Rent, commencing on the 777 North Spine Level Premises Commencement Date, Tenant shall pay to Landlord as Additional Rent, at times specified in the Amended Lease, Tenant's Pro Rata Share of Operating Expenses with respect to the 777 North Spine Level Premises. For the avoidance of doubt, HVAC for the 777 North Spine Level Premises shall be calculated in the same manner as provided in the Amended Lease with respect to the Retained Premises, and the 777 North Spine Level Premises shall be treated as Retained Premises for the purposes of allocation of the CAM Pool Charges in accordance with Exhibit O of the Amended Lease (as of the 777 North Spine Level Premises Commencement Date).

5.2. 777 Northwest Lobby Level Premises. Commencing on the 777 Northwest Lobby Level Premises Commencement Date and continuing through the Extension Premises Term Expiration Date (as may be extended in accordance with the Amended Lease), Tenant shall pay to Landlord Basic Annual Rent for the 777 Northwest Lobby

Level Premises at an initial rate equal to Twenty-Nine and 00/100 Dollars ($29.00) per square foot of Rentable Area of the 777 Northwest Lobby Level Premises per year in accordance with the terms for payment of Basic Annual Rent set forth in the Lease. Basic Annual Rent for the 777 Northwest Lobby Level Premises shall increase annually every July 1st by two and one-half percent (2.5%) of the then-current applicable Basic Annual Rent for the 777 Northwest Lobby Level Premises, with the first such increase occurring as of July 1, 2014. In addition to Basic Annual Rent, commencing on the 777 Northwest Lobby Level Premises Commencement Date, Tenant shall pay to Landlord as Additional Rent, at times specified in the Amended Lease, Tenant's Pro Rata Share of Operating Expenses with respect to the 777 Northwest Lobby Level Premises. For the avoidance of doubt, HVAC for the 777 Northwest Lobby Level Premises shall be calculated in the same manner as provided in the Amended Lease with respect to the Retained Premises, and the 777 Northwest Lobby Level Premises shall be treated as Retained Premises for the purposes of allocation of the CAM Pool Charges in accordance with Exhibit O of the Amended Lease (as of the 777 Northwest Lobby Level Premises Commencement Date).

6. Tenant's Pro Rata Shares.

6.1. 777 North Spine Level Premises. From and after the 777 North Spine Level Premises Commencement Date, Tenant's Pro Rata Shares of the 777 Building, the Existing Project and the Entire Project shall be incrementally increased by the amounts set forth in Exhibit B-1 attached hereto. As of the 777 North Spine Level Premises Commencement Date, the defined terms in Section 2.2 of the Lease shall be automatically amended to reflect the adjustments set forth in this Section. Rentable Area and Tenant's Pro Rata Shares are all subject to adjustment under the Amended Lease, including pursuant to Section 9.2 of the Lease.

6.2. 777 Northwest Lobby Level Premises. From and after the 777 Northwest Lobby Level Premises Commencement Date, Tenant's Pro Rata Shares of the 777 Building, the Existing Project and the Entire Project shall be incrementally increased by the amounts set forth in Exhibit B-2 attached hereto. As of the 777 Northwest Lobby Level Premises Commencement Date, the defined terms in Section 2.2 of the Lease shall be automatically amended to reflect the adjustments set forth in this Section. Rentable Area and Tenant's Pro Rata Shares are all subject to adjustment under the Amended Lease, including pursuant to Section 9.2 of the Lease.

7. Tenant Improvements.

7.1. 777 North Spine Level Premises. Landlord shall make available to Tenant a tenant improvement allowance of Seven Hundred Eighty-Two Thousand Twenty Dollars ($782,020), based on approximately Thirty-Six and 76/100 Dollars ($36.76) per square foot of Rentable Area of the 777 North Spine Level Premises, (the "777 North Spine Allowance") for Tenant's performance of its improvements to the 777 North Spine Level Premises (the "777 North Spine Tenant Work"). The 777 North Spine Allowance shall be disbursed in the same manner as the Base TI Allowance under the applicable provisions of Article 5 of the Lease, including the Disbursement Conditions, in order to finance the aforesaid improvements to the 777 North Spine Level Premises. Tenant shall pay Landlord a construction oversight fee of two and one-half percent (2.5%) of the total cost of the 777 North Spine Tenant Work or other improvements performed using the 777 North Spine Allowance, which construction oversight fee may be paid out of the 777 North Spine Allowance. Tenant shall be responsible for performing and completing the 777 North Spine Tenant Work.

7.2. 777 Northwest Lobby Level Premises. Landlord shall make available to Tenant a tenant improvement allowance of One Hundred Eighty-Nine Thousand Two Hundred Dollars ($189,200), based on Twenty-Five Dollars ($25) per square foot of Rentable Area of the 777 Northwest Lobby Level Premises, (the "777 Northwest Lobby Allowance") for Tenant's performance of its improvements to the 777 Northwest Lobby Level Premises (the "777 Northwest Lobby Tenant Work"). The 777 Northwest Lobby Allowance shall be disbursed in the same manner as the Base TI Allowance under the applicable provisions of Article 5 of the Lease, including the Disbursement Conditions, in order to finance the aforesaid improvements to the 777 Northwest Lobby Level Premises. Tenant shall pay Landlord a construction oversight fee of two and one-half percent (2.5%) of the total cost of the 777 Northwest Lobby Tenant Work or other improvements performed using the 777 Northwest Lobby Allowance, which construction oversight fee may be paid out of the 777 Northwest Lobby Allowance. Tenant shall be responsible for performing and completing the 777 Northwest Lobby Tenant Work.

7.3. To the extent a certificate of occupancy is required by Applicable Laws, Tenant shall deliver (or cause to be delivered) to Landlord a certificate of occupancy for all portions of the 13th Amendment Expansion Premises suitable for the Permitted Use.

7.4. Collectively and individually the 777 North Spine Tenant Work and the 777 Northwest Lobby Tenant Work may be referred to herein as the "Tenant Work." Collectively and individually the 777 North Spine Allowance and the 777 Northwest Lobby Allowance may be referred to herein as an "Allowance."

7.5. All Tenant Work shall be performed in accordance with the applicable provisions of the Lease, including the applicable provisions of Articles 5 and 18; provided, however, if there is a conflict between the terms of the Lease and the terms of this Thirteenth Amendment, then the terms of this Thirteenth Amendment shall control. Landlord and Tenant acknowledge that the Work Letter is not applicable to the Tenant Work; provided, however, that (a) prior to commencing performance of any of the Tenant Work, Tenant shall furnish to Landlord evidence satisfactory to Landlord that insurance coverages required of Tenant under the Work Letter are in effect with respect to the Tenant Work and (b) Tenant assumes the responsibility and liability in connection with the Tenant Work in the same manner as set forth under Section 6 of the Work Letter.

7.6. Notwithstanding anything to the contrary in the Amended Lease, including this Thirteenth Amendment, any Allowance may be used by Tenant for improvements in any portion of the Premises or any portion of those certain Premises (as defined in that certain Mt. Pleasant Lease dated as of April 3, 2013 by and between Landlord and Tenant), regardless of whether such Allowance was made available to Tenant with respect to a specific portion of the 13th Amendment Expansion Premises. Tenant shall have until the day that (a) with respect to the 777 North Spine Level Premises, is three (3) years after the 777 North Spine Level Premises Commencement Date and (b) with respect to the 777 Northwest Lobby Level Premises, is three (3) years after the 777 Northwest Lobby Level Premises Commencement Date, to submit a disbursement request with all applicable documentation (in the same manner as the Base TI Allowance under the applicable provisions of Article 5 of the Lease, including the Disbursement Conditions) for the unused portion of the applicable Allowance, after which date Landlord's obligation to fund such costs shall expire. In no event shall any unused Allowance entitle Tenant to a credit against Rent payable under the Amended Lease.

8. Generator.

8.1. As of the Execution Date, there is a back-up generator outside the northwest end of the 777 Building (the "Generator") that is connected to the emergency electrical panels of the 13th Amendment Expansion Premises. Commencing on the 777 North Spine Level Premises Commencement Date or the 777 Northwest Lobby Level Premises Commencement Date, as applicable, and continuing until the date that Tenant elects (in Tenant's sole discretion) to discontinue use of, and actually disconnects such emergency electrical panels from, the Generator (such period of time with respect to the applicable portion of the Premises, the "Generator Period"), Tenant shall be entitled to use up to its proportionate share (after deducting any power from the Generator required for the Common Area and other common Building systems) of power from the Generator (which proportionate share shall be based on the Rentable Area of the tenants' (including Tenant) premises that have emergency electrical panels connected to the Generator) on a non-exclusive basis with other tenants that have a premises emergency electrical panel connected to the Generator. The cost of maintaining, repairing and replacing the Generator during the Generator Period shall constitute Operating Expenses, subject to the terms and conditions of Article 8 of the Lease; provided, however, that Tenant's share of such costs may be more than Tenant's Pro Rata Share based upon Tenant's proportionate share of the Generator as described in the immediately preceding sentence. Landlord expressly disclaims any warranties with regard to the Generator or the installation thereof, including any warranty of merchantability or fitness for a particular purpose. During the Generator Period, Landlord shall repair and maintain the Generator in good working condition, but Landlord shall not be liable for any failure to make any repairs or to perform any maintenance that is an obligation of Landlord unless such failure shall persist for an unreasonable time after Tenant provides Landlord with written notice of the need for such repairs or maintenance. During the Generator period, if Landlord enters into a new service contract for the Generator (as opposed to an amendment or extension), then Landlord shall provide a copy of such contract to Tenant within a reasonable period of time after execution thereof. Landlord reserves the right (in its sole and absolute discretion), upon at least ten (10) business days' prior written notice to Tenant, to disconnect the 13th Amendment Expansion

Premises' emergency electrical panels from the Generator and simultaneously therewith reconnect the 13th Amendment Expansion Premises' emergency electrical panels to a different generator, at which time the term "Generator," as used herein, shall apply to such different generator. The provisions of Section 17.2 of the Lease shall apply to the Generator (including, without limitation, during any period of time during a generator switchover, as discussed in the immediately preceding sentence).

8.2. At any time from and after the earlier of the 777 North Spine Level Premises Commencement Date and the 777 Northwest Lobby Level Premises Commencement Date, Tenant may (at its sole cost and expense, for its sole use and in accordance with all Applicable Laws), but subject to Landlord's prior written approval with respect to the location and method of installation of such generator (which approval shall not be unreasonably withheld, conditioned or delayed), install a temporary or permanent generator (the "Tenant Generator") that services the 13th Amendment Expansion Premises (provided, however, that Tenant shall not be permitted to connect the (a) 777 North Spine Level Premises to the Tenant Generator prior to the 777 North Spine Level Premises Commencement Date and (b) 777 Northwest Lobby Level Premises to the Tenant Generator prior to the 777 Northwest Lobby Level Premises Commencement Date). In such event, (x) the 13th Amendment Expansion Premises shall no longer be connected to the Generator, and therefore the Generator Period shall terminate, (y) any obligation of Landlord or Tenant under Section 8.1 (except for Tenant's obligation to pay any Operating Expenses from the Generator Period) shall, from and after the termination of the Generator Period, be null and void and of no further force or effect, and from and after the Generator Period, any rights or obligations of either party with respect to the Generator shall be governed by the applicable terms of the Lease and (z) all maintenance, repair and replacement obligations with respect to the Tenant Generator (including the costs and expenses thereof) shall be Tenant's sole responsibility. Any installation of the Tenant Generator shall be subject to Article 18 of the Lease; provided, however, that Landlord's consent rights shall not reduce the rights granted to Tenant pursuant to this Section.

9. Termination Option. Tenant shall be entitled to terminate the Amended Lease with respect to the 777 Northwest Lobby Level Premises as of December 31, 2016, December 31, 2021 or December 31, 2026; provided that Tenant (a) provides Landlord with no less than twelve (12) months' prior written notice and (b) pays (on or before the effective date of such termination) to Landlord a termination fee of (i) if the termination date is December 31, 2016, Two Hundred Fifteen Thousand Ninety and 53/100 Dollars ($215,090.53), (ii) if the termination date is December 31, 2021, One Hundred Twenty-Nine Thousand Fifty-Four and 32/100 ($129,054.32) or (iii) if the termination date is December 31, 2026, Forty-Three Thousand Eighteen and 11/100 ($43,018.11). If Tenant timely exercises its option to terminate the Amended Lease with respect to the 777 Northwest Lobby Level Premises, then Tenant shall surrender the 777 Northwest Lobby Level Premises to Landlord on the applicable surrender date in the condition required by the Amended Lease for surrendering Premises upon the expiration or earlier termination thereof and the Amended Lease (with respect to the 777 Northwest Lobby Level Premises only) shall terminate and be of no further force or effect as of the termination date, except for those provisions that expressly survive the expiration or earlier termination thereof.

10. Parking. The parties acknowledge that, in accordance with the Amended Lease, Tenant shall be entitled to its pro rata share of unreserved parking spaces with respect to each portion of the 13th Amendment Premises leased to Tenant.

11. Broker. Tenant represents and warrants that it has not dealt with any broker or agent in the negotiation for or the obtaining of this Thirteenth Amendment, other than Studley, Inc. ("Broker"), and agrees to indemnify, defend and hold Landlord harmless from any and all cost or liability for compensation claimed by any such broker or agent, other than Broker, employed or engaged by it or claiming to have been employed or engaged by it. Broker is entitled to a leasing commission in connection with the making of this Thirteenth Amendment, and Landlord shall pay such commission to Broker pursuant to a separate agreement between Landlord and Broker.

12. No Default. Tenant represents, warrants and covenants that, to the best of Tenant's knowledge, Landlord and Tenant are not in default of any of their respective obligations under the Lease and no event has occurred that, with the passage of time or the giving of notice (or both) would constitute a default by either Landlord or Tenant thereunder.

13. Notices. Tenant confirms that, notwithstanding anything in the Lease to the contrary, notices delivered to Tenant pursuant to the Amended Lease should be sent to:

Regeneron Pharmaceuticals, Inc.
777 Old Saw Mill River Road
Tarrytown, New York 10591
Attn: General Counsel;

with a copy to:

Regeneron Pharmaceuticals, Inc.
777 Old Saw Mill River Road
Tarrytown, New York 10591
Attn: Vice President of Facilities.

14. Effect of Thirteenth Amendment. Except as modified by this Thirteenth Amendment, the Lease and all the covenants, agreements, terms, provisions and conditions thereof shall remain in full force and effect and are hereby ratified and affirmed. The covenants, agreements, terms, provisions and conditions contained in this Thirteenth Amendment shall bind and inure to the benefit of the parties hereto and their respective successors and, except as otherwise provided in the Lease, their respective assigns. In the event of any conflict between the terms contained in this Thirteenth Amendment and the Lease, the terms herein contained shall supersede and control the obligations and liabilities of the parties. From and after the date hereof, the term "Lease" as used in the Lease shall mean the Lease, as modified by this Thirteenth Amendment.

15. Miscellaneous. This Thirteenth Amendment becomes effective only upon execution and delivery hereof by Landlord and Tenant. The captions of the paragraphs and subparagraphs in this Thirteenth Amendment are inserted and included solely for convenience and shall not be considered or given any effect in construing the provisions hereof. All exhibits hereto are incorporated herein by reference. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or option for a lease, and shall not be effective as a lease, lease amendment or otherwise until execution by and delivery to both Landlord and Tenant.

16. Counterparts. This Thirteenth Amendment may be executed in one or more counterparts, each of which, when taken together, shall constitute one and the same document.

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IN WITNESS WHEREOF, Landlord and Tenant have hereunto set their hands as of the date and year first above written, and acknowledge that they possess the requisite authority to enter into this transaction and to execute this Thirteenth Amendment.

LANDLORD:

BMR-LANDMARK AT EASTVIEW LLC,
a Delaware limited liability company

By:	/s/ Kevin Simonsen
Name:	Kevin M. Simonsen
Title	VP, Real Estate Legal

TENANT:

REGENERON PHARMACEUTICALS, INC.,
a New York corporation

By:	/s/ Murray Goldberg
Name:	Murray A. Goldberg
Title	Senior Vice President, Finance & Administration and Chief Financial Officer

EXHIBIT A-1

777 NORTH SPINE LEVEL PREMISES

EXHIBIT A-2

777 NORTHWEST LOBBY LEVEL PREMISES

[IMAGE]

EXHIBIT B-1

TENANT'S PRO RATA SHARES – 777 NORTH SPINE LEVEL PREMISES

Definition or Provision	Means the Following:	Square Feet of Rentable Area	Tenant's Pro Rata Share of the 777 Building	Tenant's Pro Rata Share of Existing Project	Tenant's Pro Rata Share of the Entire Project
Portion of added "Premises" and corresponding Rentable Area	777 North Spine Level Premises	21,272	5.82%	2.57%	1.79%

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EXHIBIT B-2

TENANT'S PRO RATA SHARES – 777 NORTHWEST LOBBY LEVEL PREMISES

Definition or Provision	Means the Following:	Square Feet of Rentable Area	Tenant's Pro Rata Share of the 777 Building	Tenant's Pro Rata Share of Existing Project	Tenant's Pro Rata Share of the Entire Project
Portion of added "Premises" and corresponding Rentable Area	777 Northwest Lobby Level Premises	7,568	2.07%	0.91%	0.64%

EXHIBIT C

ACKNOWLEDGEMENT OF 777 [NORTH SPINE][NORTHWEST LOBBY] LEVEL PREMISES COMMENCEMENT DATE

THIS ACKNOWLEDGEMENT OF 777 [NORTH SPINE][NORTHWEST LOBBY] LEVEL PREMISES COMMENCEMENT DATE is entered into as of _____, 201__, with reference to that certain Lease dated as of December 21, 2006 (the "Original Lease"), as amended by that certain First Amendment to Lease dated as of October 24, 2007 (the "First Amendment"), that certain Second Amendment to Lease dated as of September 30, 2008 (the "Second Amendment"), that certain Third Amendment to Lease dated as of April 29, 2009 (the "Third Amendment"), that certain Fourth Amendment to Lease dated as of December 3, 2009 (the "Fourth Amendment"), that certain Fifth Amendment to Lease dated as of February 11, 2010 (the "Fifth Amendment"), that certain Sixth Amendment to Lease dated as of June 4, 2010 (the "Sixth Amendment"), that certain Seventh Amendment to Lease dated as of December 22, 2010 (the "Seventh Amendment"), that certain Eighth Amendment to Lease dated as of August 1, 2011 (the "Eighth Amendment"), that certain Ninth Amendment to Lease dated as of September 30, 2011 (the "Ninth Amendment"), that certain Tenth Amendment to Lease dated as of October 25, 2012 (the "Tenth Amendment"), that certain Eleventh Amendment to Lease dated as of April 3, 2013 (the "Eleventh Amendment"), that certain Twelfth Amendment to Lease dated as of May ___, 2013 (the "Twelfth Amendment") and that certain Thirteenth Amendment to Lease dated as of [_____] (the "Thirteenth Amendment" and, collectively with the Original Lease and the First Amendment, Second Amendment, Third Amendment, Fourth Amendment, Fifth Amendment, Sixth Amendment, Seventh Amendment, Eighth Amendment, Ninth Amendment, Tenth Amendment, Eleventh Amendment and Twelfth Amendment and as the same may have been further amended, amended and restated, supplemented or otherwise modified from time to time, the "Amended Lease"), by REGENERON PHARMACEUTICALS, INC., a New York corporation ("Tenant"), in favor of BMR-LANDMARK AT EASTVIEW LLC, a Delaware limited liability company ("Landlord"). All capitalized terms used herein without definition shall have the meanings ascribed to them in the Amended Lease.

Tenant hereby confirms the following:

1. Tenant accepted possession of the 777 [North Spine][Northwest Lobby] Level Premises on [_____], 20[__].

2. The 777 [North Spine][Northwest Lobby] Level Premises are in good order, condition and repair.

3. The 777 [North Spine][Northwest Lobby] Level Premises were delivered to Tenant in the same or substantially similar condition as it existed on the Execution Date of the Thirteenth Amendment, subject to the terms of Section 4 of the Thirteenth Amendment.

4. All conditions of the Amended Lease with respect to the 777 [North Spine][Northwest Lobby] Level Premises to be performed by Landlord as a condition to the full effectiveness of the Amended Lease have been satisfied.

5. In accordance with the provisions of Section 2 of the Thirteenth Amendment, the 777 [North Spine][Northwest Lobby] Level Premises Commencement Date is [_____], 20[__].

6. Tenant commenced occupancy of the 777 [North Spine][Northwest Lobby] Level Premises for the Permitted Use on [_____], 20[__].

7. The obligation to pay Rent is presently in effect and all Rent obligations on the part of Tenant under the Amended Lease with respect to the 777 [North Spine][Northwest Lobby] Level Premises commenced to accrue on [_____], 20[__], with Basic Annual Rent for the 777 [North Spine][Northwest Lobby] Level Premises payable on the dates and in amounts set forth in the Thirteenth Amendment.

8. The Amended Lease is in full force and effect, and the same represents the entire agreement between Landlord and Tenant concerning the Premises[, except [_____]].

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IN WITNESS WHEREOF, Tenant has executed this Acknowledgment of 777 [North Spine][Northwest Lobby] Level Premises Commencement Date as of the date first written above.

TENANT:

REGENERON PHARMACEUTICALS, INC.
a New York Corporation

By: _____
Name: _____
Title: _____

EXHIBIT D

DEMISING PLAN OF 777 NORTH SPINE LEVEL PREMISES

[IMAGE]

Exhibit 10.5*

Portions of this Exhibit Have Been Omitted and Separately Filed with the Securities And Exchange Commission with a Request For Confidential Treatment

FIRST AMENDMENT TO AMENDED AND RESTATED LICENSE AND COLLABORATION AGREEMENT

This First Amendment to the Amended and Restated License and Collaboration Agreement (this "First Amendment") dated as of May 1, 2013 (the "First Amendment Effective Date"), is by and between Regeneron Pharmaceuticals, Inc., a corporation organized and existing under the laws of the State of New York and having its principal office at 777 Old Saw Mill River Road, Tarrytown, New York 10591 ("Regeneron") and Aventis Pharmaceuticals Inc., a corporation organized and existing under the laws of the State of Delaware and having a principal place of business at 55 Corporate Drive, Bridgewater, New Jersey 08807 ("Sanofi"), an indirect wholly-owned subsidiary of sanofi-aventis, a company organized under the laws of France with its principal headquarters at 174, avenue de France, 75013 Paris, France, with each of Sanofi and Regeneron being sometimes referred to herein individually or as a "Party" and collectively as the "Parties".)

INTRODUCTION

WHEREAS, Regeneron and Sanofi are Parties to an Amended and Restated License and Collaboration Agreement, having an Effective Date of November 10, 2009 (the "LCA"); and

WHEREAS, Regeneron and Sanofi have determined that it is desirable to amend the LCA and document further agreements between them as set forth herein.

NOW, THEREFORE, in consideration of the following mutual promises and obligations and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

1. **Definitions**. Capitalized terms used in this First Amendment and not defined herein shall have the meanings ascribed to them in the LCA. For the purposes of this First Amendment the following terms shall have the meanings ascribed herein:

1.1 "ANG2 Combination Product" shall mean a combination product containing an ANG2 Product and one or more other active ingredients (whether combined in a single formulation or package, as applicable, or formulated or packaged separately but sold together for a single price). For the avoidance of doubt, for the purposes of this First Amendment, Immunoconjugates (as such term is defined in the Discovery Agreement) shall not be deemed ANG2 Combination Products.

1.2 "ANG2 Formulated Bulk Product" shall have the meaning set forth in Section 5.

1.3 "ANG2 Licensed Product" shall mean any ANG2 Product or ANG2 Combination Product.

1.4 "ANG2 Manufacturing Cost" shall have the meaning set forth in Section 5.

1.5 "ANG2 Product" shall mean (a) any Antibody to angiopoietin 2 (also known as ANGPT2 or ANG2), including without limitation the Licensed Product known as REGN 910 and (b) any [****].

1.6 "ANG2 Product Drug Substance" shall mean drug substance that is manufactured for ANG2 Licensed Product for use in the Field that is also used in the manufacture of Excluded Ocular ANG2 Product.

1.7 "ANG2 Ocular Royalties" shall have the meaning set forth in Section 4.

1.8 "ANG2 Royalty Term" shall be the period beginning with the First Commercial Sale of any Excluded Ocular ANG2 Product, to a non-sublicensee Third Party in a country in the Territory following receipt of marketing approval in the applicable country, and ending [****].

1.9 "Collaboration Shared Excluded Ocular ANG2 Product Development Costs" shall mean fifty percent (50%) of the Shared Excluded Ocular ANG2 Product Development Costs.

1.10 "Excluded Field" shall mean the treatment or diagnosis of any ocular disease or disorder.

1.11 "Excluded Ocular ANG2 Product" shall mean any ANG2 Licensed Product for use in the Excluded Field.

1.12 "Field" shall have the meaning in Section 1.44 of the LCA but excluding the Excluded Field.

1.13 "First Commercial Sale" shall have the meaning in Section 1.46 of the LCA except that the use of the term "Licensed Product" shall mean Excluded Ocular ANG2 Product in Section 1.46 or the defined terms therein.

1.14 "Net Sales" shall have the meaning in Section 1.76 of the LCA, except that (a) solely for the purposes of calculating ANG2 Ocular Royalties the term Licensed Products shall mean the applicable ANG2 Licensed Product as the case may be, and (b) solely for the purposes of this First Amendment, the last three (3) sentences of Section 1.76 of the LCA shall be deleted in their entirety.

1.15 "Regeneron Shared ANG2 Product Development Costs" shall mean fifty percent (50%) of the Shared ANG2 Product Development Costs.

1.16 "Shared ANG2 Product Development Costs" shall mean costs and expenses of the type described in Section 1.36(d) of the LCA that are incurred by a Party directly in connection with the Development of an ANG2 Product in accordance with the LCA and the applicable Global Development Plan and Global Development Budget, but only to the extent that such costs and expenses are incurred in connection with activities required for any IND, BLA, Registration Filing and/or Approval of any Excluded Ocular ANG2 Product.

1.17 "Shared Excluded Ocular ANG2 Product Development Costs" shall mean those costs and expenses of the type described in Section 1.36(d) of the LCA that are incurred by Regeneron directly in connection with the development of an Excluded Ocular ANG2 Product, but only to the extent that such costs and expenses are incurred under a budget that has been approved by the Joint Steering Committee and to the extent that such costs are incurred in connection with activities required for any IND, BLA, Registration Filing and/or Approval of any ANG2 Licensed Product outside the Excluded Field.

1.18 "[****]" shall have the meaning set forth in Section 4.

1.19 [****]

1.20 "Upfront Payment" shall have the meaning set forth in Section 4.

2. **Ophthalmology Program and Exclusions.** Effective as of First Amendment Effective Date, the scope of the Collaboration shall exclude all Excluded Ocular ANG2 Products. Except to the extent required by Sanofi to fulfill its obligations under this First Amendment, all licenses and rights granted by Regeneron to Sanofi and its Affiliates under the LCA or the Discovery Agreement, as the case may be, with respect to Excluded Ocular ANG2 Products shall automatically terminate and revert to Regeneron. In furtherance thereof, the definitions of "Licensed Products" in Section 1.69 of the LCA shall be amended by adding the following sentences at the end thereof: "Notwithstanding anything herein to the contrary, effective as of May 1, 2013 this definition shall specifically exclude Excluded Ocular ANG2 Products." For the avoidance of doubt, Regeneron and Sanofi shall continue to collaborate on the Development and Commercialization of ANG2 Products in the Territory outside the Excluded Field under the terms of the LCA and such ANG2 Products in the Territory outside the Excluded Field shall be Licensed Products under the LCA. For the further avoidance of doubt, after the First Amendment Effective Date, except with regard to payment due under this First Amendment, neither Sanofi nor its Affiliates shall have any right, title, or interest in the Excluded Ocular ANG2 Products and Regeneron shall have the sole discretion to undertake (or not undertake) any further Development or Commercialization of all Excluded Ocular ANG2 Products, either on its own or with or through any Third Party. To further clarify, and by way of example, for the purpose of determining the occurrence of a milestone event delineated in Schedule 3, the Excluded Ocular ANG2 Products shall not be considered Licensed Products.

3. **Confidentiality.** Sanofi shall promptly collect and destroy, and cause its Affiliates to collect and destroy, all documents containing Party Information or New Information relating solely to the Excluded Ocular ANG2 Products, and shall immediately cease and cause its Affiliates to cease all further use of any such Party Information or New Information with respect to Excluded Ocular ANG2 Products. Each of Sanofi and Regeneron reaffirm their commitment under Article 16 of the LCA to keep confidential all New Information and all Party Information of the other Party. In accordance therewith, the rights granted to Sanofi under Section 2 of this First Amendment do not provide Sanofi with any rights to use or disclose New Information or Regeneron Party Information, unless otherwise provided under Article 16 of the LCA. However, notwithstanding anything provided in Section 16.1 to the contrary, as of the First Amendment Effective Date, Regeneron shall have the right to use and disclose, any New Information and/or any Regeneron Party Information for use in the manufacture, development, use, and commercialization of Excluded Ocular ANG2 Products anywhere in the world; provided, however, that any such disclosure of confidential New Information to a Third Party (other than a Governmental Authority or as part of a public disclosure in the interest of patient safety) shall be subject to confidentiality obligations to Regeneron on the part of such Third Party at least as stringent as those set forth in the LCA, except that the term of such confidentiality obligation shall not be less than five (5) years.

4. **Consideration.** In consideration for Sanofi's agreement to enter into this First Amendment, Regeneron shall pay to Sanofi, within five (5) Business Days of the First Amendment Effective Date, a nonrefundable, non-creditable payment of Ten Million US Dollars (US $10,000,000.00) (which shall not be reduced by any withholding or similar taxes) (the "Upfront Payment").

In addition, Regeneron shall pay to Sanofi a non-refundable, non-creditable performance based milestone of Five Million US Dollars (US $5,000,000) (which shall not be reduced by any withholding or similar taxes) within five (5) Business Days of [****] (the "[****]"). For purposes of clarification, the foregoing milestone payment shall be made only once and only upon the first occurrence of such milestone, regardless of the number of [****].

Notwithstanding the foregoing, no adjustment shall be made to the Maximum Annual Discovery Program Costs for any Contract Year in connection with any of the actions contemplated under this First Amendment. In addition, notwithstanding any other payment terms in the LCA, Regeneron shall pay to Sanofi royalties on Net Sales in the following amounts (the "ANG2 Ocular Royalties") through the end of the applicable ANG2 Royalty Term:

(a) For sales of an Excluded Ocular ANG2 Product as a single agent, [****]% of Net Sales;

(b) For sales of an Excluded Ocular ANG2 Product as an ANG2 Combination Product, [****]% of Net Sales.

ANG2 Ocular Royalties shall be paid within sixty (60) days after the end of each full or partial Quarter during the ANG Royalty Term in which sales subject to ANG2 Ocular Royalties occur. No other royalties or payments whatsoever of any kind will be due or owing to Sanofi relating in any way to Excluded Ocular ANG2 Products. Nothing in this First Amendment or the LCA shall entitle Sanofi or its Affiliates to any consideration, royalties, fees or payments of any kind based on the development, commercialization or other marketing and sales of any kind of any Excluded Ocular ANG2 Products other than the Upfront Payment and ANG2 Ocular Royalties. During the ANG2 Royalty Term, Regeneron shall deliver to Sanofi with each payment of ANG2 Ocular Royalties a report detailing in reasonable detail the information necessary to calculate the ANG2 Ocular Royalties due hereunder for such calendar quarter, including the following information, specified on a country-by-country basis: (a) total gross invoiced amount from sales of each Excluded Ocular ANG2 Products; (b) all relevant deductions from gross invoiced amounts to calculate Net Sales; (c) Net Sales; and (d) ANG2 Ocular Royalties payable. Subject to Section 6 below, effective as of 05 November 2012, the Parties have agreed that any costs incurred in connection with the Development of any ANG2 Product in the Excluded Field shall be borne directly by Regeneron and shall no longer be considered Development Costs.

5. **Purified Bulk Drug Substance.** Regeneron shall be entitled to [****]. In addition, upon at [****], Regeneron shall be entitled to [****]. Regeneron shall submit a request to [****]. "ANG2 Formulated Bulk Product" shall mean an ANG2 Product formulated into solution or in a lyophilized form, ready for storage or shipment to a manufacturing facility, to allow processing into the final dosage form. "ANG2 Manufacturing Cost" shall be the manufacturing costs for the relevant ANG2 Product calculated using the methodology ascribed to calculating Manufacturing Cost for Licensed Products in the LCA. For the avoidance of doubt, costs incurred for the reprocessing of purified bulk ANG2 Product Drug Substance for use solely in the Excluded Field shall not be considered Development Costs and shall be borne solely by Regeneron. Further, all cost directly related to [****] shall be considered Shared ANG2 Product Development Costs. For the further avoidance of doubt, the Parties shall retain their option under Section 8.3(a) of the LCA to [****].

6. **Payment of Regeneron Shared ANG2 Product Development Costs and Collaboration Shared Excluded Ocular ANG2 Product Development Costs**. Beginning with the First Amendment Effective Date, Regeneron Shared ANG2 Product Development Costs, if any, and Collaboration Shared Excluded Ocular ANG2 Product Development Costs, if any, shall be included in the calculation of the Quarterly True-Up and the Development Balance. Specifically, any Regeneron Shared ANG2 Product Development Costs shall be subtracted from the amount otherwise payable to Regeneron as a Regeneron Reimbursement Amount, and if the total Regeneron Reimbursement Amount, after such subtraction, is negative, the Regeneron Reimbursement Amount shall be a negative number in the calculation of the Quarterly True-Up. Any Collaboration Shared Excluded Ocular ANG2 Product Development Costs shall be added to the amount payable to Regeneron as a Regeneron Reimbursement Amount. In addition, for purposes of calculating the Development Balance, any Regeneron Shared ANG2 Product Development Costs shall be subtracted from Development Costs and any Collaboration Shared Excluded Ocular ANG2 Product Development Costs shall be added to Development Costs. An example of these calculations is set forth in Exhibit A to this First Amendment.

7. **Limitation on Sanofi's Rights to Develop or Commercialize Excluded Ocular ANG2 Products.** Beginning with the First Amendment Effective Date and continuing for as long as Regeneron is paying ANG2 Ocular Royalties, neither Sanofi nor its Affiliates, either alone or through any Third Party directly or indirectly, shall develop, manufacture, market, promote, commercialize, or sell, any Excluded Ocular ANG2 Product anywhere in the Territory. In the event that during the period that Regeneron is paying ANG2 Ocular Royalties (i) Sanofi or one of its Affiliates acquires, directly or indirectly, Control (as such term is defined below) of a Third Party, and (ii) the Third Party or one of its Affiliates is the owner of or is holding license rights to Patents relating to or has any marketing or sales rights relating to any Excluded Ocular ANG2 Product anywhere in the Territory, and (iii) such Excluded Ocular ANG2 Product, at the

moment of acquiring Control, is in any stage of discovery, development or commercialization, then Sanofi shall notify Regeneron of such acquisition of Control within ten (10) days of such acquisition and shall divest or cease the development or the commercialization of that Excluded Ocular ANG2 Product within twelve (12) months. For the purpose of this paragraph, the term "Control" shall mean the ownership of more than fifty (50) percent of the voting stock or similar interest. Notwithstanding anything contained herein to the contrary, Sanofi and its Affiliates shall be entitled to (i) initiate, sponsor and/or conduct a clinical trial in a country and/or (ii) participate, directly or indirectly, whether through the provision of funds, grants or otherwise, in any clinical trial, initiated, sponsored and/or conducted by any Third Party in a country; in each of the foregoing cases with respect to the combination of any Sanofi (or its Affiliate's) products, together with any Excluded Ocular ANG2 Product that has been granted a marketing approval for at least one indication in the applicable country. For purposes of clarity, to the extent such Sanofi product may be covered under the LCA, the terms of the LCA remain in effect.

8. **Post-Amendment License.** Regeneron shall have a fully paid-up and royalty free, worldwide, exclusive license (which shall include the right to grant sublicenses) from Sanofi and its Affiliates under Sanofi Patent Rights and Sanofi Know-How solely in connection with the development, manufacturing, marketing, promotion, commercialization, or sale of any Excluded Ocular ANG2 Product anywhere in the Territory, either (i) existing as of the time of the First Amendment Effective Date (together with and all substitutions, divisions, continuations, continuations-in-part, reissues, reexaminations and extensions thereof and all counterparts thereof in any country which arise on or after the First Amendment Effective Date), or (ii) discovered, created or reduced to practice in connection with Collaboration activities.

9. **ANG2 Product Labeling.** To the extent permitted by relevant regulations in the Territory, and as required by the Regulatory Authorities, Regeneron and Sanofi shall include appropriate cautionary safety language in approved labeling for ANG2 Products or Excluded Ocular ANG2 Products related to appropriate use in the Excluded Field, or the Field, as the case may be. Further, to the extent permitted by relevant regulations in the Territory, Regeneron and its licensees shall have the sole responsibility for education of ophthalmologists in risk mitigation plans related to ANG2 Products, and the Parties shall have responsibility for education of physicians other than ophthalmologists as agreed by the Parties in accordance with the LCA.

10. **Regulatory Coordination**.

(a) The Parties acknowledge and agree that beginning with the First Amendment Effective Date, neither Sanofi nor its Affiliates shall have any interest or rights whatsoever in or to any (i) biologics license application (as described in FDA regulations, including all amendments and supplements to the application and any equivalent filing with a Regulatory Authority ("BLA(s)"), (ii) investigational new drug applications (as described in FDA regulations, including all amendments and supplements to the application and any equivalent filing with any Regulatory Authority outside of the United States ("IND(s)"), (iii) registration filings to the relevant Regulatory Authority of an appropriate application seeking any Approval ("Registration Filings"), and (iv) any Approvals, in each of (i) through (iv) for any Excluded Ocular ANG2 Products, except as set forth in Section 10(c) of this First Amendment. There is no Lead Regulatory Party or non-Lead Regulatory Party for the Excluded Ocular ANG2 Products. For the purposes of this Section 10, "Approvals" shall mean, with respect to the applicable ANG2 Licensed Product or Excluded Ocular ANG2 Product, as the case may be, any marketing approvals, pricing approvals, registration, license or authorization from any Regulatory Authority required for the development, manufacture or commercialization of such product in the Field or Excluded Field, as the case may be, in a regulatory jurisdiction anywhere in the world, and shall include, without limitation, any approval, registration, license or authorization granted in connection with any Registration Filing.

(b) Regeneron and its Affiliates and licensees shall have, and Sanofi and its Affiliates hereby grant to Regeneron and its Affiliates and licensees, the right to reference the

BLA(s), IND(s), and any Registration Filings and/or Approvals for any ANG2 Licensed Product requested by Regeneron to support Regeneron' s (and its Affiliates' and licensees', as applicable) IND, BLA, Registration Filings and/or Approvals for Excluded Ocular ANG2 Products anywhere in the world. Promptly upon the request of Regeneron, Sanofi or its Affiliate shall submit a letter of authorization to FDA or the applicable Regulatory Authority (and take such actions or make such other filings) in order to permit any ANG2 Licensed Product IND, BLA, Registration Filing and/or Approval to be incorporated by reference in such Excluded Ocular ANG2 Product regulatory filings.

(c) Sanofi and its Affiliates and licensees shall have, and Regeneron and its Affiliates hereby grant to Sanofi and its Affiliates and licensees, the right to reference the BLA(s), IND(s), and any Registration Filings and/or Approvals for any Excluded Ocular ANG2 Product requested by Sanofi to support Sanofi' s (and its Affiliates' and licensees', as applicable) IND, BLA, Registration Filings and/or Approvals for ANG2 Licensed Products anywhere in the world outside of the Excluded Field. Promptly upon the request of Sanofi, Regeneron or its Affiliates shall submit a letter of authorization to FDA or the applicable Regulatory Authority (and take such actions or make such other filings) in order to permit any Excluded Ocular ANG2 Product IND, BLA, Registration Filing and/or Approval to be incorporated by reference in such ANG2 Licensed Product regulatory filings outside of the Excluded Field.

(d) Both Parties will cooperate with each other to develop and follow specific procedures to be agreed upon to coordinate the exchange of necessary safety and pharmacovigilence information from ANG2 Licensed Products Developed and Commercialized as part of the Collaboration and Excluded Ocular ANG2 Products developed and commercialized by Regeneron and its licensees to ensure prompt communication of such notifications and compliance with reporting obligations to Regulatory Authorities.

(e) Both Parties will cooperate with each other to develop and follow specific procedures to be agreed upon to coordinate the exchange of necessary regulatory information from ANG2 Licensed Products Developed and Commercialized as part of the Collaboration and Excluded Ocular ANG2 Products developed and commercialized by Regeneron and its licensees.

(f) Parties agree to promptly disclose to each other all relevant information related to ANG2 Licensed Products Developed and Commercialized as part of the Collaboration and Excluded Ocular ANG2 Products developed and commercialized by Regeneron and its licensees, that could have a material impact on the Manufacture, Development or Commercialization of such products. By way of example, categories of information that may have a material impact on Manufacture, Development or Commercialization of such products could include information having implications on safety, clinical, commercial, CMC or regulatory filings.

(g) With regard to ANG2 Licensed Products Developed and Commercialized outside of the Excluded Field as part of the Collaboration, Regeneron shall not respond to or initiate any communications with Regulatory Authorities or Governmental Authorities, except during the period that Regeneron is acting as the Lead Regulatory Party for the Development of ANG2 Licensed Products in the Field. Further, Regeneron shall notify Sanofi within twenty-four (24) hours of receipt by Regeneron from Regulatory Authorities, Governmental Authorities, Affiliates or licensees of any such written or verbal communications initiated by Regulatory Authorities or Governmental Authorities. With regard to Excluded Ocular ANG2 Products developed and commercialized by Regeneron and its licensees, Sanofi shall not respond to or initiate any communications with Regulatory Authorities or Governmental Authorities, and Sanofi shall notify Regeneron within twenty-four (24) hours of receipt by Regeneron

from Regulatory Authorities, Governmental Authorities, Affiliates or licensees of any such verbal or written communications initiated by Regulatory Authorities or Governmental Authorities.

(h) Regeneron shall use Commercially Reasonable Efforts to support the interests of ANG2 Licensed Products Developed and Commercialized as part of the Collaboration in its communications to Regulatory Authorities and Governmental Authorities for the Excluded Ocular ANG2 Licensed Products.

(i) Regeneron shall, [****], but in no event less than two weeks prior to the first submission to an institutional review board or ethics committee for such trial, provide Sanofi a clinical trial outline of such trial.

(j) To the extent that Regeneron determines in good faith that data from a [****], Regeneron and Sanofi shall discuss and agree [****].

(k) Regeneron shall notify Sanofi if any data regarding ANG2 Products generated under the LCA is submitted to Regulatory Authorities or Governmental Authorities in support of Excluded Ocular ANG2 Products. Should the regulatory strategy pertaining to such data have the potential to have a material impact on the regulatory strategy used to support ANG2 Licensed Product, Regeneron and Sanofi shall discuss and agree to the proposed strategy in advance of Regeneron's (or its Affiliates' or licensees') communication with Regulatory Authorities or Governmental Authorities regarding such data.

(l) Regeneron shall use Commercially Reasonable Efforts to provide to Sanofi within twenty-four (24) hours after receipt by Regeneron (or Regeneron's receipt from its' Affiliates or licensees) from any Regulatory Authorities or Governmental Authorities any such information for the Excluded Ocular ANG2 Products that it determines in good faith is materially relevant to the interests of the ANG2 Licensed Products, including but not limited to Development, regulatory communications and filings, safety, labeling, manufacturing or product quality for ANG2 Products, or any notice or results of inspections or manufacturing issues relevant to purified bulk ANG2 Product Drug Substance (to the extent that such purified bulk ANG2 Product Drug Substance is common between the ANG2 Products and Excluded Ocular ANG2 Products). Regeneron and Sanofi shall discuss and agree on the response to be communicated to Regulatory Authorities or Governmental Authorities regarding such information and Regeneron shall provide a copy of the response submitted to such Regulatory Authorities or Governmental Authorities within twenty-four (24) hours of submission by Regeneron (or Regeneron's receipt of such a submission from a licensee).

(m) To the extent that an Excluded Ocular ANG2 Product [****], the Parties shall jointly determine the regulatory strategy for such [****]. In the event that the Parties are unable to reach consensus on such regulatory strategy, the Parties shall refer the matter to the Chief Executive Officers for resolution. Regeneron shall notify Sanofi of planned or submitted filing dates to Regulatory Authorities or Governmental Authorities regarding [****] for the Excluded Ocular ANG2 Product. In the Major Market Countries, the Parties shall jointly determine the regulatory briefing strategy for background materials or submissions related to [****] at least ten (10) days prior to submission to Regulatory Authorities or Governmental Authorities. Briefing materials conforming to the jointly agreed regulatory strategy shall be prepared by Regeneron and provided to Sanofi no later than five (5) days prior to submission to a Regulatory Authority or Governmental Authorities. Sanofi shall provide any comments to such briefing materials no later than forty-eight (48) hours following Regeneron's provision of such briefing materials, which comments shall be considered in good faith by Regeneron, and Regeneron shall provide to Sanofi a copy of the final documents prior to submission. In the non-Major Market Countries, any materials regarding [****] submitted to a Regulatory Authority or a Governmental Authority shall be consistent

with the global regulatory strategy jointly developed by the Parties for the Major Market Countries regarding such [****] and Regeneron shall notify Sanofi within seventy-two (72) hours after Regeneron's submission (or Regeneron's receipt of such a submission from a licensee). Notwithstanding the foregoing, should a Regulatory Authority or Governmental Authority request an immediate response from Regeneron regarding [****] Regeneron shall use Commercially Reasonable Efforts to consult with Sanofi in advance of a response, but will not delay a response to such request.

(n) For purposes of clarification, Regeneron and its licensees will have the sole right to determine the final content and position of any communication with Regulatory Authorities and Governmental Authorities with regard to Excluded Ocular ANG2 Products provided that Regeneron makes a good faith determination that such communication will not have a material adverse impact on the Development and Commercialization of ANG2 Licensed Products in the Field.

11. **Nonproprietary Naming.** To the extent not otherwise prohibited by Law, the Parties will use commercially reasonable efforts to [****].

12. **Continuing Effect.** Except as specifically modified by this First Amendment, all of the provisions of the LCA are hereby ratified and confirmed to be in full force and effect, and shall remain in full force and effect. The provisions of Sections 10 and 11 of this First Amendment shall apply only for so long as any ANG2 Licensed Product is being Developed and/or Commercialized under the LCA and is not an Opt-Out Product.

13. **Entire Agreement; Successors and Assigns.** The LCA, this First Amendment, and any written agreements executed by both Parties pertaining to the subject matter therein, constitute the entire agreement between the Parties hereto with respect to subject matter hereof and thereof. Said documents supersede all other agreements and understandings between the Parties with respect to the subject matter hereof and thereof, whether written or oral. This First Amendment shall be binding upon and shall inure to the benefit of the Parties and their respective heirs, administrators, executors, Affiliates, successors and permitted assigns.

14. **Headings.** The section headings contained in this First Amendment are for reference purposes only and shall not affect in any way the meaning or interpretation of the First Amendment.

15. **Counterparts.** This First Amendment may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become a binding agreement when one or more counterparts have been signed by each Party and delivered to the other Party.

16. **Miscellaneous.** This First Amendment shall be governed by the laws of the State of New York, without regard to its principles of conflicts of laws. Each Party hereby irrevocably and unconditionally consents to the exclusive jurisdiction of the courts of the State of New York, and the United States District Court for the Southern District of New York for any action, suit or proceeding arising out of or relating to this First Amendment, waives any objections to such jurisdiction and venue and agrees not to commence any action, suit or proceeding relating to this First Amendment except in such courts. This First Amendment supersedes all prior understandings and agreements, whether written or oral, among the Parties hereto relating to the essence of this First Amendment. If there is a direct conflict between the provisions of the LCA and this First Amendment, this First Amendment shall govern. This First Amendment may be amended only by a written instrument executed by each of the Parties.

17. **Public Disclosure.** Regeneron shall have the right to file or register this First Amendment and a notification thereof with the United States Securities and Exchange Commission. A press release shall be issued in substantially the form attached hereto as Exhibit B. In addition to the information included in the press release attached hereto as Exhibit B, Regeneron shall have the right to publicly disclose the ANG2 Ocular Royalties described in Section 4 of this Amendment.

IN WITNESS WHEREOF, each of the Parties has caused this First Amendment to be executed as of the date hereof by a duly authorized corporate officer.

AVENTIS PHARMACEUTICALS INC.

By: /s/ Robert Deberardine

Name: Robert Deberardine

Title: Vice President, General Counsel & Secretary

REGENERON PHARMACEUTICALS, INC.

By: /s/ Leonard S. Schleifer

Name: Leonard S. Schleifer, M.D., P.h.D.

Title: President & CEO

EXHIBIT A

(Example calculations of Regeneron Reimbursement Amount and certain Development Costs)

(USD MM)

Example Scenario: Regeneron and Sanofi develop a plan and budget for the Ang-2 Oncology Development program that totals $50MM for a given year. Included in this plan and budget is $3MM (A) for [****]. The Parties agree (based on definitions in this amendment) that such [****] is a "**Shared ANG2 Product Development Cost**". In addition, Regeneron is working on [****] in that same year for its ANG2 ophthalmology program that it believes will cost $1MM (B) and benefit the ANG2 oncology program. The Parties agree via the Joint Steering Committee agree that the formulation work is a "**Shared Excluded Ocular ANG2 Product Development Cost**". The **Regeneron Reimbursement Amount** for all antibody programs under the LCA for this same period is $75MM (C) before taking into consideration any of these ANG2 related adjustments

Financial Calculations

	Costs Year X	**Comments**
ANG2 Development Activities (Oncology Program):		
[****] (Shared ANG2 Product Development Costs)	3.0	**(A)**
Other Development Costs	47.0	
Total ANG2 Development Costs	50.0	**(D)**
Less: Regeneron Shared ANG2 Product Development Costs	(1.5)	**(E)=50%*(A)**
Plus: Collaboration Shared Excluded Ocular ANG2 Product Development Costs	0.5	**(F)=50%*(B)**
Adjusted ANG2 Development Costs	49.0	**This adjusted amount is what will be used to calculate the Development Balance**
Calculation of the Regeneron Reimbursement Amount:		
Base Regeneron Reimbursement Amount	75.0	**(C)**
Less: Regeneron Shared ANG2 Product Development Costs	(1.5)	**(E)**
Plus: Collaboration Shared Excluded Ocular ANG2 Product Development Costs	0.5	**(F)**
Adjusted Regeneron Reimbursement Amount	74.0	**This adjusted amount will be the Regeneron Reimbursement Amount**

EXHIBIT B

(Draft press release)

Exhibit 10.6*

Portions of this Exhibit Have Been Omitted and Separately Filed with the Securities And Exchange Commission with a Request For Confidential Treatment

[SANOFI LETTERHEAD]

Regeneron Pharmaceuticals, Inc.
777 Old Saw Mill River Road
Tarrytown, New York 10591-6707
Attention: President and CEO
Copy: General Counsel

Dear Dr. Schleifer:

Reference is hereby made to the Amended and Restated Discovery and Preclinical Development Agreement (the "Discovery Agreement"), dated as of November 10, 2009, by and between Aventis Pharmaceuticals Inc., a Delaware corporation with a principal place of business located at 55 Corporate Drive, Bridgewater, New Jersey 08807, an indirect wholly owned subsidiary of Sanofi-Aventis, a company organized under the laws of France with its principal headquarters at 174, avenue de France, 75013, Paris, France, and Regeneron Pharmaceuticals, Inc., a New York corporation with a principal place of business located at 777 Old Saw Mill River Road, Tarrytown, New York 10591. Capitalized terms used herein and not otherwise defined herein shall have the defined meanings set forth in the Discovery Agreement.

The Parties wish to memorialize their agreements with regard to certain terms and provisions of the Discovery Agreement as it relates to PDGF.

1. For the purposes of this letter agreement, the following definitions shall apply:

"Effective Date" shall have the meaning set forth in paragraph 3.

"First Commercial Sale" shall mean, with respect to a PDGF Product or an Ocular Combination Product or an Other Combination Product in a country in the Territory, the first commercial sale of the finished product to a non-sublicensee Third Party for use in the applicable country (or group of countries) following receipt of marketing approval. Sales for test marketing or clinical trial purposes or compassionate or similar use shall not constitute a First Commercial Sale.

"Ocular Combination Product" shall mean a product comprising a PDGF Product sold in combination with one or more active ingredients (whether combined in a single formulation or package, as applicable, or formulated or packaged separately but sold together for a single price) for Ophthalmological Uses.

"Other Combination Product" shall mean a product comprising a PDGF Product sold in combination with one or more active ingredients (whether combined in a single formulation or package, as applicable, or formulated or packaged separately but sold together for a single price) for Non-Ophthalmological Uses. Ocular Combination Products are expressly excluded from this definition.

"Ophthalmological Uses" shall mean the treatment or diagnosis of any ocular disease or disorder.

"Non-Ophthalmological Uses" shall mean the treatment or diagnosis of any disease or disorder other than an ocular disease or disorder.

"PDGF" shall mean the following Targets**:** (a) platelet derived growth factor alpha and beta receptors and all dimers thereof, and (b) platelet derived growth factors A, B, C and D.

"PDGF Milestones" shall have the meaning set forth in paragraph 3.

"PDGF Product" shall mean any Antibody against PDGF.

"PDGF Royalties" shall have the meaning set forth in paragraph 3.

"PDGF Royalty Term" shall be the period beginning with the First Commercial Sale of a PDGF Product, an Ocular Combination Product or an Other Combination Product, as the case may be, to a non-sublicensee Third Party in a country in the Territory following receipt of marketing approval in the applicable country, and ending [****].

"Upfront Payment" shall have the meaning set forth in paragraph 3.

2. The Parties agree that the definition of Net Sales in Article I of the Discovery Agreement shall be modified solely for the purposes of calculating PDGF Royalties as follows: the term Royalty Products shall mean the applicable PDGF Product, Ocular Combination Product and Other Combination Product as the case may be.

3. Within five (5) Business Days of the date this letter agreement is fully executed by the Parties (the "Effective Date"), Regeneron shall pay to Sanofi a non-refundable, non-creditable amount of US $10,000,000 (the "Upfront Payment") as consideration for Sanofi's agreements hereunder.

In addition, notwithstanding Section 4.5(i) of the Discovery Agreement, Regeneron shall pay to Sanofi non-refundable, non-creditable performance based milestones in the following amounts (the "PDGF Milestones") within five (5) Business Days of the occurrence of the following conditions:

(a) Five Million U.S. Dollars (US $5,000,000) upon [****];
(b) Five Million U.S. Dollars (US $5,000,000) upon [****];
(c) Ten Million U.S. Dollars (US $10,000,000) upon [****]; and
(d) Twenty Million U.S. Dollars (US $20,000,000) upon [****].

For purposes of clarification, each of the foregoing milestone payments shall be made only once and only upon the first occurrence of each such milestone, regardless of the number of PDGF Products, Ocular Combination Products or Other Combination Products. For purposes of further clarification, the maximum amount paid as PDGF Milestones shall not exceed Forty Million U.S. Dollars (US $40,000,000). [****] In the event that the Parties disagree on whether the milestone described in paragraph 3(d) is payable, either Party may, in a written notice to the other Party, formally request that such dispute be resolved by the Chief Executive Officer of Regeneron and the Chief Executive Officer of Sanofi Parent.

In addition, notwithstanding Section 4.5(i) of the Discovery Agreement, Regeneron shall pay to Sanofi royalties on Net Sales in the following amounts (the "PDGF Royalties") through the end of the applicable PDGF Royalty Term:

(a) For sales of a PDGF Product for Ophthalmological Uses as a single agent, [****]% of Net Sales for that PDGF Product;

(b) For sales of an Ocular Combination Product, [****]% of Net Sales for that Ocular Combination Product; and
(c) For sales of a PDGF Product for Non-Ophthalmological Uses as a single agent or sales of an Other Combination Product, [****]% of Net Sales for that PDGF Product or Other Combination Product, as the case may be.

PDGF Royalties shall be paid within sixty (60) days after the end of each full or partial Quarter during the PDGF Royalty Term in which sales subject to PDGF Royalties occur. No other royalties or payments whatsoever of any kind will be due or owing to Sanofi relating in any way to PDGF, PDGF Products, Ocular Combination Products or Other Combination Products, including, for the avoidance of doubt, any royalties under Section 4.5(i) of the Discovery Agreement. Regeneron shall deliver to Sanofi with each royalty payment a report detailing in reasonable detail the information necessary to calculate the royalty payments due hereunder for such Quarter, including the following information, specified on a country-by-country basis: (a) total gross invoiced amount from sales of each PDGF Product, Ocular Combination Product or Other Combination Product; (b) all relevant deductions from gross invoiced amounts to calculate Net Sales, (c) Net Sales; and (d) PDGF Royalties payable.

4. The Parties acknowledge that Regeneron was on track to deliver an Opt-In Report for a PDGF-beta receptor and to commence clinical development of a PDGF Product in 2013. Notwithstanding that [****], the Parties agree that [****].

5. The Parties agree that effective 05 November 2012, any costs incurred by Regeneron in connection with PDGF shall be borne directly by Regeneron and shall no longer be considered a Discovery Program Cost. The Parties further agree that unless otherwise set forth herein, for all purposes including without limitation the Discovery Agreement, each PDGF Product, Ocular Combination Product and Other Combination Product shall be considered to be and shall be treated for all purposes as a Refused Candidate. Sanofi acknowledges and agrees that all rights with regard to PDGF and any PDGF Products, Ocular Combination Products and Other Combination Products it may have had on or before the Effective Date are forever and in all respects terminated as of the date hereof. Further, for the sake of clarity, the Parties agree that the research license to Sanofi Intellectual Property relating to PDGF granted to Regeneron pursuant to Section 2.10 of the Discovery Agreement and the Sanofi Target Licenses granted to Regeneron pursuant to Section 2.12 of the Discovery Agreement shall remain in full force and effect on and after the Effective Date, and Regeneron shall be entitled to use such licenses for its benefit and the benefit of any of its Affiliates and sublicensees involved in the development, manufacturing, marketing, promoting, commercializing or sale of any PDGF Product, Ocular Combination Product or Other Combination Product without any royalty or other consideration to Sanofi or any of its Affiliates. Notwithstanding anything to the contrary in this paragraph, Sanofi shall be entitled to the Upfront Payment, PDGF Milestones and, to the extent there are sales of a PDGF Product, an Ocular Combination Product or an Other Combination Product by Regeneron or any of its Affiliates or sublicensees, the PDGF Royalties.

6. Sanofi does not exercise its rights under Section 5.6(i) of the Discovery Agreement to designate PDGF as one of the Sanofi Targets. Further, Sanofi hereby waives its rights to any of the Regeneron Intellectual Property relating to PDGF as provided in Section 2.13 of the Discovery Agreement.

7. Beginning with the Effective Date and for as long as Regeneron is paying PDGF Royalties, neither Sanofi nor its Affiliates, either alone or through any Third Party directly or indirectly, shall manufacture, market, promote, commercialize, or sell, any PDGF Product as a single agent or in combination with one or more active ingredients anywhere in the Territory. In the event that during the period that Regeneron is paying PDGF Royalties (i) Sanofi or one of its Affiliates acquires, directly or indirectly, Control (as such term is defined below) of a Third Party, and (ii) the Third Party or one of its Affiliates is the owner of or is holding license rights to Patents relating to or has any marketing or sales rights relating to any PDGF Product as a single agent or in combination with one or more active ingredients anywhere in the Territory, and (iii) such PDGF Product, at the moment of acquiring Control, is in any stage of discovery, development or commercialization, then Sanofi shall notify Regeneron of such acquisition of

Control within ten (10) days of such acquisition and shall divest or cease the development or the commercialization of that PDGF Product within twelve (12) months of such acquisition. For the purpose of this paragraph, the term "Control" shall mean the ownership of more than fifty (50) percent of the voting stock or similar interest. For the avoidance of doubt, the Parties acknowledge and agree that in the event of a conflict between the provisions of paragraph 5 hereof relating to the Refused Candidates and this paragraph 7, this paragraph 7 shall control.

8. Notwithstanding anything contained herein to the contrary, Sanofi and its Affiliates shall be entitled to (i) initiate, sponsor and/or conduct a clinical trial in a country and/or (ii) participate, directly or indirectly, whether through the provision of funds, grants or otherwise, in any clinical trial, initiated, sponsored and/or conducted by any Third Party in a country; in each of the foregoing cases with respect to the combination of any Sanofi (or its Affiliate's) products, together with any PDGF Product, Ocular Combination Product or Other Combination Product that has been granted a marketing approval for at least one indication in the applicable country.

9. Regeneron shall have the right to file or register this letter agreement and a notification thereof with the United States Securities and Exchange Commission. A press release shall be issued in substantially the form attached hereto as Exhibit A. In addition to the information included in the press release attached hereto as Exhibit A, Regeneron shall have the right to publicly disclose the PDGF Royalties described in Section 3 of this letter agreement.

If you are in agreement with the foregoing, please sign below and return one fully executed original to my attention.

Sincerely,

/s/Robert DeBerardine
Vice President,
General Counsel & Secretary
Aventis Pharmaceuticals, Inc.

AGREED AND ACCEPTED:

/s/Leonard S. Schleifer, M.D., Ph.D
President & CEO

cc:
Michael Aberman
Murray Goldberg
Kerry Reinersten
George Yancopoulos

Exhibit 10.7*

Portions of this Exhibit Have Been Omitted and Separately Filed with the Securities And Exchange Commission with a Request For Confidential Treatment

AMENDED AND RESTATED
NON-EXCLUSIVE LICENSE AND SETTLEMENT AGREEMENT

This Amended and Restated Non-Exclusive License and Settlement Agreement ("Agreement") is entered into as of the Amendment Effective Date, and is effective as of the Effective Date, by and between Genentech, Inc. ("Genentech"), a Delaware corporation having its principal place of business at 1 DNA Way, South San Francisco, California 94080 and Regeneron Pharmaceuticals, Inc. ("Licensee"), a New York corporation having its principal place of business at 777 Old Saw Mill River Road, Tarrytown, NY 10591.

WHEREAS:

A. Genentech and Licensee are parties to a patent litigation now pending in the United States District Court, Southern District of New York, captioned *Regeneron Pharmaceuticals, Inc. vs. Genentech, Inc.* (Civil Action No. 11-CV-01156-VB) (the "Pending U.S. Litigation");

B. In general, Genentech claims in the Pending U.S. Litigation that certain of Licensee's activities with respect to the biopharmaceutical product known as aflibercept infringe and/or will infringe certain United States patents owned by Genentech, and Licensee claims that none of its activities with respect to aflibercept infringe any valid claim of such patents;

G. Genentech and Licensee settled some of the matters in dispute in the Pending U.S. Litigation pursuant to a Non-Exclusive License and Partial Settlement Agreement entered into on the Effective Date (the "Original Agreement"); and

H. Genentech and Licensee desire to hereby amend and restate the Original Agreement to provide, among other things, for the settlement of the remaining issues in the Pending U.S. Litigation.

NOW, THEREFORE, in consideration of the promises and mutual covenants recited herein, the Parties agree as follows:

Article I

Definitions

The following words and phrases shall have the meanings set forth below solely for purposes of this Agreement:

1.01. "Affiliate" shall mean any Person that, on or after the Effective Date, controls, is controlled by, or is under common control with, a Party. For purposes of this definition only, "controlled" and "control" shall mean (i) owning, directly or indirectly, at least fifty percent (50%) of the outstanding voting securities or other ownership interest of a Person, or (ii) possessing, directly or indirectly, the power to manage, direct, or cause the direction of the management and policies of a Person or the power to elect or appoint fifty percent (50%) or more of the members of the governing body of the Person. A Person shall be an Affiliate only during such period of time that such Person meets the definition set forth in this Section 1.01. With respect to Genentech, the term "Affiliate" shall not include Chugai Pharmaceutical Co., Ltd. ("Chugai") unless and until Genentech provides written notice to Licensee specifying Chugai as an Affiliate of Genentech.

1.02. "Amendment Effective Date" shall mean May 17, 2013.

1.03. "Bayer Designee" shall mean any Third Party (other than Bayer Healthcare LLC and its Affiliates) that is employed by or otherwise under written contract with Bayer Healthcare LLC or any of its Affiliates to make, use, sell, offer for sale, import, or export Licensed Product in the Field in any country (or portion thereof) in the Territory

on behalf of, or in collaboration or partnership with, Bayer Healthcare LLC or any of its Affiliates, pursuant to a sublicense that Licensee grants to Bayer Healthcare LLC and its Affiliates under and in accordance with Section 2.04; provided however, the term "Bayer Designee" shall not apply to any such Third Party to which Licensed Product is sold by Bayer Healthcare LLC or any of its Affiliates solely for resale by such Third Party to other Third Parties in the Field in any country (or portion thereof) in the Territory, where such Third Party (i) does not pay any consideration to Bayer Healthcare LLC, Licensee, or any of their respective Affiliates in connection with its resale of Licensed Product, and (ii) has no significant contractual obligations to Bayer Healthcare LLC, Licensee, or any of their respective Affiliates with regard to marketing or promotion of the Licensed Product.

1.04. "Calendar Quarter" shall mean each three month period commencing January 1, April 1, July 1 and October 1 of each calendar year.

1.05. "Designee" shall mean

1) any Person (other than an Affiliate of Licensee) that is employed by or otherwise under written contract with Licensee or an Affiliate of Licensee to make, use, sell, offer for sale, promote, distribute, or market Licensed Product in the Field in any country (or portion thereof) in the Territory on behalf of, or in collaboration or partnership with, Licensee or its Affiliate; provided, however, the term "Designee" shall not apply to any such Person to which Licensed Product is sold by Licensee or an Affiliate of Licensee solely for resale by such Person to Third Parties in the Field in any country (or portion thereof) in the Territory, where such Person (i) does not pay any consideration to Licensee or any Affiliate of Licensee in connection with its resale of Licensed Product, and (ii) has no significant contractual obligations to Licensee or any Affiliate of Licensee with regard to marketing or promotion of the Licensed Product. The Parties acknowledge and agree that Bayer HealthCare LLC and its Affiliates are currently, and have been since the Effective Date, Designees with respect to Licensed Product; and

2) any Bayer Designee.

1.06. "Effective Date" shall mean December 31, 2011.

1.07. "Encumbered Patent" shall mean any patent or patent application, other than those within the Excluded Patents,

1) that is owned or co-owned as of the Effective Date by Genentech or a subsidiary of Genentech, and with respect to which Genentech or the subsidiary has entered into a written agreement prior to the Effective Date that grants one or more Third Parties a license, co-license, co-ownership, control, right to enforce, or other right in regard to such patent or patent application (or a patent issuing or claiming priority therefrom), as a consequence of which Genentech is contractually precluded from granting to Licensee a license under such patent or patent application, or under a patent that issues from or claims priority to such patent application, of the scope set forth in Section 2.01, without breaching such written agreement or owing a royalty or other financial obligation to one or more of such Third Parties; or

2) that is *not* owned or co-owned by Genentech or a subsidiary of Genentech as of the Effective Date, but is owned or co-owned by Genentech or a subsidiary of Genentech as of the Amendment Effective Date, and with respect to which Genentech or the subsidiary has entered into a written agreement prior to the Amendment Effective Date that grants one or more Third Parties a license, co-license, co-ownership, control, right to enforce, or other right in regard to such patent or patent application (or a patent issuing or claiming priority therefrom), as a consequence of which Genentech is contractually precluded from granting to Licensee a license under such patent or patent application, or under a patent that issues from or claims priority to such patent application, of the scope set forth in Section 2.01,

without breaching such written agreement or owing a royalty or other financial obligation to one or more of such Third Parties.

A patent or patent application that meets the definition of Encumbered Patent under Section 1.07(1) on the Effective Date but which falls outside of the definition of Encumbered Patent at any time thereafter shall be treated as an Encumbered Patent during the period when it meets the definition of Encumbered Patent but shall not be treated as an Encumbered Patent during the period when it falls outside of the definition of Encumbered Patent. A patent or patent application that meets the definition of Encumbered Patent under 1.07(2) on the Amendment Effective Date but which falls outside of the definition of Encumbered Patent at any time thereafter shall be treated as an Encumbered Patent during the period when it meets the definition of Encumbered Patent but shall not be treated as an Encumbered Patent during the period when it falls outside of the definition of Encumbered Patent.

1.08. "Excluded Patents" shall mean (i) each of the patent applications (and patents issuing therefrom) and patents listed on Exhibit A hereto; (ii) any patent issuing at any time from any patent application to which any patent listed on Exhibit A claims priority (including any foreign counterpart issuing in any country of the Territory); (iii) any patent issuing at any time from any patent application that claims priority to any of the foregoing patents or applications or to any application to which any of the foregoing patents claim priority (including any foreign counterpart issuing in any country of the Territory); (iv) any patent issuing at any time from a divisional, continuation, or continuation-in-part of any of the foregoing patent applications (including any foreign counterpart issuing in any country of the Territory); (v) all reissues, reexaminations, extensions, equivalents, and Supplementary Protection Certificates of any of the foregoing patents and applications in (i), (ii), (iii), and (iv); and (vi) the [****] Patents and the [****] Patents.

1.09. [****] Patents" shall mean (i) [****] (ii) [****] (iii) [****] (iv) [****] (v) [****] and (vi) all extensions, equivalents, and Supplementary Protection Certificates of any of the foregoing (i), (ii), (iii), (iv), and (v) outside the U.S

1.10. "[****] Patents" shall mean (i) the Ex-U.S. patent applications (and patents issuing therefrom) and patents listed in Exhibit B hereto; (ii) any patent issuing at any time outside the U.S. from any patent application to which any of the patents listed in Exhibit B claim priority; (iii) any patent issuing at any time outside the U.S. from any patent application that claims priority to any of the foregoing patents or applications or to any application to which any of the foregoing patents claim priority; (iv) any patent issuing at any time outside the U.S. from a divisional, continuation, or continuation-in-part of any of the foregoing patent applications; and (iv) any extensions, equivalents, and Supplementary Protection Certificates of any of the foregoing (i), (ii), (iii), and (iv) outside the U.S.

1.11. Field" shall mean and be limited to the prevention or treatment of eye diseases and eye disorders in a human through the administration of Licensed Product to the eye (including, but not limited to, the prevention or treatment of age-related macular degeneration, central retinal vein occlusion, diabetic macular edema, and/or myopic choroidal neovascularization in a human). The Parties acknowledge and agree, for the sake of clarity, that "Field" does not mean, and therefore excludes, the use of Licensed Product for any other purpose, including prevention or treatment of any other diseases or disorders other than eye diseases and eye disorders in a human. By way of example only, and without limitation, "Field" excludes any use of Licensed Product for the prevention or treatment of any form of breast cancer, colorectal cancer, lung cancer, ovarian cancer, or prostate cancer in a human.

1.12. "First Commercial Sale" shall mean the first sale in the Territory of Licensed Product by Licensee or any of its Affiliates or any Designees to a Third Party for use in the Field. That sale shall be deemed to have occurred on the date of the first invoice to the Third Party for the Licensed Product. The Parties acknowledge and agree that the First Commercial Sale in the Territory occurred in the U.S. on a date prior to the Effective Date.

1.13. “Genentech Technology Patents” shall mean all patents (whether issued prior to or after the Effective Date), other than the Licensed Patents, Excluded Patents, and Encumbered Patents, that (i) are owned or co-owned as of the Amendment Effective Date by Genentech or a subsidiary of Genentech, or (ii) are issued after the Amendment Effective Date and claim priority to a patent or patent application owned or co- owned as of the Amendment Effective Date by Genentech or a subsidiary of Genentech, or (iii) but for the March 26, 2009 acquisition of Genentech by Roche would have been owned or co-owned as of the Amendment Effective Date by Genentech or a subsidiary of Genentech, or (iv) are issued after the Amendment Effective Date and claim priority to a patent or patent application that but for the March 26, 2009 acquisition of Genentech by Roche would have been owned or co-owned as of the Amendment Effective Date by Genentech or a subsidiary of Genentech; and that, in each of cases (i), (ii), (iii), and (iv), would be infringed by any activity licensed under Section 2.01 but for the license granted under Section 2.02.

1.14. “Gross Sales” shall have the meaning given in Section 1.17.

1.15. “Licensed Patents” shall mean (i) each of the patent applications (and patents issuing therefrom) and patents listed in Exhibit C hereto; (ii) any patent issuing at any time from any patent application to which any patent listed on Exhibit C claims priority (including any foreign counterpart issuing in any country of the Territory); (iii) any patent issuing at any time from any patent application that claims priority to any of the foregoing patents or applications or to any application to which any of the foregoing patents claim priority (including any foreign counterpart issuing in any country of the Territory); (iv) any patent issuing at any time from a divisional, continuation, or continuation-in-part of any of the foregoing patent applications (including any foreign counterpart issuing in any country of the Territory); and (v) all reissues, reexaminations, extensions, equivalents, and Supplementary Protection Certificates of any of the foregoing patents and applications in (i), (ii), (iii), and (iv). Under no circumstance shall a Licensed Patent be deemed to be within the definition of Excluded Patents.

1.16. “Licensed Product” shall mean the protein aflibercept, whether sold under the trade name Eylea® or any other name, and any pharmaceutical formulation containing the protein aflibercept, in each case that is intended for use in the Field in the Territory.

1.17. “Net Sales” shall mean:

1) The gross amounts invoiced for sales of all Licensed Product sold in the U.S. and all Licensed Product made in the U.S. and sold anywhere in the Territory , commencing with the First Commercial Sale, by Licensee, its Affiliates, and Designees to Third Parties for use in the Field (such invoiced amounts referred to hereinafter as “Gross Sales”), less the following deductions from Gross Sales which are actually incurred:

(a) credits or allowances granted for billing errors or for damaged, outdated, returned, rejected or recalled Licensed Product;

(b) uncollectible amounts on previously sold Licensed Product and retroactive price reductions;

(c) reasonable trade, cash and quantity discounts or rebates;

(d) taxes, duties and any other governmental charges or levies imposed upon or measured by the manufacture, use, or sale of a Licensed Product, as adjusted by any rebates or refunds;

(e) chargebacks and rebates, including those granted to managed health care organizations, wholesalers, buying groups, retailers or to federal, state, local and other governments, their agencies and purchasers and reimbursers;

(f) freight, insurance, data, distribution-related fees, and other charges or fees directly related to the handling or distribution of Licensed Product or services provided in connection with the handling or distribution of Licensed Product (to the extent not paid by a Third Party customer), subject, however, to the limitation that only fifty percent (50%) of any charges and fees associated with any credit card transactions may be included in the deductions; and

(g) nursing fees, and inventory management fees, discounts or credits; and credits and allowances made for wastage replacement, indigent patients, patients unable to satisfy co-pay obligations and similar programs.

Gross Sales and the foregoing deductions from Gross Sales shall be determined and recorded in accordance with U.S. Generally Accepted Accounting Principles or International Financial Reporting Standards, as consistently applied by Licensee and its Affiliates and presented in their consolidated financial statements. Where actual data for a particular deduction is not reasonably available at the time that a royalty payment is due under this Agreement with respect to relevant Gross Sales, Licensee shall make a reasonable estimate of that deduction for purposes of calculating Net Sales for a particular Calendar Quarter. Licensee will subsequently make any required adjustment with respect to that deduction in the royalty payment owed for the Calendar Quarter in which actual data for a particular deduction does reasonably become available. In the case of actual data for a particular deduction that is not reasonably available until after the Royalty Term, Licensee's royalty payments made during the Royalty Term shall be adjusted by a subsequent payment to Genentech or refund to Licensee (as the case may be) as required based on such actual data, provided, however, that (i) Licensee shall report such actual data to Genentech as soon as it reasonably becomes available to Licensee, and (ii) any such refund to Licensee shall not in any event exceed five million U.S. dollars ($5,000,000).

2) For the period between May 1, 2016 and May 7, 2016, Licensee shall calculate Net Sales by taking the total amount of Net Sales for the month of May 2016 and multiplying this amount by 22.5%.

3) In the event a Licensed Product is sold in combination with one or more other active ingredients that are not the subject of this Agreement (as used in this definition of Net Sales, a "Combination"), then the gross amount invoiced for that Licensed Product shall be calculated by multiplying the gross amount invoiced for such Combination by the fraction A/(A+B), where "A" is the gross amount invoiced for the Licensed Product sold separately and "B" is the gross amount invoiced for the other active ingredient(s) sold separately.

In the event that the other active ingredient(s) is not sold separately, then the gross amount invoiced for that Licensed Product shall be calculated by multiplying the gross amount invoiced for the Combination by the fraction A/C, where "A" is the gross invoice amount for the Licensed Product, if sold separately, and "C" is the gross invoice amount for the Combination.

In the event that no such separate sales are made, Net Sales for royalty determination shall be determined by the Parties in good faith.

1.18. "Party" shall mean either Genentech or Licensee, and when used in the plural shall mean both Genentech and Licensee.

1.19. "Person" shall mean an individual, trust, corporation, partnership, joint venture, limited liability company, association, unincorporated organization or other legal or governmental entity.

1.20. "Royalty Term" shall mean the period commencing on the date of the First Commercial Sale and ending on May 7, 2016.

1.21. "Term of this Agreement" shall have the meaning given in Section 7.01.

1.22. "Territory" shall mean the entire world.

1.23. "Third Party" shall mean any Person other than Genentech or Licensee or any of their respective Affiliates and Designees.

1.24. "U.S." and "United States" shall mean the United States of America, including its territories and possessions.

Article II

GRANTS, COVENANTS AND DISMISSALS

2.01. License to Licensed Patents. Subject to the terms and conditions of this Agreement, Genentech hereby grants to Licensee and its Affiliates and Licensee and its Affiliates hereby accept a non-exclusive, worldwide license under the Licensed Patents for the Term of this Agreement to make, have made, use, offer for sale, sell, import, and export Licensed Product in the Field in the Territory.

2.02. License to Genentech Technology Patents. Subject to the terms and conditions of this Agreement, Genentech hereby grants to Licensee and its Affiliates and Licensee and its Affiliates hereby accept a non-exclusive license under the Genentech Technology Patents for the Term of this Agreement solely to practice the license granted to Licensee and its Affiliates in Section 2.01.

2.03. Covenant Not To Sue For Activities Prior to Amendment Effective Date. Genentech, on behalf of itself and its predecessors, successors, assigns, and Affiliates, agrees and covenants not to sue Licensee, its Affiliates, or Designees for infringement of any of the Licensed Patents or Genentech Technology Patents based on any activity that occurred prior to the Amendment Effective Date that would be licensed under Section 2.01 had such activity occurred on or after the Amendment Effective Date; provided, however, that this covenant does not release Licensee, its Affiliates, and Designees from any obligation under this Agreement, including, but not limited to, the obligation to pay the sales milestone and royalties and to maintain records and make reports under and in accordance with Articles III and IV with respect to all Net Sales of Licensed Product sold during the Royalty Term. The Parties acknowledge and agree, for the sake of clarity, that the covenant in this Section 2.03 is given only with respect to the Licensed Patents and Genentech Technology Patents, and not any other patents.

2.04. Right of Licensee to Grant Sublicenses. Licensee and its Affiliates shall have the right to grant sublicenses to Designees under the licenses granted to Licensee and its Affiliates in Sections 2.01 and 2.02. No Designee to which Licensee or its Affiliate grants a sublicense shall have the right to grant any further sublicenses of any Licensed Patents and/or Genentech Technology Patents, except that Licensee may grant to Bayer Healthcare LLC and its Affiliates a sublicense that includes a right for Bayer Healthcare LLC and its Affiliates to grant a further sublicense to a Bayer Designee, under which further sublicense the Bayer Designee shall have the right to make (but not have made), use, offer for sale, sell, import, or export Licensed Product in the Field in any country (or portion thereof) in the Territory on behalf of, or in collaboration or partnership with, Bayer Healthcare LLC or any of its Affiliates. Licensee will require its Affiliates and Bayer Healthcare LLC and its Affiliates to provide Licensee with notice of any sublicense to a Designee. Licensee shall always be responsible for the payment of royalties on all Net Sales of Licensed Product

sold during the Royalty Term by any of its Affiliates and any Designees and for the performance by such Affiliates and Designees of obligations delegated to them by Licensee pursuant to this Agreement, irrespective of whether such Designee has formally been granted a sublicense under this Section 2.04. Licensee and its Affiliates shall also have the right to grant to any healthcare payer or provider a sublicense to administer or have administered to a patient Licensed Product that is sold to such payer or provider, in which case the payer or provider shall not be considered a Designee provided that royalties are paid on the Licensed Product sold to such such payer or provider in accordance with the other terms of this Agreement.

2.05. Dismissal of Proceedings. Not later than five business days after the Amendment Effective Date, the Parties shall cause their attorneys of record in the Pending U.S. Litigation to execute and file with the Court the Stipulation of Dismissals in the form of Exhibit E hereto.

2.06. Acknowledgement, Licensee acknowledges that patents are publicly available documents and consequently Licensee had the ability prior to the Amendment Effective Date to search for and identify those patents owned or co-owned by Genentech for which it believed a license was necessary or desirable to make, use, or sell Licensed Product in the Field in the Territory. Licensee further acknowledges that it could have sought from Genentech royalty-bearing licenses with respect to only one or several individual patents within the Licensed Patents and/or the Genentech Technology Patents prior to entering into this Agreement, but that for reasons of convenience, business certainty, and other considerations, Licensee agreed to enter into this Agreement and obtain the licenses herein with respect to all patents within the Licensed Patents and Genentech Technology Patents.

Article III

MILESTONE AND ROYALTIES OWED

3.01. Sales Milestone. Within thirty (30) days following the date when total cumulative Net Sales of Licensed Product sold in the U.S. reach four hundred million U.S. dollars ($400,000,000), Licensee shall make a one-time, non-refundable, non-creditable payment of sixty million U.S. dollars ($60,000,000) to Genentech. The Parties acknowledge and agree that this payment has already been timely made prior to the Amendment Effective Date.

3.02. Royalties. Licensee shall pay to Genentech the following royalties as a percentage of total cumulative Net Sales of Licensed Product (i) sold in the U.S. during the Royalty Term (regardless of where such Licensed Product is made) and (ii) made in the U.S. but sold outside of the U.S. during the Royalty Term:

(a) 4.75% on total cumulative Net Sales of Licensed Product between four hundred million U.S. dollars ($400,000,000) and three billion U.S. dollars ($3,000,000,000); and

(b) 5.50% on total cumulative Net Sales of Licensed Product in excess of three billion U.S. dollars ($3,000,000,000).

Royalties shall be paid within sixty (60) days after the end of each full or partial Calendar Quarter during the Royalty Term in which sales subject to royalties occur. For the purpose of calculating royalties under this Section 3.02, the sale of a unit of Licensed Product shall be deemed to occur on the date of the first invoice to a Third Party for the Licensed Product. Royalties owed under this Section 3.02 are in addition to the sales milestone owed under Section 3.01. The Parties acknowledge and agree, for the sake of clarity, that (i) Licensee is obligated to pay the royalties set forth in this Section 3.02 on all Net Sales of Licensed Product sold during the Royalty Term even if the sixty day period during which the royalty payment must be made extends beyond the Royalty Term, (ii) no royalties shall be owed on any Licensed Product that is sold after the last day of the Royalty Term (even if such Licensed Product was made during the Royalty Term), and (iii) royalties owed under this Section 3.02 shall not be offset or reduced by any payments that

Licensee, its Affiliates, or Designees may make to license or acquire any Third Party's technology, patents, or other intellectual property.

3.03. Royalties on Certain Sales That Occurred Prior to April 1, 2013. Whereas prior to the Amendment Effective Date Licensee has paid to Genentech royalties on certain Net Sales of Licensed Product sold in the U.S. prior to January 1, 2013 (as to which Genentech retains its right to audit under Section 4.01), Licensee acknowledges and agrees that prior to the Amendment Effective Date it has not paid to Genentech any royalties on any Net Sales of Licensed Product made in the U.S. but sold outside of the U.S. Within sixty (60) days after the Amendment Effective Date, Licensee shall pay to Genentech the royalties owed under Section 3.02 on all Net Sales of Licensed Product that was made in the U.S. but sold outside of the U.S. during the period from the date of the First Commercial Sale to and including March 31, 2013. Except for the one-time payment of royalties as described in the preceding sentence, all other royalties owed to Genentech under Section 3.02 shall be due and payable as set forth in Section 3.02.

3.04. Sales To or Between Licensee, Affiliates, and Designees. Sales of Licensed Product to or between any of Licensee, its Affiliates, and Designees for further sale shall not be included in Net Sales; provided, however, that in such cases the first sale of each unit of Licensed Product by Licensee, or any of its Affiliates, or Designees, to a Third Party in an arm's length transaction shall be included in Net Sales.

3.05. No Other Consideration. Without the prior written consent of Genentech, Licensee, its Affiliates, and Designees shall not solicit or accept any consideration for the sale of Licensed Product other than as will be accurately reflected in Net Sales; provided, however, that the supply or other disposition of Licensed Product, without charge, in the Field in the Territory as follows shall not be included in the computation of Net Sales: (i) as samples, (ii) as replacement for damaged or otherwise unusable Licensed Product (provided that such replacement is not with respect to damaged or otherwise unusable Licensed Product for which a deduction from Net Sales has been or will be taken under Section 1.17); (iii) for use in clinical studies conducted to obtain regulatory approval(s) or for post-marketing surveillance purposes (also referred to as Phase IV clinical trials in the U.S.); (iv) for use in any tests or studies reasonably necessary to comply with any applicable law or regulation, or any request by a regulatory or governmental authority; (v) for compassionate use or for investigator sponsored trials; in each of cases (i), (ii), (iii), (iv) , and (v) in an amount that is commercially reasonable.

Article IV

RECORDS, REPORTS AND PAYMENTS

4.01. Records Retention. Licensee and its Affiliates shall keep true, complete, and accurate records of all sales of all Licensed Product in the Field in the Territory in sufficient detail to permit Genentech to confirm the accuracy of Licensee's Net Sales calculations and royalty calculations, including for sales by Designees. At Genentech's request and expense, Licensee shall permit not more than once in a twelve (12) month period an independent certified public accountant appointed by Genentech and approved by Licensee (such approval not to be unreasonably withheld or delayed) to examine at a mutually agreeable location in New York, NY or another city as to which the Parties may mutually agree, upon reasonable notice and at reasonable times, such records to the extent necessary for Genentech to confirm the accuracy of Licensee's Net Sales calculations (including the details of all deductions taken from Gross Sales to arrive at Net Sales) and royalty calculations. Licensee shall be responsible for providing the appointed accountant access at such location to such records that in the ordinary course of business are in the possession, custody, or control of Licensee and its Affiliates (including any records that Licensee and its Affiliates receive from Designees). In addition, Licensee shall (a) require Designees to keep and maintain true, complete, and accurate records of all Net Sales and the calculation of royalties due on such Net Sales for at least three (3) years from the Calendar Quarter in which such Net Sales are made, ensure compliance with such obligation by Designees, and require quarterly written reports to Licensee of all Net Sales and all deductions therefrom, and (b) use commercially reasonable efforts to cause Designees to make available for inspection by the appointed accountant, at a mutually convenient location in the United States, true, complete, and accurate records of Designees' sales of all Licensed Product in the Field in the Territory in

sufficient detail to permit Genentech to confirm the accuracy of Licensee's Net Sales calculations and royalty calculations based on Designees' sales. The appointed accountant shall enter into a confidentiality agreement with Licensee upon terms comparable to those in Section 8.13, which confidentiality agreement shall continue to apply to any information provided to such accountant for the examination unless and until such information (i) becomes generally available to the public other than through any breach of the confidentiality agreement by such accountant or (ii) becomes known to such accountant other than from or through a Person having an obligation to Licensee not to disclose such information. Such examination of the records of Licensee, its Affiliates, and Designees shall be limited to a period of time no more than three (3) years immediately preceding the request for examination. The report of any such examination shall be made simultaneously to Genentech and Licensee and shall include a statement of the amount, if any, by which Licensee has underpaid or overpaid royalties, and a description of the nature and basis of the underpayment or overpayment. In the event of an underpayment of royalties, Licensee shall promptly pay the deficiency plus interest pursuant to Section 4.06 to Genentech; and if royalties to Genentech were underpaid by more than five (5) percent, then Licensee shall additionally reimburse Genentech for its reasonable costs incurred in examining such records.

4.02. Reports. Except as provided in Section 4.03, within sixty (60) days after the end of each full or partial Calendar Quarter during the Royalty Term, Licensee shall furnish to Genentech a written report of all sales of all Licensed Product during such Calendar Quarter. Such report shall state, separately for such sales of Licensed Product sold in the U.S. (regardless of where such Licensed Product was made) and for such sales of Licensed Product made in the U.S. but sold outside of the U.S., the following items: (i) the total Gross Sales, (ii) the Net Sales, (iii) the currency conversion rate(s) used and the U.S. dollar-equivalent of such Net Sales, determined in accordance with Section 4.07, and (iv) for all Net Sales subject to royalties pursuant to Section 3.02, the amount of royalties owed. Genentech shall maintain this report as confidential pursuant to Section 8.13, and also Genentech shall use reasonable efforts within the company to limit access to such report to only employees of its and its Affiliates' Finance and Legal functions and those other employees of Genentech and its Affiliates who are responsible for auditing, managing, or maintaining this Agreement in the ordinary course of business.

4.03. Report of Certain Sales That Occurred Prior to April 1, 2013. Within sixty (60) days after the Amendment Effective Date, Licensee shall furnish to Genentech a written report of all sales of all Licensed Product made in the U.S. but sold outside of the U.S. during the period from the date of the First Commercial Sale to and including March 31, 2013. Such report shall separately state with respect to such sales (i) the total Gross Sales, (ii) the Net Sales, (iii) the currency conversion rate(s) used and the U.S. dollar-equivalent of such Net Sales, determined in accordance with Section 4.07, and (iv) for all Net Sales subject to royalties pursuant to Section 3.02, the amount of royalties owed. Genentech shall maintain this report as confidential pursuant to Section 8.13, and also Genentech shall use reasonable efforts within the company to limit access to such report to only employees of its and its Affiliates' Finance and Legal functions and those other employees of Genentech and its Affiliates who are responsible for auditing, managing, or maintaining this Agreement in the ordinary course of business. Licensee acknowledges and agrees, for the sake of clarity, that all Net Sales of all Licensed Product made in the U.S. but sold outside of the U.S. during the period from the date of the First Commercial Sale to and including March 31, 2013 shall be included in the calculation of total cumulative Net Sales of Licensed Product for purposes of Section 3.02.

4.04. Payments. The sales milestone (Section 3.01), royalties (Section 3.02), and any other amounts owed by Licensee to Genentech under this Agreement shall be paid in U.S. dollars and, unless otherwise agreed to by Genentech in writing, shall be made by wire transfer of immediately available funds to such bank account as Genentech may from time to time designate in writing. All payments shall be free and clear of any taxes, duties, levies, fees or charges.

4.05. Finality. Except in the event of Genentech's material breach of Section 2.01, 2.02, and/or 2.03, as established in an arbitration proceeding conducted pursuant to Section 8.10, Licensee hereby releases and forever waives any right to challenge or dispute any amounts paid or owed on Licensed Product pursuant to the terms and conditions of this Agreement after the Effective Date, except to the extent the Parties have a disagreement with respect to the calculation of Net Sales or the timing of the royalty payments owed on Net Sales of Licensed Product.

4.06. Interest. Any payment not made when due shall bear interest, calculated from the date such payment was due, at the annual rate of one percent point (1%) over the prime rate of interest as reported in The Wall Street Journal.

4.07. Currency Conversion. Net Sales outside of the United States shall first be determined in the currency in which they are earned and shall then be converted into an equivalent amount in U.S. dollars using Licensee's usual and customary foreign currency conversion methodology, consistently applied.

Article V

REPRESENTATIONS AND WARRANTIES; COVENANTS

5.01. Each Party represents and warrants that it has been represented by independent legal counsel of its own choosing in connection with this Agreement, and that it had adequate opportunity to consult with such counsel prior to the execution of this Agreement.

5.02. Genentech represents and warrants that, as of the Effective Date and as of the Amendment Effective Date, it is the owner of the Licensed Patents, and that it has the right to grant the licenses set forth in Article II.

5.03. Genentech represents that, to the best of its knowledge as of the Amendment Effective Date, it did not at any time from July 1, 2011 through and including the Amendment Effective Date (x) assign to any of its Affiliates or any Third Party ownership of, or (y) grant to any of its Affiliates or any Third Party an exclusive license in the Field under, any patent that (i) would be infringed by Licensee's practice of the license granted to it in Section 2.01, and (ii) but for such assignment or exclusive license, would have been within the definition of Genentech Technology Patents as of the Amendment Effective Date. As used in this paragraph, "knowledge" means actual knowledge following reasonable inquiry within Genentech's Legal Department, based on whatever facts they have regarding, for example, the structure, composition, formulation, and manufacture of Licensed Product.

5.04. Genentech represents that, to the best of its knowledge as of the Effective Date and the Amendment Effective Date, Licensee's practice of the license granted to it in Section 2.01 or Section 2.02 would not infringe any United States patent within the Encumbered Patents. As used in this paragraph, "knowledge" means actual knowledge following reasonable inquiry within Genentech's Legal Department, based on whatever facts they have regarding, for example, the structure, composition, formulation, and manufacture of Licensed Product.

5.05. Except in the event of Genentech's material breach of Section 2.01, 2.02, 2.03, and/or 5.02 as established in an arbitration proceeding conducted pursuant to Section 8.10, Licensee covenants that during the Term of this Agreement it will not fail or refuse to pay to Genentech the sales milestone (Section 3.01) and royalties (Section 3.02) owed with respect to Licensed Product pursuant to the terms and conditions of this Agreement.

5.06. Nothing in this Agreement is or shall be construed as:

(a) A warranty or representation by Genentech as to the scope of any claim or patent or patent application within the Licensed Patents or the Genentech Technology Patents;

(b) A warranty or representation by Genentech that anything made, used, offered for sale, sold, or otherwise disposed of under any license granted in this Agreement is or will be free from infringement of any patent rights or other intellectual property right of any Third Party;

(c) A grant by Genentech, whether by implication, estoppel, or otherwise, of any licenses other than those expressly granted under Article II;

(d) A grant by Genentech, whether by implication, estoppel, or otherwise, of any license under any patents or patent applications other than the Licensed Patents and the Genentech Technology Patents; or

(e) An obligation on the part of Genentech to bring or prosecute actions or suits against any Third Party for infringement of any of the Licensed Patents or the Genentech Technology Patents.

5.07. EXCEPT AS OTHERWISE SET FORTH IN THIS AGREEMENT, NO PARTY MAKES ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, BY STATUTE OR OTHERWISE, AND EACH PARTY SPECIFICALLY DISCLAIMS ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY WHATSOEVER. THE PARTIES SPECIFICALLY DISCLAIM ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR PATENTABILITY, VALIDITY, OR ENFORCEABILITY OF THE LICENSED PATENTS OR THE GENENTECH TECHNOLOGY PATENTS.

Article VI

INDEMNIFICATION

6.01. Indemnification by Licensee. Licensee shall indemnify, defend and hold harmless Genentech, its Affiliates, and each of their respective directors, officers, employees and agents, from and against any and all liabilities, claims, demands, expenses (including, without limitation, reasonable attorneys' and professional fees and other costs of litigation), losses or causes of action (each, a "Liability") arising out of or relating to a claim by a Third Party in any way based on (i) the possession, manufacture, use, sale or other disposition of Licensed Product, whether based on breach of warranty, negligence, product liability or otherwise, or (ii) the exercise of any right granted to Licensee, its Affiliates, or Designees pursuant to this Agreement, except to the extent, in each case (i) and (ii), that such Liability is caused by the gross negligence or willful misconduct of Genentech as determined by a court or other tribunal having jurisdiction. Upon receiving notice of any such Liability from or with respect to any Third Party, Genentech shall promptly inform Licensee of such notice of Liability and permit Licensee to handle and control the defense (including litigation and settlement) of such Liability, at Licensee's sole expense, provided, however, that Licensee shall not settle any such Liability without the prior written consent of Genentech (which consent shall not be unreasonably withheld or delayed).

6.02. Indemnification for Breach of Article V. Any Party that breaches any representation or warranty set forth in Article V shall indemnify, defend and hold harmless the other Party and its Affiliates, and each of their respective directors, officers, employees and agents, from and against any and all liabilities, claims, demands, expenses (including, without limitation, reasonable attorneys' and professional fees and other costs of litigation), losses or causes of action directly resulting from any claim by a Third Party arising out of or relating to any such breach of representation or warranty.

Article VII

TERM AND TERMINATION

7.01. Term. This Agreement commenced on the Effective Date and remains in full force and effect until the expiration of the last patent within the Licensed Patents and the Genentech Technology Patents ("Term of this Agreement"). Subject to the fulfillment by Licensee, its Affiliates, and Designees of all the terms and conditions of

this Agreement including, but not limited to, the payment of all amounts owed under Article III, following the Royalty Term the licenses under Sections 2.01 and 2.02 and any sublicense(s) granted in accordance with Section 2.04 shall become fully paid-up and royalty free for the remainder of the Term of this Agreement.

7.02. Breach of Article III. Genentech is materially relying on Licensee's agreement to comply fully and in all respects with Article III. Accordingly, Genentech and Licensee agree that if Licensee fails to comply with any section of Article III in any respect, Genentech shall notify Licensee in writing of such failure to comply and Licensee shall have thirty (30) days to cure the failure to comply ("the Licensee Cure Period"). If Licensee fails to cure the non-compliance by the end of the Licensee Cure Period, Genentech shall be entitled to seek all relief available at law and equity in an arbitration proceeding conducted pursuant to Section 8.10. If the arbitration award includes an order terminating this Agreement on account of Licensee's failure to comply with Article III, Genentech shall be entitled to file in a U.S. district court or other tribunal of competent jurisdiction a patent infringement lawsuit against any one or more of Licensee, its Affiliates, and Designees with respect to the Licensed Patents, Genentech Technology Patents, and/or any other patents.

7.03. Breach of Article II. Licensee is materially relying on Genentech's agreement to grant the licenses and covenant not to sue provided for in Article II. Accordingly, Genentech and Licensee agree that if Genentech commits a material breach of Article II by revoking or terminating any of the licenses and/or covenant provided for therein, Licensee shall notify Genentech in writing of such material breach and Genentech shall have thirty (30) days to cure that material breach ("the Genentech Cure Period"). If Genentech fails to cure the material breach by the end of the Genentech Cure Period, Licensee shall be entitled to seek all relief available at law and equity in an arbitration proceeding conducted pursuant to Section 8.10.

Article VIII

MISCELLANEOUS PROVISIONS

8.01. No Other License. No licenses other than those expressly set forth in Article II are or shall be deemed to have been granted under this Agreement whether by implication, estoppel or otherwise. By way of example only, and without limitation, no license is or shall be deemed to have been granted under this Agreement to make, have made, use, offer for sale, sell, import, or export (i) any product listed in Exhibit D, or (ii) the active ingredient of any product listed in Exhibit D (regardless of whether such active ingredient is made, have made, used, offered for sale, sold, imported, or exported in isolated form or in combination with one or more other active ingredients and/or any other substances).

8.02. Relationship of the Parties. Nothing in this Agreement is intended or shall be deemed to constitute or give rise to a partnership, agency, distributorship, employer-employee, joint venture, or fiduciary relationship between the Parties. No Party shall incur any debts or make any commitments for the other.

8.03. Patent Prosecution and Enforcement. Genentech shall be solely responsible, at its sole discretion and expense, for the prosecution, defense, and maintenance of the Licensed Patents and Genentech Technology Patents (including whether to undertake such activities), and for enforcing the same against actual or suspected Third Party infringers (including whether to undertake such activities).

8.04. Assignment. Neither Party shall assign any of its rights or obligations hereunder except: (i) as incident to the merger, consolidation, reorganization or acquisition of stock or assets affecting substantially all of the assets or voting control of the assigning Party; (ii) to any Person to which it transfers all or substantially all of its assets related to the Licensed Product; (iii) to an Affiliate if the assigning Party remains liable and responsible for the performance and observance of all of the Affiliate's duties and obligations hereunder; or (iv) with the prior written consent of the other Party (which consent shall not be unreasonably withheld). A Party making an assignment shall promptly give written notice thereof to the other Party. This Agreement shall be binding upon the successors and permitted assigns

of the Parties, and the name of a Party appearing herein shall be deemed to include the names of such Party's successors and permitted assigns to the extent necessary to carry out the intent of this Agreement. Any assignment not in accordance with this Section 8.04 shall be void.

8.05. Trade Names and Trademarks. Except as otherwise provided herein, no right, expressed or implied, is granted by this Agreement to use in any manner the name "Genentech" or any other trade name or trademark of Genentech or any of its Affiliates in connection with the performance of this Agreement. Except as otherwise provided herein, no right, expressed or implied, is granted by this Agreement to use in any manner the name "Regeneron" or any other trade name or trademark of Licensee or its Affiliates in connection with the performance of this Agreement.

8.06. Entire Agreement. This Agreement constitutes and contains the entire understanding and agreement of the Parties with respect to the subject matter hereof and cancels and supersedes any and all prior negotiations, correspondence, understandings and agreements, whether verbal or written, between the Parties with respect to subject matter hereof. No waiver, modification, or amendment of any provision of this Agreement shall be valid or effective unless made in writing and signed by a duly authorized representative of each of the Parties.

8.07. Effect on Original Agreement. As of the Amendment Effective Date, this Agreement shall supersede and replace the Original Agreement.

8.08. No Effect on Other Agreements. Nothing in this Agreement is intended or shall be deemed to amend, alter, modify, or have any effect whatsoever on any of the terms and conditions of any other written agreement between the Parties entered into prior to the Effective Date that pertains to subject matter different from the subject matter of this Agreement. Nothing in this Agreement shall be used to construe or interpret any other written agreement between the Parties. By way of example only, and without limitation, nothing in this Agreement is intended or shall be deemed to amend, alter, modify, or have any effect on (i) that certain Confidentiality Agreement that was entered into by and between the Parties with respect to the settlement discussions that preceded this Agreement, [****].

8.09. Waiver of Breach or Default. The waiver by a Party of any breach of or default under any of the provisions of this Agreement or the failure of a Party to enforce any of the provisions of this Agreement or to exercise any right hereunder shall not constitute or be construed as a waiver of any other breach or default or as a waiver of any such rights or provisions hereunder.

8.10. Dispute Resolution. Except as otherwise expressly provided in this Agreement, any dispute, controversy, or claim arising out of or in connection with or relating to this Agreement or the breach or alleged breach thereof (including any dispute regarding arbitrability), but not including any dispute, controversy, or claim concerning the patentability, validity, enforceability, or infringement of any patent, shall be finally and exclusively decided by binding arbitration under the then-current Commercial Arbitration Rules of the American Arbitration Association ("AAA"). If the arbitration is demanded by Genentech, the arbitration shall be held in New York, New York. If the arbitration is demanded by Licensee, the arbitration shall be held in San Francisco, California. The Parties shall choose, by mutual agreement, one (1) neutral arbitrator within thirty (30) days of receipt of the notice of the intent to arbitrate. If no arbitrator is appointed within that time or any extension thereof to which the Parties may mutually agree, the AAA shall make the appointment of the arbitrator within thirty (30) days of such failure, which arbitrator shall be a U.S. citizen and shall have substantial prior experience arbitrating patent licensing disputes in the United States. The Parties shall have the right to conduct discovery as provided for in the Federal Rules of Civil Procedure. All discovery shall be completed within two (2) months following the appointment of the arbitrator. The arbitrator's decision and award in the arbitration shall be in writing setting forth the basis therefor and shall be rendered within six (6) months following the appointment of the arbitrator. The award rendered by the arbitrator shall include costs of the arbitration, reasonable attorneys' fees, and reasonable costs for experts and other witnesses, and judgment on the award may be entered in any court having jurisdiction. To the extent permitted by law, the arbitration proceeding and arbitrator's decision shall be confidential and the arbitrator shall issue appropriate protective orders to safeguard each Party's confidential information. Nothing in this Agreement shall be deemed as preventing either Party from seeking temporary injunctive

relief (or any other provisional remedy) from any court having jurisdiction over the Parties and the subject matter of the dispute but only to the extent necessary to protect such Party's name, confidential information, or other similar proprietary rights, or to prevent any imminent irreparable harm. Each Party hereby consents to the jurisdiction and venue of the courts in the State of California and the State of New York for purposes of entering judgment on the arbitration award.

8.11. Choice of Law. The validity, performance, construction, and effect of this Agreement and any arbitration conducted under Section 8.10 shall be governed by and interpreted in accordance with the laws of the State of New York without regard to conflict of laws principles.

8.12. Notices. Any notice, request, consent, or other document required or permitted to be given under this Agreement or otherwise relating to this Agreement shall be in writing and shall be deemed to have been sufficiently given if delivered in person, or sent by overnight courier or registered mail to the Party to whom it is directed at its address shown below or such other address as such Party shall have last given by notice to the other Party. Any such notice, request, delivery, approval or consent shall be deemed received on the date of hand delivery (provided that such date is a business day, otherwise it shall be deemed received on the next business day), or one (1) business day after dispatch by overnight courier, or five (5) business days after dispatch by registered mail.

If to Licensee, addressed to:
Regeneron Pharmaceuticals, Inc. 777 Old Saw Mill River Road Tarrytown, NY 10591 Attn: General Counsel

If to Genentech, addressed to: Genentech, Inc. 1 DNA Way South San Francisco, CA 94080 Attn: Corporate Secretary

8.13. Confidentiality. Each Party agrees not to disclose any of the terms of this Agreement or any of the information contained in reports pursuant to Sections 4.02 and 4.03 of this Agreement to any Person without the prior written consent of the other Party; provided, however, that each Party shall be free to disclose any such terms or information (i) to the extent that the Party is required to make such disclosure pursuant to any court order or subpoena, provided that the Party required to make such disclosure shall promptly notify the other Party and allow the other Party a reasonable opportunity to seek a protective order or injunctive relief from the obligation to make such disclosure; (ii) that in the opinion of such Party's legal counsel is required to be disclosed by the securities laws or regulations of any jurisdiction or the rules or regulations of any relevant stock exchange, or by any other governmental law or regulation or by any order of a government agency, provided that to the extent possible under the circumstances the Party intending to make such disclosure shall provide prior notice thereof to the other Party and, in addition, shall request confidential treatment for any part of such disclosure for which such treatment may reasonably be expected to be granted; (iii) to its Affiliates, Designees, accountants, attorneys and other professional advisors, provided that such Persons are obligated to keep such terms or information confidential to the same extent as said Party; and (iv) [****]. Each Party may disclose the terms of this Section 8.13 and 8.15 (but no other terms of this Agreement) for the sole and exclusive purpose of seeking from any Person to whom a Party intends to make a disclosure under and in accordance with clause (iii) or (iv) that Person's acceptance of the conditions of disclosure set forth in such clause. Licensee represents that, in the opinion of its counsel, the public disclosure of the financial terms of this Agreement is required by the securities laws and/or regulations of the United States as applied to Licensee. The confidentiality terms of this Section 8.13 shall survive any expiration or termination of this Agreement or the Licensed Patents or the Genentech Technology Patents.

8.14. Publicity. Neither Party shall issue any press release or other publicity material or make any public representation that refers to the existence of this Agreement without the prior written consent of the other Party (which consent shall not be unreasonably withheld or delayed). Notwithstanding the generality of the foregoing, either Party may disclose that the product for which a license has been granted under this Agreement is the Licensed Product and that this Agreement conveys no license or other rights with respect to any diseases or disorders other than eye diseases and eye disorders in a human.

8.15. Prohibited Use and Discovery of Agreement in Legal Proceedings. No Party, or any of its Affiliates, or any Designees, or any other Person to which either Party discloses any of the terms of this Agreement under and in accordance with Section 8.13(iii) or 8.13(iv), shall seek to obtain through discovery, attempt to admit into evidence, or attempt to reference or use for any purpose, this Agreement or any of its terms in any legal or administrative proceeding, regardless of whether the Parties or any of their respective Affiliates or any Designees or any such other Persons are litigants in such proceeding, and regardless of the subject matter of such proceeding, other than for the sole and exclusive purpose of enforcing the terms of this Agreement or in support of a defense raised by either Party based on the Agreement. Without in any way limiting the generality of the foregoing, no Party, or any of its Affiliates, or any Designees, or any other Person to which either Party discloses any of the terms of this Agreement under and in accordance with Section 8.13(iii) or 8.13(iv), shall reference or use this Agreement, or any facts relating to the terms or existence of this Agreement, in any legal or administrative proceeding for purposes of any statement, analysis, expert opinion, or argument relating to patent infringement, patent validity, liability, or damages for patent infringement (including reasonable royalty and lost profits measures of damages) except as provided in the preceding sentence. The confidentiality terms of this Section 8.15 shall survive any expiration or termination of this Agreement or the Licensed Patents or the Genentech Technology Patents.

8.16. No Admission or Concession. This Agreement is the result of settlement and compromise. Nothing contained in this Agreement, nor any milestone or royalty payment made by Licensee pursuant to this Agreement, is intended or shall be deemed to be, or offered in any legal or administrative proceeding as evidence of, any admission or concession (i) by Licensee, its Affiliates, and Designees that any Licensed Patent, Genentech Technology Patent, Encumbered Patent, Excluded Patent or any other patent owned or co-owned by Genentech is patentable, valid, enforceable, or infringed by Licensee or any of its Affiliates or any Designees; (ii) by Genentech, that it is willing or able to grant licenses under the Licensed Patents and/or the Genentech Technology Patents, or as to what is or may be reasonable consideration for a license under the Licensed Patents, Genentech Technology Patents, and/or any other patent owned or co-owned by Genentech; or (iii) by Licensee, its Affiliates, and Designees that Genentech is entitled to obtain any additional patents falling within the same family as any Licensed Patent, Genentech Technology Patent, Excluded Patent or Encumbered Patent, or any extensions or Supplementary Protection Certificates therefore.

8.17. Effect of Agreement on Any Future Litigation. Nothing contained in this Agreement shall preclude or otherwise have any effect on Licensee's ability, to the extent permitted by governing laws and rules, (i) to commence a new legal or administrative proceeding in any venue at any time challenging the validity, enforceability, or infringement of any patent (a) to which a license has not been granted to Licensee under Article II (including, but not limited to, the Excluded Patents and the Encumbered Patents) or (b) in connection with activities outside the scope of the licenses granted to Licensee under Article II; or (ii) to defend against any new legal or administrative proceeding commenced by Genentech against Licensee in any venue at any time by challenging the validity, enforceability or infringement of any patent asserted by Genentech against Licensee in that proceeding.

8.18. Construction. Both Parties have been represented and advised by legal counsel in connection with the negotiation, drafting, and execution of this Agreement, and both Parties, through their respective counsel, have participated in the drafting of this Agreement and accordingly the Parties agree that this Agreement shall not be deemed to have been drafted by one Party or the other and will be construed accordingly. The section headings contained in this Agreement are for convenience of reference only and shall not affect the interpretation or construction of this Agreement..

8.19. Severability. If any clause or portion thereof in this Agreement is for any reason held to be invalid, illegal or unenforceable, the same shall not affect any other portion of this Agreement, as it is the intent of the Parties that this Agreement shall be construed in such fashion as to maintain its existence, validity and enforceability to the greatest extent possible. In any such event, this Agreement shall be construed as if such clause or portion thereof had never been contained in this Agreement, and there shall be deemed substituted therefor such provision as will most nearly carry out the intent of the Parties as expressed in this Agreement to the fullest extent permitted by applicable law.

8.20. Counterparts. This Agreement may be executed simultaneously in one or more counterparts (including in the form of a PDF or other electronic document), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, Genentech and Licensee have caused this Agreement to be executed by their duly authorized representatives.

GENENTECH, INC.		REGENERON PHARMACEUTICALS, INC.	
By:	/s/ Frederick C. Kentz, III	By:	/s/ Joseph J. LaRosa
Title:	SVP, Head of Legal Affairs North America	Title:	Senior Vice President, General Counsel and Secretary
Date:	May 16, 2013	Date:	May 17, 2013

Exhibit A

Excluded Patents

[****]

Exhibit B

[****] Patents

[****]

Exhibit C

Licensed Patents

[DAVIS-SMYTH]
Australia Patent No. 717112
European Patent No. 0907733
German Patent No. 69735942.5
Greece Patent No. 3058794
Japan Patent No. 3457330
New Zealand Patent No. 332779
U.S. Patent No. 5,952,199
U.S. Patent No. 6,100,071
U.S. Patent No. 6,383,486
U.S. Patent No. 6,897,294
U.S. Patent No. 7,771,721
U.S. Patent No. 8,268,313
U.S. Patent No. 8,268,591
U.S. Patent No. 8,273,353
U.S. Patent Application No. 08/643,839

[SHAMS]
U.S. Patent Application No. 11/738,284
U.S. Patent Application No. 13/236,515
[FERRARA]
Canada Patent No. 2754887
PCT Patent Application No. PCT/US96/04338
U.S. Patent Application No. 08/413,305

Exhibit 10.7*

Portions of this Exhibit Have Been Omitted and Separately Filed with the Securities And Exchange Commission with a Request For Confidential Treatment

Exhibit D

[****]

Exhibit 10.7*

Portions of this Exhibit Have Been Omitted and Separately Filed with the Securities And Exchange Commission with a Request For Confidential Treatment

Exhibit E

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

REGENERON PHARMACEUTICALS, INC., Plaintiff, v. GENENTECH, INC., Defendant.	Civil Action No. 11-CV-01156 (VB) ECF Case Jury Demand
GENENTECH, INC., Counter-Plaintiff, v. REGENERON PHARMACEUTICALS, INC. Counter-Defendant.	

JOINT STIPULATION OF DISMISSAL WITH PREJUDICE

IT IS HEREBY STIPULATED by and among the parties to this action through their counsel that the above-captioned action (including without limitation all Claims and Counterclaims and requests for Relief asserted in this action) be and hereby are dismissed in their entirety with prejudice pursuant to Federal Rule of Civil Procedure 41(a)(1).

Each party shall bear its own costs and attorneys' fees in this action.

By:_____

Scott K. Reed (SR 5803)
Brian V. Slater (BS 7914)
Gregory B. Sephton (GS 6416)
Robert S. Schwartz (RS 1921)
FITZPATRICK, CELLA, HARPER & SCINTO
1290 Avenue of the Americas
New York, NY 10104
Tel: (212) 218-2100
Fax: (212) 218-2200
sreed@fchs.com; bslater@fchs.com;
gsephton@fchs.com; rschwartz@fchs.com

Morgan Chu (*Pro Hac Vice*)
Jason G. Sheasby (*Pro Hac Vice*)
Keith A. Orso (*Pro Hac Vice*)
Amir Naini (*Pro Hac Vice*)
IRELL & MANELLA LLP
1800 Avenue of the Stars, Suite 900
Los Angeles, CA 90067-4276
Tel: (310) 277-1010
Fax: (310) 203-7199
mchu@irell.com; jsheasby@irell.com;
korso@irell.com; anaini@irell.com

Stephen C. Robinson (SR34 70)
SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
Four Times Square
New York, NY 10036
Tel: (212) 735-2800
Fax: (917) 777-2800
Stephen.Robinson@skadden.com

Attorneys for Regeneron Pharmaceuticals, Inc.

By:_____

Kenneth A. Gallo
Craig A. Benson
PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP
2001 K Street NW
Washington, DC 20006
Tel: (202) 223-7356
Fax: (202) 204-7356
kgallo@paulweiss.com
cbenson@paulweiss.com

Eric Alan Stone
Kira A. Davis
PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP
1285 Avenue of the Americas
New York, NY 10019-6064
Tel: (212) 373-3000
Fax: (212) 757-3990
estone@paulweiss.com
kdavis@paulweiss.com

Jennifer Gordon
Scott Familant
BAKER BOTTS LLP
30 Rockefeller Center
New York, NY 10112
Tel: (212) 408-2500
Fax: (212) 408-2501
jennifer. gordon@bakerbotts. com
scott.familant@bakerbotts.com

Attorneys for Genentech, Inc.

SO ORDERED:

_____

U.S.D.J.

Dated:

Exhibit 10.8*

Portions of this Exhibit Have Been Omitted and Separately Filed with the Securities And Exchange Commission with a Request For Confidential Treatment

NON-EXCLUSIVE LICENSE AND SETTLEMENT AGREEMENT

This Non-Exclusive License and Settlement Agreement ("Agreement") is entered into as of the Effective Date by and between Genentech, Inc. ("Genentech"), a corporation organized and existing under the laws of Delaware; Regeneron Pharmaceuticals, Inc., ("Regeneron"), a corporation organized and existing under the laws of New York; Sanofi U.S. Services, Inc. (formerly known as Sanofi-Aventis U.S. Inc.), a corporation organized and existing under the laws of Delaware; and Sanofi-Aventis U.S. LLC, a limited liability company organized and existing under the laws of Delaware (the latter two entities collectively referred to as "Sanofi").

WHEREAS:

A. Genentech, Regeneron, and Sanofi are parties to a patent litigation now pending in the United States District Court, Southern District of New York, captioned *Genentech, Inc. v. Regeneron Pharmaceuticals, Inc., Sanofi-Aventis U.S. LLC, Sanofi-Aventis U.S. Inc., Sanofi-Aventis Amerique Du Nord S.A.S., and Sanofi* (Civil Action No. 11-CV-09463-VB) (the "Zaltrap Litigation");

B. In general, Genentech claims in the Zaltrap Litigation that certain activities of Regeneron and Sanofi with respect to the biopharmaceutical product known as Zaltrap® (ziv-aflibercept, which is a certain pharmaceutical formulation of the protein aflibercept) infringe and/or will infringe certain United States patents owned by Genentech, and Regeneron and Sanofi claim that none of their activities with respect to ziv-aflibercept infringe any valid claim of such patents;

C. Genentech, Regeneron and Sanofi are involved in opposition proceedings before the European Patent Office relating to EP 1 975 181 B1 (Pending Ex-U.S. Proceedings); and

D. Genentech, Regeneron and Sanofi are now willing to settle the matters in dispute in the Zaltrap Litigation and Pending Ex-US Proceedings, by means of Genentech's granting to Regeneron and Sanofi certain non-exclusive patent licenses desired by them, and Regeneron and Sanofi's agreeing to pay to Genentech certain monetary consideration for the grant of such rights, all on the specific terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the promises and mutual covenants recited herein, the Parties agree as follows:

Article I

DEFINITIONS

The following words and phrases shall have the meanings set forth below solely for purposes of this Agreement:

1.01. "Affiliate" shall mean any Person that, on or after the Effective Date, controls, is controlled by, or is under common control with, a Party. For purposes of this definition only, "controlled" and "control" shall mean (i) owning, directly or indirectly, at least fifty percent (50%) of the outstanding voting securities or other ownership interest of a Person, or (ii) possessing, directly or indirectly, the power to manage, direct, or cause the direction of the management and policies of a Person or the power to elect or appoint fifty percent (50%) or more of the members of the governing body of the Person. A Person shall be an Affiliate only during such period of time that such Person meets the definition set forth in this Section 1.01. With respect to Genentech, the term "Affiliate" shall not include Chugai Pharmaceutical Co., Ltd. ("Chugai") unless and until Genentech provides written notice to Licensees specifying Chugai as an Affiliate of Genentech. With respect to Sanofi, the Parties acknowledge and agree that Sanofi-Aventis Amerique du Nord S.A.S., a partnership organized and existing under the laws of France, and Sanofi S.A., a corporation organized and existing under the laws of France, are Affiliates of Sanofi as of the Effective Date.

1.02. “Calendar Quarter” shall mean each three month period commencing January 1, April 1, July 1 and October 1 of each calendar year.

1.03. “Designee” shall mean any Person (other than another Licensee) that is employed by or otherwise under written contract with a Licensee to make, use, sell, offer for sale, promote, distribute, or market Licensed Product in the Field in any country (or portion thereof) in the Territory on behalf of, or in collaboration or partnership with, such Licensee; provided, however, the term “Designee” shall not apply to any such Person to which Licensed Product is sold by Licensee solely for resale by such Person to Third Parties in the Field in any country (or portion thereof) in the Territory, where such Person (i) does not pay any consideration to any Licensee or any Affiliate of any Licensee in connection with its resale of Licensed Product, and (ii) has no significant contractual obligations to any Licensee or any Affiliate of any Licensee with regard to marketing or promotion of the Licensed Product.

1.04. “Effective Date” shall mean May 17, 2013.

1.05. “Encumbered Patent” shall mean any patent or patent application, other than those within the Excluded Patents, that is owned or co-owned as of the Effective Date by Genentech or a subsidiary of Genentech, and with respect to which Genentech or the subsidiary has entered into a written agreement prior to the Effective Date that grants one or more Third Parties a license, co-license, co-ownership, control, right to enforce, or other right in regard to such patent or patent application (or a patent issuing or claiming priority therefrom), as a consequence of which Genentech is contractually precluded from granting to Licensees a license under such patent or patent application, or under a patent that issues from or claims priority to such patent application, of the scope set forth in Section 2.01, without breaching such written agreement or owing a royalty or other financial obligation to one or more of such Third Parties. A patent or patent application that meets the definition of Encumbered Patent on the Effective Date but which falls outside of the definition of Encumbered Patent at any time thereafter shall be treated as an Encumbered Patent during the period when it meets the definition of Encumbered Patent but shall not be treated as an Encumbered Patent during the period when it falls outside of the definition of Encumbered Patent.

1.06. “Excluded Patents” shall mean (i) each of the patent applications (and patents issuing therefrom) and patents listed on Exhibit A hereto; (ii) any patent issuing at any time from any patent application to which any patent listed on Exhibit A claims priority (including any foreign counterpart issuing in any country of the Territory); (iii) any patent issuing at any time from any patent application that claims priority to any of the foregoing patents or applications or to any application to which any of the foregoing patents claim priority (including any foreign counterpart issuing in any country of the Territory); (iv) any patent issuing at any time from a divisional, continuation, or continuation-in-part of any of the foregoing patent applications (including any foreign counterpart issuing in any country of the Territory); (v) all reissues, reexaminations, extensions, equivalents, and Supplementary Protection Certificates of any of the foregoing patents and applications in (i), (ii), (iii), and (iv); and (vi) the [****] Patents and the [****] Patents.

1.07. “[****] Patents” shall mean (i) [****] (ii) [****] (iii) [****] (iv) [****] (v) [****] and (vi) all extensions, equivalents, and Supplementary Protection Certificates of any of the foregoing (i), (ii), (iii), (iv), and (v) outside the U.S.

1.08. “[****] Patents” shall mean (i) the Ex-U.S. patent applications (and patents issuing therefrom) and patents listed in Exhibit B hereto; (ii) any patent issuing at any time outside the U.S. from any patent application to which any of the patents listed in Exhibit B claim priority; (iii) any patent issuing at any time outside the U.S. from any patent application that claims priority to any of the foregoing patents or applications or to any application to which any of the foregoing patents claim priority; (iv) any patent issuing at any time outside the U.S. from a divisional, continuation, or continuation-in-part of any of the foregoing patent applications; and (iv) any extensions, equivalents, and Supplementary Protection Certificates of any of the foregoing (i), (ii), (iii), and (iv) outside the U.S.

1.09. “Field” shall mean and be limited to the prevention or treatment of any disease or condition in a human through the administration of Licensed Product, excluding only the Ocular Field. As used herein, “Ocular Field” shall mean the prevention or treatment of eye diseases and eye disorders in a human through the administration of

Licensed Product to the eye (including, but not limited to, the prevention or treatment of age-related macular degeneration, central retinal vein occlusion, diabetic macular edema, and/or myopic choroidal neovascularization in a human). Without in any way limiting the generality of the foregoing, the "Field" shall include the prevention or treatment of any cancer in a human, including but not limited to breast cancer, colorectal cancer, lung cancer, ovarian cancer, or prostate cancer in a human through the administration of Licensed Product.

1.10. "First Commercial Sale" shall mean the first sale in the Territory of Licensed Product by any Licensee or any Designee to a Third Party for use in the Field. That sale shall be deemed to have occurred on the date of the first invoice to the Third Party for the Licensed Product. Licensees represent that the First Commercial Sale in the Territory occurred in the U.S. on a date prior to the Effective Date.

1.11. "Genentech Technology Patents" shall mean all patents (whether issued prior to or after the Effective Date), other than the Licensed Patents, Excluded Patents, and Encumbered Patents, that (i) are owned or co-owned as of the Effective Date by Genentech or a subsidiary of Genentech, or (ii) are issued after the Effective Date and claim priority to a patent or patent application owned or co- owned as of the Effective Date by Genentech or a subsidiary of Genentech, or (iii) but for the March 26, 2009 acquisition of Genentech by Roche would have been owned or co-owned as of the Effective Date by Genentech or a subsidiary of Genentech, or (iv) are issued after the Effective Date and claim priority to a patent or patent application that but for the March 26, 2009 acquisition of Genentech by Roche would have been owned or co-owned as of the Effective Date by Genentech or a subsidiary of Genentech; and that, in each of cases (i), (ii), (iii), and (iv), would be infringed by any activity licensed under Section 2.01 but for the license granted under Section 2.02.

1.12. "Gross Sales" shall have the meaning given in Section 1.16.

1.13. "Licensed Patents" shall mean (i) each of the patent application (and patent issuing therefrom) and patents listed in Exhibit C hereto; (ii) any patent issuing at any time from any patent application to which any patent listed on Exhibit C claims priority (including any foreign counterpart issuing in any country of the Territory); (iii) any patent issuing at any time from any patent application that claims priority to any of the foregoing patents or applications or to any application to which any of the foregoing patents claim priority (including any foreign counterpart issuing in any country of the Territory); (iv) any patent issuing at any time from a divisional, continuation, or continuation-in-part of any of the foregoing patent applications (including any foreign counterpart issuing in any country of the Territory) ; and (v) all reissues, reexaminations, extensions, equivalents, and Supplementary Protection Certificates of any of the foregoing patents and applications in (i), (ii), (iii), and (iv). Under no circumstance shall a Licensed Patent be deemed to be within the definition of Excluded Patents.

1.14. "Licensed Product" shall mean the protein aflibercept, whether sold under the trade name Zaltrap or any other name, and any pharmaceutical formulation of the protein aflibercept with one or more excipients, in each case that is intended for use in the Field in the Territory.

1.15. "Licensee" shall mean Regeneron or Sanofi, and their respective Affiliates, and when used in the plural shall mean both Regeneron and Sanofi, and their respective Affiliates.

1.16. "Net Sales" shall mean:

1) The gross amounts invoiced for sales of all Licensed Product sold in the U.S. and all Licensed Product made in the U.S. and sold anywhere in the Territory, commencing with the First Commercial Sale, by Licensees and their Designees to Third Parties for use in the Field (such invoiced amounts referred to hereinafter as "Gross Sales"), less the following deductions from Gross Sales which are actually incurred:

(a) credits or allowances granted for billing errors or for damaged, outdated, returned, rejected or recalled Licensed Product;

(b) uncollectible amounts on previously sold Licensed Product and retroactive price reductions;

(c) reasonable trade, cash and quantity discounts or rebates;

(d) taxes, duties and any other governmental charges or levies imposed upon or measured by the manufacture, use, or sale of a Licensed Product, as adjusted by any rebates or refunds;

(e) chargebacks and rebates, including those granted to managed health care organizations, wholesalers, buying groups, retailers or to federal, state, local and other governments, their agencies and purchasers and reimbursers;

(f) freight, insurance, data, distribution-related fees, and other charges or fees directly related to the handling or distribution of Licensed Product or services provided in connection with the handling or distribution of Licensed Product (to the extent not paid by a Third Party customer), subject, however, to the limitation that only fifty percent (50%) of any charges and fees associated with any credit card transactions may be included in the deductions;

(g) nursing fees, and inventory management fees, discounts or credits; and credits and allowances made for wastage replacement, indigent patients, patients unable to satisfy co-pay obligations and similar programs; and

(h) such other deductions as required to be in compliance with financial reporting obligations under U.S Generally Accepted Accounting Principles or International Financial Reporting Standards.

Gross Sales and the foregoing deductions from Gross Sales shall be determined and recorded in accordance with U.S. Generally Accepted Accounting Principles or International Financial Reporting Standards, consistently applied by the Licensee and recorded by the Licensee which is recognizing sales. Where actual data for a particular deduction is not reasonably available at the time that a royalty payment is due under this Agreement with respect to relevant Gross Sales, Licensees may make a reasonable estimate of that deduction for purposes of calculating Net Sales for a particular Calendar Quarter. Licensees will subsequently make any required adjustment with respect to that deduction in the royalty payment owed for the Calendar Quarter in which actual data for a particular deduction does reasonably become available. In the case of actual data for a particular deduction that is not reasonably available until after the Royalty Term, Licensees' royalty payments made during the Royalty Term shall be adjusted by a subsequent payment to Genentech or refund to Licensees (as the case may be) as required based on such actual data, provided, however, that (i) Licensees shall report such actual data to Genentech as soon as it reasonably becomes available to Licensees, and (ii) any such refund to Licensees shall not in any event exceed five million U.S. dollars ($5,000,000). The Parties acknowledge and agree, for the sake of clarity, that the sales milestone under Section 3.01 shall not be refundable, either in whole or in part, after it is paid to Genentech.

2) For the period between May 1, 2016 and May 7, 2016, Licensees shall calculate Net Sales by taking the total amount of Net Sales for the month of May 2016 and multiplying this amount by 22.5%.

3) In the event a Licensed Product is sold in combination with one or more other active ingredients that are not the subject of this Agreement (as used in this definition of Net Sales, a "Combination"), then the gross amount invoiced for that Licensed Product shall be calculated by multiplying the gross amount invoiced for such Combination by the fraction A/(A+B), where "A" is the gross amount invoiced for the Licensed Product sold separately and "B" is the gross amount invoiced for the other active ingredient(s) sold separately.

In the event that the other active ingredient(s) is not sold separately, then the gross amount invoiced for that Licensed Product shall be calculated by multiplying the gross amount invoiced for the Combination by the fraction A/C, where "A" is the gross invoice amount for the Licensed Product, if sold separately, and "C" is the gross invoice amount for the Combination.

In the event that no such separate sales are made, Net Sales for royalty determination shall be determined by the Parties in good faith.

1.17. "Party" shall mean Genentech, Regeneron, or Sanofi, and when used in the plural shall mean all of them.

1.18. "Person" shall mean an individual, trust, corporation, partnership, joint venture, limited liability company, association, unincorporated organization or other legal or governmental entity.

1.19. "Royalty Term" shall mean the period commencing on the date of the First Commercial Sale and ending on May 7, 2016.

1.20. "Term of this Agreement" shall have the meaning given in Section 7.01.

1.21. "Territory" shall mean the entire world.

1.22. "Third Party" shall mean any Person other than Genentech, Regeneron, Sanofi, and any of their respective Affiliates and Designees.

1.23. "U.S." and "United States" shall mean the United States of America, including its territories and possessions.

Article II

GRANTS, COVENANTS AND DISMISSAL

2.01. License to Licensed Patents. Subject to the terms and conditions of this Agreement, Genentech hereby grants to each Licensee and each Licensee hereby accepts a non-exclusive, worldwide license under the Licensed Patents for the Term of this Agreement to make, have made, use, offer for sale, sell, import, and export Licensed Product in the Field in the Territory.

2.02. License to Genentech Technology Patents. Subject to the terms and conditions of this Agreement, Genentech hereby grants to each Licensee and each Licensee hereby accepts a non-exclusive license under the Genentech Technology Patents for the Term of this Agreement solely to practice the license granted to each Licensee in Section 2.01.

2.03. Covenant Not To Sue For Activities Prior to Effective Date. Genentech, on behalf of itself and its predecessors, successors, assigns, and Affiliates, agrees and covenants not to sue each Licensee and its Designees for infringement of any of the Licensed Patents or Genentech Technology Patents based on any activity that occurred prior to the Effective Date that would be licensed under Section 2.01 had such activity occurred on or after the Effective Date; provided, however, that this covenant does not release any Licensee or any of its Designees from any obligation under this Agreement, including, but not limited to, the obligation to pay the sales milestone and royalties and to maintain records and make reports under and in accordance with Articles III and IV with respect to all Net Sales of Licensed Product sold during the Royalty Term. The Parties acknowledge and agree, for the sake of clarity, that the covenant in this Section 2.03 is given only with respect to the Licensed Patents and Genentech Technology Patents, and not any other patents.

2.04. Right of Licensee to Grant Sublicenses. Each Licensee shall have the right to grant sublicenses to Designees under the licenses granted to such Licensee in Sections 2.01 and 2.02. No Designee of a Licensee shall have the right to grant any further sublicenses of any Licensed Patents and/or Genentech Technology Patents. Licensees shall always be responsible for the payment of royalties on all Net Sales of Licensed Product sold during the Royalty Term by any Designee and for the performance by any Designee of obligations delegated to it by a Licensee pursuant to this Agreement, irrespective of whether such Designee has formally been granted a sublicense by Licensee under this Section 2.04. Each Licensee and its Designees shall also have the right to grant to any healthcare payer or provider a sublicense to administer or have administered to a patient Licensed Product that is sold to such payer or provider, in which case the payer or provider shall not be considered a Designee provided that royalties are paid on the Licensed Product sold to such such payer or provider in accordance with the other terms of this Agreement.

2.05. Dismissal of Proceedings. Not later than five business days after the Effective Date, the Parties shall cause their attorneys of record in the Zaltrap Litigation to execute and file with the Court the Stipulation of Dismissal in the form of Exhibit D hereto. As of the Effective Date, Regeneron and Sanofi shall take no further action in the Pending Ex-U.S. Proceedings.

2.06. Acknowledgement. Licensees acknowledge that patents are publicly available documents and consequently Licensees had the ability prior to the Effective Date to search for and identify those patents owned or co-owned by Genentech for which they believed a license was necessary or desirable to make, use, or sell Licensed Product in the Field in the Territory. Licensees further acknowledge that they could have sought from Genentech royalty-bearing licenses with respect to only one or several individual patents within the Licensed Patents and/or the Genentech Technology Patents prior to entering into this Agreement, but that for reasons of convenience, business certainty, and other considerations, Licensees agreed to enter into this Agreement and obtain the licenses herein with respect to all patents within the Licensed Patents and Genentech Technology Patents.

Article III

MILESTONE AND ROYALTIES OWED

3.01. Sales Milestone. Within sixty (60) days following the end of the full or partial Calendar Quarter during the Royalty Term when total cumulative Net Sales of Licensed Product reach two hundred million U.S. dollars ($200,000,000), Licensees shall make a one-time, non-refundable, non-creditable milestone payment of nineteen million U.S. dollars ($19,000,000) to Genentech. Provided that total cumulative Net Sales of Licensed Product reach two hundred million U.S. dollars ($200,000,000) during the Royalty Term, Licensees shall be obligated to make such milestone payment to Genentech, even if the sixty day period during which the milestone payment must be made extends beyond the Royalty Term. By way of example only, and without limitation, if total cumulative Net Sales of Licensed Product reach two hundred million U.S. dollars ($200,000,000) in the period from May 1, 2016 to and including May 7, 2016, Licensees shall make such milestone to Genentech within the sixty (60) days following June 30, 2016. No milestone payment shall be owed unless total cumulative Net Sales of Licensed Product reach two hundred million U.S. dollars ($200,000,000) during the Royalty Term. For the sake of clarity, the sale of a unit of Licensed Product for purposes of calculating Net Sales shall be deemed to occur on the date of the first invoice to a Third Party for the Licensed Product.

3.02. Royalties. Licensees shall pay to Genentech the following royalties as a percentage of total cumulative Net Sales of Licensed Product (i) sold in the U.S. during the Royalty Term (regardless of where such Licensed Product is made) and (ii) made in the U.S. but sold outside of the U.S. during the Royalty Term:

(a) 4.5% on total cumulative Net Sales of Licensed Product between four hundred million U.S. dollars ($400,000,000) and one billion U.S. dollars ($1,000,000,000); and

(b) 6.5% on total cumulative Net Sales of Licensed Product in excess of one billion U.S. dollars ($1,000,000,000).

Royalties shall be paid within sixty (60) days after the end of each full or partial Calendar Quarter during the Royalty Term in which sales subject to royalties occur. For the purpose of calculating royalties under this Section 3.02, the sale of a unit of Licensed Product shall be deemed to occur on the date of the first invoice to a Third Party for the Licensed Product. Royalties owed under this Section 3.02 are in addition to the sales milestone owed under Section 3.01. The Parties acknowledge and agree, for the sake of clarity, that (i) Licensees are obligated to pay the royalties set forth in this Section 3.02 on all Net Sales of Licensed Product sold during the Royalty Term even if the sixty day period during which the royalty payment must be made extends beyond the Royalty Term, (ii) no royalties shall be owed on any Licensed Product that is sold after the last day of the Royalty Term (even if such Licensed Product was made during the Royalty Term), and (iii) royalties owed under this Section 3.02 shall not be offset or reduced by any payments that Licensees or their Designees may make to license or acquire any Third Party's technology, patents, or other intellectual property.

3.03. Sales To or Between Licensees and Designees. Sales of Licensed Product to or between any of Licensees and Designees for further sale shall not be included in Net Sales; provided, however, that in such cases the first sale of each unit of Licensed Product by any Licensee or Designee to a Third Party in an arm's length transaction shall be included in Net Sales.

3.04. No Other Consideration. Without the prior written consent of Genentech, Licensees and their Designees shall not solicit or accept any consideration for the sale of Licensed Product other than as will be accurately reflected in Net Sales; provided, however, that the supply or other disposition of Licensed Product, without charge, in the Field in the Territory as follows shall not be included in the computation of Net Sales: (i) as samples; (ii) as replacement for damaged or otherwise unusable Licensed Product (provided that such replacement is not with respect to damaged or otherwise unusable Licensed Product for which a deduction from Net Sales has been or will be taken under Section 1.16); (iii) for use in clinical studies conducted to obtain regulatory approval(s) or for post-marketing surveillance purposes (also referred to as Phase IV clinical trials in the U.S.); (iv) for use in any tests or studies reasonably necessary to comply with any applicable law or regulation, or any request by a regulatory or governmental authority; (v) for compassionate use or for investigator sponsored trials; in each of cases (i), (ii), (iii), (iv), and (v) in an amount that is commercially reasonable.

Article IV

RECORDS, REPORTS AND PAYMENTS

4.01. Records Retention. Licensees shall keep true, complete, and accurate records of all sales of all Licensed Product in the Field in the Territory in sufficient detail to permit Genentech to confirm the accuracy of Licensees' Net Sales calculations and royalty calculations, including for sales by Designees. At Genentech's request and expense, Licensees shall permit not more than once in a twelve (12) month period an independent certified public accountant appointed by Genentech and approved by Licensees (such approval not to be unreasonably withheld or delayed) to examine at a mutually agreeable location in New York, NY or another city as to which the Parties may mutually agree, upon reasonable notice and at reasonable times, such records to the extent necessary for Genentech to confirm the accuracy of Licensees' Net Sales calculations (including the details of all deductions taken from Gross Sales to arrive at Net Sales) and royalty calculations. Licensees shall be responsible for providing the appointed accountant access at such location to such records that in the ordinary course of business are in the possession, custody, or control of Licensees (including any records that Licensees receive from Designees). In addition, Licensees shall (a) require their Designees to keep and maintain true, complete, and accurate records of all Net Sales and the calculation of royalties due on such Net Sales for at least three (3) years from the Calendar Quarter in which such Net Sales are made, ensure compliance with such obligation by their Designees, and require quarterly written reports to Licensees of all Net Sales and all deductions therefrom, and (b) use commercially reasonable efforts to cause their Designees to make available for inspection by the appointed accountant, at a mutually convenient location in the United States, true, complete, and accurate records of Designees' sales of all Licensed Product in the Field in the Territory in sufficient detail to permit Genentech to confirm the accuracy of Licensees' Net Sales calculations and royalty calculations based on Designees' sales. The appointed accountant shall enter into a confidentiality agreement with Licensees upon terms

comparable to those in Section 8.12, which confidentiality agreement shall continue to apply to any information provided to such accountant for the examination unless and until such information (i) becomes generally available to the public other than through any breach of the confidentiality agreement by such accountant or (ii) becomes known to such accountant other than from or through a Person having an obligation to Licensees not to disclose such information. Such examination of the records of Licensees and their Designees shall be limited to a period of time no more than three (3) years immediately preceding the request for examination. The report of any such examination shall be made simultaneously to Genentech and Licensees and shall include a statement of the amount, if any, by which Licensees have underpaid or overpaid royalties, and a description of the nature and basis of the underpayment or overpayment. In the event of an underpayment of royalties, Licensees shall promptly pay the deficiency plus interest pursuant to Section 4.06 to Genentech; and if royalties to Genentech were underpaid by more than five (5) percent, then Licensees shall additionally reimburse Genentech for its reasonable costs incurred in examining such records.

4.02. Report of Sales Prior to April 1, 2013. Within sixty (60) days after the Effective Date, Licensees shall furnish to Genentech a written report of all sales of all Licensed Product during the period from the date of the First Commercial Sale to and including March 31, 2013. Such report shall state, separately for such sales of Licensed Product sold in the U.S. (regardless of where such Licensed Product was made) and for such sales of Licensed Product made in the U.S. but sold outside of the U.S., the following items: (i) the total Gross Sales, (ii) the Net Sales, and (iii) the currency conversion rate(s) used and the U.S. dollar-equivalent of such Net Sales, determined in accordance with Section 4.07. Genentech shall maintain this report as confidential pursuant to Section 8.12, and also Genentech shall use reasonable efforts within the company to limit access to such report to only employees of its and its Affiliates' Finance and Legal functions and those other employees of Genentech and its Affiliates who are responsible for auditing, managing, or maintaining this Agreement in the ordinary course of business. Licensees acknowledge and agree, for the sake of clarity, that all Net Sales of all Licensed Product during the period from the date of the First Commercial Sale to and including March 31, 2013 shall be included in the calculation of total cumulative Net Sales of Licensed Product for purposes of Sections 3.01 and 3.02. Licensees represent that total cumulative Net Sales of Licensed Product during the period from the date of the First Commercial Sale to and including March 31, 2013 were less than two hundred million U.S. dollars ($200,000,000).

4.03. Report of Sales On and After April 1, 2013. Within sixty (60) days after the end of each full or partial Calendar Quarter during the period from April 1, 2013 to and including the last day of the Royalty Term, Licensees shall furnish to Genentech a written report of all sales of all Licensed Product during such Calendar Quarter. Such report shall state, separately for such sales of Licensed Product sold in the U.S. (regardless of where such Licensed Product was made) and for such sales of Licensed Product made in the U.S. but sold outside of the U.S., the following items: (i) the total Gross Sales, (ii) the Net Sales, (iii) the currency conversion rate(s) used and the U.S. dollar-equivalent of such Net Sales, determined in accordance with Section 4.07, and (iv) for all Net Sales subject to royalties pursuant to Section 3.02, the amount of royalties owed. Genentech shall maintain this report as confidential pursuant to Section 8.12, and also Genentech shall use reasonable efforts within the company to limit access to such report to only employees of its and its Affiliates' Finance and Legal functions and those other employees of Genentech and its Affiliates who are responsible for auditing, managing, or maintaining this Agreement in the ordinary course of business.

4.04. Payments. The sales milestone (Section 3.01), royalties (Section 3.02), and any other amounts owed by Licensees to Genentech under this Agreement shall be paid in U.S. dollars and, unless otherwise agreed to by Genentech in writing, shall be made by wire transfer of immediately available funds to such bank account as Genentech may from time to time designate in writing. All payments shall be free and clear of any taxes, duties, levies, fees or charges.

4.05. Finality. Except in the event of Genentech's material breach of Section 2.01, 2.02, and/or 2.03, as established in an arbitration proceeding conducted pursuant to Section 8.09, Licensees hereby release and forever waive any right to challenge or dispute any amounts paid or owed on Licensed Product pursuant to the terms and conditions of this Agreement after the Effective Date, except to the extent the Parties have a disagreement with respect to the calculation of Net Sales or the timing of the royalty payments owed on Net Sales of Licensed Product.

4.06. Interest. Any payment not made when due shall bear interest, calculated from the date such payment was due, at the annual rate of one percent point (1%) over the prime rate of interest as reported in The Wall Street Journal.

4.07. Currency Conversion. Net Sales outside of the United States shall first be determined in the currency in which they are earned and shall then be converted into an equivalent amount in U.S. dollars using Licensee's usual and customary foreign currency conversion methodology, consistently applied.

Article V

REPRESENTATIONS AND WARRANTIES; COVENANTS

5.01. Each Party represents and warrants that it has been represented by independent legal counsel of its own choosing in connection with this Agreement, and that it had adequate opportunity to consult with such counsel prior to the execution of this Agreement.

5.02. Genentech represents and warrants that, as of the Effective Date, it is the owner of the Licensed Patents, and that it has the right to grant the licenses set forth in Article II.

5.03. Except in the event of Genentech's material breach of Section 2.01, 2.02, 2.03 and/or 5.02 as established in an arbitration proceeding conducted pursuant to Section 8.09, Licensees covenant that during the Term of this Agreement they will not fail or refuse to pay to Genentech the sales milestone (Section 3.01) and royalties (Section 3.02) owed with respect to Licensed Product pursuant to the terms and conditions of this Agreement.

5.04. Nothing in this Agreement is or shall be construed as:

(a) A warranty or representation by Genentech as to the scope of any claim or patent or patent application within the Licensed Patents or the Genentech Technology Patents;

(b) A warranty or representation by Genentech that anything made, used, offered for sale, sold, or otherwise disposed of under any license granted in this Agreement is or will be free from infringement of any patent rights or other intellectual property right of any Third Party;

(c) A grant by Genentech, whether by implication, estoppel, or otherwise, of any licenses other than those expressly granted under Article II;

(d) A grant by Genentech, whether by implication, estoppel, or otherwise, of any license under any patents or patent applications other than the Licensed Patents and the Genentech Technology Patents; or

(e) An obligation on the part of Genentech to bring or prosecute actions or suits against any Third Party for infringement of any of the Licensed Patents or the Genentech Technology Patents.

5.05. EXCEPT AS OTHERWISE SET FORTH IN THIS AGREEMENT, NO PARTY MAKES ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, BY STATUTE OR OTHERWISE, AND EACH PARTY SPECIFICALLY DISCLAIMS ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY WHATSOEVER. THE PARTIES SPECIFICALLY DISCLAIM ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR

PURPOSE, OR PATENTABILITY, VALIDITY, OR ENFORCEABILITY OF THE LICENSED PATENTS OR THE GENENTECH TECHNOLOGY PATENTS.

Article VI

INDEMNIFICATION

6.01. Indemnification by Licensees. Licensees shall indemnify, defend and hold harmless Genentech, its Affiliates, and each of their respective directors, officers, employees and agents from and against any and all liabilities, claims, demands, expenses (including, without limitation, reasonable attorneys' and professional fees and other costs of litigation), losses or causes of action (each, a "Liability") arising out of or relating to a claim by a Third Party in any way based on (i) the possession, manufacture, use, sale or other disposition of Licensed Product, whether based on breach of warranty, negligence, product liability or otherwise, or (ii) the exercise of any right granted to Licensees or their Designees pursuant to this Agreement, except to the extent, in each case (i) and (ii), that such Liability is caused by the gross negligence or willful misconduct of Genentech as determined by a court or other tribunal having jurisdiction. Upon receiving notice of any such Liability from or with respect to any Third Party, Genentech shall promptly inform Licensees of such notice of Liability and permit Licensees to handle and control the defense (including litigation and settlement) of such Liability, at Licensees' sole expense, provided, however, that Licensees shall not settle any such Liability without the prior written consent of Genentech (which consent shall not be unreasonably withheld or delayed).

6.02. Indemnification for Breach of Article V. Any Party that breaches any representation or warranty set forth in Article V shall indemnify, defend and hold harmless the other Parties and their Affiliates, and each of their respective directors, officers, employees and agents from and against any and all liabilities, claims, demands, expenses (including, without limitation, reasonable attorneys' and professional fees and other costs of litigation), losses or causes of action directly resulting from any claim by a Third Party arising out of or relating to any such breach of representation or warranty.

Article VII

TERM AND TERMINATION

7.01. Term. This Agreement will commence on the Effective Date and remain in full force and effect until the expiration of the last patent within the Licensed Patents and the Genentech Technology Patents ("Term of this Agreement"). Subject to the fulfillment by Licensees and their Designees of all the terms and conditions of this Agreement including, but not limited to, the payment of all amounts owed under Article III, following the Royalty Term the licenses under Sections 2.01 and 2.02 and any sublicense(s) granted in accordance with Section 2.04 shall become fully paid-up and royalty free for the remainder of the Term of this Agreement.

7.02. Breach of Article III. Genentech is materially relying on Licensees' agreement to comply fully and in all respects with Article III. Accordingly, Genentech and Licensees agree that if Licensees fail to comply with any section of Article III in any respect, Genentech shall notify Licensees in writing of such failure to comply and Licensees shall have thirty (30) days to cure the failure to comply ("the Licensee Cure Period"). If Licensees fail to cure the non-compliance by the end of the Licensee Cure Period, Genentech shall be entitled to seek all relief available at law and equity in an arbitration proceeding conducted pursuant to Section 8.09. If the arbitration award includes an order terminating this Agreement on account of Licensees' failure to comply with Article III, Genentech shall be entitled to file in a U.S. district court or other tribunal of competent jurisdiction a patent infringement lawsuit against any one or more of Licensees and their Designees with respect to the Licensed Patents, Genentech Technology Patents, and/or any other patents.

7.03. Breach of Article II. Licensees are materially relying on Genentech's agreement to grant the licenses and covenant not to sue provided for in Article II. Accordingly, Genentech and Licensees agree that if Genentech commits a material breach of Article II by revoking or terminating any of the licenses and/or covenant provided for

therein, Licensees shall notify Genentech in writing of such material breach and Genentech shall have thirty (30) days to cure that material breach ("the Genentech Cure Period"). If Genentech fails to cure the material breach by the end of the Genentech Cure Period, Licensees shall be entitled to seek all relief available at law and equity in an arbitration proceeding conducted pursuant to Section 8.09.

Article VIII

MISCELLANEOUS PROVISIONS

8.01. No Other License. No licenses other than those expressly set forth in Article II are or shall be deemed to have been granted under this Agreement whether by implication, estoppel or otherwise. By way of example only, and without limitation, in the event any Licensed Product is made, used, sold, imported, or exported in combination with one or more active ingredient(s) other than the protein aflibercept, no license is or shall be deemed to have been granted with regard to such other active ingredient(s), and Genentech, its subsidiaries, and its or their agents and assigns shall have the right and discretion to enforce any patents with respect to such other active ingredient(s).

8.02. Relationship of the Parties. Nothing in this Agreement is intended or shall be deemed to constitute or give rise to a partnership, agency, distributorship, employer-employee, joint venture, or fiduciary relationship between the Parties. No Party shall incur any debts or make any commitments for any other Party.

8.03. Patent Prosecution and Enforcement. Genentech shall be solely responsible, at its sole discretion and expense, for the prosecution, defense, and maintenance of the Licensed Patents and Genentech Technology Patents (including whether to undertake such activities), and for enforcing the same against actual or suspected Third Party infringers (including whether to undertake such activities).

8.04. Assignment. No Party shall assign any of its rights or obligations hereunder except: (i) as incident to the merger, consolidation, reorganization or acquisition of stock or assets affecting substantially all of the assets or voting control of the assigning Party; (ii) to any Person to which it transfers all or substantially all of its assets related to the Licensed Product; (iii) to an Affiliate if the assigning Party remains liable and responsible for the performance and observance of all of the Affiliate's duties and obligations hereunder; or (iv) with the prior written consent of the other Parties (which consent shall not be unreasonably withheld). A Party making an assignment shall promptly give written notice thereof to the other Parties. This Agreement shall be binding upon the successors and permitted assigns of the Parties, and the name of a Party appearing herein shall be deemed to include the names of such Party's successors and permitted assigns to the extent necessary to carry out the intent of this Agreement. Any assignment not in accordance with this Section 8.04 shall be void.

8.05. Trade Names and Trademarks. Except as otherwise provided herein, no right, expressed or implied, is granted by this Agreement to use in any manner the name "Genentech" or any other trade name or trademark of Genentech or any of its Affiliates in connection with the performance of this Agreement. Except as otherwise provided herein, no right, expressed or implied, is granted by this Agreement to use in any manner the name "Regeneron" or "Sanofi" or any other trade name or trademark of Licensees or any of their respective Affiliates in connection with the performance of this Agreement.

8.06. Entire Agreement. This Agreement constitutes and contains the entire understanding and agreement of the Parties with respect to the subject matter hereof and cancels and supersedes any and all prior negotiations, correspondence, understandings and agreements, whether verbal or written, between the Parties with respect to subject matter hereof. No waiver, modification, or amendment of any provision of this Agreement shall be valid or effective unless made in writing and signed by a duly authorized representative of each of the Parties.

8.07. No Effect on Other Agreements. Nothing in this Agreement is intended or shall be deemed to amend, alter, modify, or have any effect whatsoever on any of the terms and conditions of any other written agreement between the Parties entered into prior to the Effective Date that pertains to subject matter different from the subject matter of

this Agreement. Nothing in this Agreement shall be used to construe or interpret any other written agreement between Genentech and one or both of the other Parties. By way of example only, and without limitation, nothing in this Agreement is intended or shall be deemed to amend, alter, modify, or have any effect on (i) that certain Confidentiality Agreement that was entered into by and between Genentech and Regeneron with respect to the settlement discussions that preceded this Agreement, (ii) that certain Confidentiality Agreement entered into by and between Genentech and Sanofi with respect to settlement discussions that preceded this Agreement.

8.08 Waiver of Breach or Default. The waiver by a Party of any breach of or default under any of the provisions of this Agreement or the failure of a Party to enforce any of the provisions of this Agreement or to exercise any right hereunder shall not constitute or be construed as a waiver of any other breach or default or as a waiver of any such rights or provisions hereunder.

8.09 Dispute Resolution. Except as otherwise expressly provided in this Agreement, any dispute, controversy, or claim arising out of or in connection with or relating to this Agreement or the breach or alleged breach thereof (including any dispute regarding arbitrability), but not including any dispute, controversy, or claim concerning the patentability, validity, enforceability, or infringement of any patent, shall be finally and exclusively decided by binding arbitration under the then-current Commercial Arbitration Rules of the American Arbitration Association ("AAA"). If the arbitration is demanded by Genentech, the arbitration shall be held in New York, New York. If the arbitration is demanded by any Licensee, the arbitration shall be held in San Francisco, California. The Parties shall choose, by mutual agreement, one (1) neutral arbitrator within thirty (30) days of receipt of the notice of the intent to arbitrate. If no arbitrator is appointed within that time or any extension thereof to which the Parties may mutually agree, the AAA shall make the appointment of the arbitrator within thirty (30) days of such failure, which arbitrator shall be a U.S. citizen and shall have substantial prior experience arbitrating patent licensing disputes in the United States. The Parties shall have the right to conduct discovery as provided for in the Federal Rules of Civil Procedure. All discovery shall be completed within two (2) months following the appointment of the arbitrator. The arbitrator's decision and award in the arbitration shall be in writing setting forth the basis therefor and shall be rendered within six (6) months following the appointment of the arbitrator. The award rendered by the arbitrator shall include costs of the arbitration, reasonable attorneys' fees, and reasonable costs for experts and other witnesses, and judgment on the award may be entered in any court having jurisdiction. To the extent permitted by law, the arbitration proceeding and arbitrator's decision shall be confidential and the arbitrator shall issue appropriate protective orders to safeguard each Party's confidential information. Nothing in this Agreement shall be deemed as preventing any Party from seeking temporary injunctive relief (or any other provisional remedy) from any court having jurisdiction over the Parties and the subject matter of the dispute but only to the extent necessary to protect such Party's name, confidential information, or other similar proprietary rights, or to prevent any imminent irreparable harm. Each Party hereby consents to the jurisdiction and venue of the courts in the State of California and the State of New York for purposes of entering judgment on the arbitration award.

8.10. Choice of Law. The validity, performance, construction, and effect of this Agreement and any arbitration conducted under Section 8.09 shall be governed by and interpreted in accordance with the laws of the State of New York without regard to conflict of laws principles.

8.11. Notices. Any notice, request, consent, or other document required or permitted to be given under this Agreement or otherwise relating to this Agreement shall be in writing and shall be deemed to have been sufficiently given if delivered in person, or sent by overnight courier or registered mail to the Party to whom it is directed at its address shown below or such other address as such Party shall have last given by notice to the other Parties. Any such notice, request, delivery, approval or consent shall be deemed received on the date of hand delivery (provided that such date is a business day, otherwise it shall be deemed received on the next business day), or one (1) business day after dispatch by overnight courier, or five (5) business days after dispatch by registered mail.

If to Regeneron, addressed to:
Regeneron Pharmaceuticals, Inc.
777 Old Saw Mill River Road

Tarrytown, NY 10591
Attn: General Counsel

If to Sanofi, addressed to:
Sanofi US
55 Corporate Drive
Bridgewater, NJ 08807
Attn: General Counsel

If to Genentech, addressed to:
Genentech, Inc.
1 DNA Way
South San Francisco, CA 94080
Attn: Corporate Secretary

8.12. Confidentiality. Each Party agrees not to disclose any of the terms of this Agreement, or any of the information contained in reports pursuant to Sections 4.02 and 4.03 to any Person without the prior written consent of all other Parties; provided, however, that each Party shall be free to disclose any such terms or information (i) to the extent that the Party is required to make such disclosure pursuant to any court order or subpoena, provided that the Party required to make such disclosure shall promptly notify all other Parties and allow them a reasonable opportunity to seek a protective order or injunctive relief from the obligation to make such disclosure; (ii) that in the opinion of such Party's legal counsel is required to be disclosed by the securities laws or regulations of any jurisdiction or the rules or regulations of any relevant stock exchange, or by any other governmental law or regulation or by any order of a government agency, provided that to the extent possible under the circumstances the Party intending to make such disclosure shall provide prior notice thereof to all other Parties and, in addition, shall request confidential treatment for any part of such disclosure for which such treatment may reasonably be expected to be granted; and (iii) to its Affiliates, Designees, accountants, attorneys and other professional advisors, provided that such Persons are obligated to keep such terms or information confidential to the same extent as said Party. Each Party may disclose the terms of this Section 8.12 and 8.14 (but no other terms of this Agreement) for the sole and exclusive purpose of seeking from any Person to whom a Party intends to make a disclosure under and in accordance with clause (iii) that Person's acceptance of the conditions of disclosure set forth in such clause. Regeneron represents that, in the opinion of its counsel, the public disclosure of the financial terms of this Agreement is required by the securities laws and/or regulations of the United States as applied to Regeneron. The confidentiality terms of this Section 8.12 shall survive any expiration or termination of this Agreement or the Licensed Patents or the Genentech Technology Patents.

8.13. Publicity. No Party shall issue any press release or other publicity material or make any public representation that refers to the existence of this Agreement without the prior written consent of the other Parties (which consent shall not be unreasonably withheld or delayed). Notwithstanding the generality of the foregoing, any Party may disclose that the product for which a license has been granted under this Agreement is Licensed Product and that this Agreement conveys no license or other rights with respect to the Ocular Field.

8.14. Prohibited Use and Discovery of Agreement in Legal Proceedings. No Party, or any of its Affiliates or Designees, or any other Person to which a Party discloses any of the terms of this Agreement under and in accordance with Section 8.12(iii), shall seek to obtain through discovery, attempt to admit into evidence, or attempt to reference or use for any purpose, this Agreement or any of its terms in any legal or administrative proceeding, regardless of whether any of the Parties or any of their respective Affiliates or Designees or such other Persons are litigants in such proceeding, and regardless of the subject matter of such proceeding, other than for the sole and exclusive purpose of enforcing the terms of this Agreement or in support of a defense raised by a Party based on the Agreement. Without in any way limiting the generality of the foregoing, no Party, or any of its Affiliates or Designees, or any other Person to which a Party discloses any of the terms of this Agreement under and in accordance with Section 8.12(iii), shall reference or use this Agreement, or any facts relating to the terms or existence of this Agreement, in any legal or administrative proceeding for purposes of any statement, analysis, expert opinion, or argument relating to patent

infringement, patent validity, liability, or damages for patent infringement (including reasonable royalty and lost profits measures of damages) except as provided in the preceding sentence. The terms of this Section 8.14 shall survive any expiration or termination of this Agreement or the Licensed Patents or the Genentech Technology Patents.

8.15. No Admission or Concession. This Agreement is the result of settlement and compromise. Nothing contained in this Agreement, nor any milestone or royalty payment made by a Licensee pursuant to this Agreement, is intended or shall be deemed to be, or offered in any legal or administrative proceeding as evidence of, any admission or concession (i) by a Licensee, or any of its Designees that any Licensed Patent, Genentech Technology Patent, Encumbered Patent, Excluded Patent or any other patent owned or co-owned by Genentech is patentable, valid, enforceable, or infringed by Licensee or any of its Designees; (ii) by Genentech, that it is willing or able to grant licenses under the Licensed Patents and/or the Genentech Technology Patents, or as to what is or may be reasonable consideration for a license under the Licensed Patents, Genentech Technology Patents, and/or any other patent owned or co-owned by Genentech; or (iii) by a Licensee or any of its Designees that Genentech is entitled to obtain any additional patents falling within the same family as any Licensed Patent, Genentech Technology Patent, Excluded Patent or Encumbered Patent, or any extensions or Supplementary Protection Certificates therefore.

8.16. Effect of Agreement on Any Future Litigation. Nothing contained in this Agreement shall preclude or otherwise have any effect on a Licensee's ability, to the extent permitted by governing laws and rules, (i) to commence a new legal or administrative proceeding in any venue at any time challenging the validity, enforceability, or infringement of any patent (a) to which a license has not been granted to Licensees under Article II (including, but not limited to, the Excluded Patents and the Encumbered Patents) or (b) in connection with activities outside the scope of the licenses granted to Licensees under Article II; or (ii) to defend against any new legal or administrative proceeding commenced by Genentech against Licensee in any venue at any time by challenging the validity, enforceability or infringement of any patent asserted by Genentech against Licensee in that proceeding.

8.17. Construction. Each Party has been represented and advised by legal counsel in connection with the negotiation, drafting, and execution of this Agreement, and the Parties, through their respective counsel, have participated in the drafting of this Agreement and accordingly the Parties agree that this Agreement shall not be deemed to have been drafted by any fewer than all the Parties and will be construed accordingly. The section headings contained in this Agreement are for convenience of reference only and shall not affect the interpretation or construction of this Agreement.

8.18. Severability. If any clause or portion thereof in this Agreement is for any reason held to be invalid, illegal or unenforceable, the same shall not affect any other portion of this Agreement, as it is the intent of the Parties that this Agreement shall be construed in such fashion as to maintain its existence, validity and enforceability to the greatest extent possible. In any such event, this Agreement shall be construed as if such clause or portion thereof had never been contained in this Agreement, and there shall be deemed substituted therefor such provision as will most nearly carry out the intent of the Parties as expressed in this Agreement to the fullest extent permitted by applicable law.

8.19. Counterparts. This Agreement may be executed simultaneously in one or more counterparts (including in the form of a PDF or other electronic document), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, Genentech and Licensees have caused this Agreement to be executed by their duly authorized representatives.

GENENTECH, INC.		REGENERON PHARMACEUTICALS, INC.	
By:	/s/ Frederick C. Kentz, III	By:	/s/ Joseph J. LaRosa
Title:	SVP, Head of Legal Affairs North America	Title:	Senior Vice President, General Counsel and Secretary
Date:	May 16, 2013	Date:	May 17, 2013
SANOFI U.S. SERVICES, INC.		SANOFI-AVENTIS U.S. LLC	
By:	/s/ Robert DeBerardine	By:	/s/ Robert DeBerardine
Title:	Sr. VP & General Counsel, North America	Title:	Sr. VP & General Counsel, North America
Date:	May 17, 2013	Date:	May 17, 2013

Exhibit A

Excluded Patents

[****]

Exhibit B

[****] Patents

[****]

Exhibit C
Licensed Patents

[DAVIS-SMYTH]

Australia Patent No. 717112

European Patent No. 0907733

German Patent No. 69735942.5

Greece Patent No. 3058794

Japan Patent No. 3457330

New Zealand Patent No. 332779

U.S. Patent No. 5,952,199

U.S. Patent No. 6,100,071

U.S. Patent No. 6,383,486

U.S. Patent No. 6,897,294

U.S. Patent No. 7,771,721

U.S. Patent No. 8,268,313

U.S. Patent No. 8,268,591

U.S. Patent No. 8,273,353

U.S. Patent Application No. 08/643,839

[FERRARA]

Australia Patent No. 775806

Australia Patent No. 2004231159

Exhibit C (continued)
Licensed Patents

Canada Patent No. 2,355,976

European Patent No. 1140173

German Patent No. 69926536.3

Greece Patent No. 3054654

Israel Patent No. 143596

Japan Patent No. 4731016

U.S. Patent No. 7,998,931

U.S. Patent No. 8,007,799

U.S. Patent No. 8,287,873

Japan Patent No. 3398382

Korea Patent No. 315613

Morocco Patent No. 31150

New Zealand Patent No. 578472

South Africa Patent No. 2009/04571

Ukraine Patent No. 97504

U.S. Patent Application No. 12/002,605

Exhibit D

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

GENENTECH, INC., Plaintiff, v. REGENERON PHARMACEUTICALS, INC., SANOFI AVENTIS U.S. LLC, AND SANOFI-AVENTIS U.S. INC. Defendants.	Civil Action No. 11-CV-09463 (VB) ECF Case Jury Demand
REGENERON PHARMACEUTICALS, INC., SANOFI AVENTIS U.S. LLC, AND SANOFI-AVENTIS U.S. INC. Counter-Plaintiffs, v. GENENTECH, INC., Counter-Defendant.	

JOINT STIPULATION OF DISMISSAL WITH PREJUDICE

IT IS HEREBY STIPULATED by and among the parties to this action through their counsel that the above-captioned action (including without limitation all Claims and Counterclaims asserted and requests for Relief in this action) be and hereby are dismissed in their entirety with prejudice pursuant to Federal Rule of Civil Procedure 41(a)(1)

Each party shall bear its own costs and attorneys' fees in this action.

Exhibit D (continued)

By:_____

Scott K. Reed (SR 5803)
Brian V. Slater (BS 7914)
Gregory B. Sephton (GS 6416)
Robert S. Schwartz (RS 1921)
FITZPATRICK, CELLA, HARPER & SCINTO
1290 Avenue of the Americas
New York, NY 10104
Tel: (212) 218-2100
Fax: (212) 218-2200
sreed@fchs.com; bslater@fchs.com;
gsephton@fchs.com; rschwartz@fchs.com

Attorneys for Regeneron Pharmaceuticals, Inc., Sanofi-Aventis US. LLC, and Sanofi Aventis US. Inc.

Morgan Chu (*Pro Hac Vice*)
Jason G. Sheasby (*Pro Hac Vice*)
Keith A. Orso (*Pro Hac Vice*)
Amir Naini (*Pro Hac Vice*)
IRELL & MANELLA LLP
1800 Avenue of the Stars, Suite 900
Los Angeles, CA 90067-4276
Tel: (310) 277-1010
Fax: (310) 203-7199
mchu@irell.com; jsheasby@irell.com;
korso@irell.com; anaini@irell.com

Stephen C. Robinson (SR34 70)
SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
Four Times Square
New York, NY 10036
Tel: (212) 735-2800
Fax: (917) 777-2800
Stephen.Robinson@skadden.com

Attorneys for Regeneron Pharmaceuticals, Inc.

By:_____

Kenneth A. Gallo
Craig A. Benson
PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP
2001 K Street NW
Washington, DC 20006
Tel: (202) 223-7356
Fax: (202) 204-7356
kgallo@paulweiss.com
cbenson@paulweiss.com

Eric Alan Stone
Kira A. Davis
PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP
1285 Avenue of the Americas
New York, NY 10019-6064
Tel: (212) 373-3000
Fax: (212) 757-3990
estone @paulweiss.com
kdavis@paulweiss.com

Jennifer Gordon
Scott Familant
BAKER BOTTS LLP
30 Rockefeller Center
New York, NY 10112
Tel: (212) 408-2500
Fax: (212) 408-2501
jennifer. gordon@bakerbotts. com
scott.familant@bakerbotts.com

Attorneys for Genentech, Inc.

SO ORDERED:

_____

U.S.D.J.

Dated:

Exhibit 10.9

THIS AGREEMENT is dated the 17th day of May, 2013 and made

BETWEEN AND AMONG:

(1) **Bayer Pharma AG** of Müllerstr. 178, 13353 Berlin, Germany, formerly known as Bayer Schering Pharma AG ("Bayer");

(2) **Bayer Australia Limited** of PO Box 903, 875 Pacific Highway, Pymble NSW 2073, Australia ("Bayer Australia");

(3) **Regeneron Pharmaceuticals Inc** of 777 Old Saw Mill River Road, Tarrytown NY 10591, USA ("Regeneron");

(4) **Regeneron UK Ltd** of 40 Bank Street, Canary Wharf, E14 5DS London, UK ("Regeneron UK"); and

(5) **Genentech Inc** of 1 DNA Way, South San Francisco, CA 94080-4990, USA ("Genentech")

WHEREAS:

A. Genentech is the proprietor of the following patents and patent applications relating to the use of VEGF antagonists for the treatment of certain non-neoplastic diseases and disorders, including age-related macular degeneration: EP 1 238 986 (which expired on October 27, 2012) (the "986 Patent"), EP 1 802 334 and EP 2 089 059, together with those other members of the same patent families in the Territory defined below as the Dosing Regime Patents and the Dosing Regime Patent Applications;

B. Bayer and Regeneron have developed the product Eylea (aflibercept), as defined below, for the treatment of eye diseases and eye disorders in a human including, but not limited to, the prevention or treatment of age-related macular degeneration.

C. Bayer, Bayer Australia, Regeneron and Regeneron UK (the "Claimants") and Genentech (together the "Parties" or each individually a "Party") are engaged in litigation concerning several of the aforementioned patents and Eylea in Australia, Germany, Italy and the United Kingdom. Such proceedings are defined below.

D. In consideration of the mutual agreements set out below the Parties have agreed to settle the Proceedings (as defined below) upon the terms set out in this agreement (the "Agreement").

NOW IT IS HEREBY AGREED as follows:

1. Definitions:

"Affiliate" means any Person that, on or after the Effective Date, controls, is controlled by, or is under common control with, a Party. For purposes of this definition only, "controlled" and "control" shall mean (i) owning, directly or indirectly, at least fifty percent (50%) of the outstanding voting securities or other ownership interest of a Person, or (ii) possessing, directly or indirectly, the power to manage, direct, or cause the direction of the management and policies of a Person or the power to elect or appoint fifty percent (50%) or more of the members of the governing body of the Person. A Person shall be an Affiliate only during such period of time that such Person meets the definition set forth in this paragraph. With respect to Genentech, the term "Affiliate" shall not include Chugai Pharmaceutical Co., Ltd. ("Chugai") unless and until Genentech provides written notice to Bayer and Regeneron specifying Chugai as an Affiliate of Genentech.

"Australian Patent Office Opposition Proceedings" means the opposition proceedings in the Australian Patent Office in relation to patent AU2005299701 brought by Bayer and Regeneron.

"Australian Proceedings" means action No. (P)NSD904/2012 brought by Bayer in the Federal Court of Australia and the cross-claim in the action brought by Genentech.

"Dosing Regime Patents" means EP1802334, AU2011101622, AU2011101623, AU2011101624, AU2011101625, AU2011101626, AU2011101627, AU2012100335, HK1102106, NZ590132, DK1802334, ES2390676 and PT1802334.

"Dosing Regime Patent Applications" means EP2319492, EP2311433, EP2324848, AU2005299701, CA2584305, HK1151219A, HK1151222A, HK1151989A, NZ596663, NZ598502, HRP20120902, SI1802334, EP2089059, JP2010509369, AU2007323925, AU2012200865, and CA2666709.

"Dosing Regime Patent Rights" means (i) the Dosing Regime Patents; (ii) any patents (including utility models) issued or issuing in the Territory from any of the Dosing Regime Patent Applications; (iii) any other patents (including utility models) issued or issuing in the Territory that claim priority to any of the Dosing Regime Patents or Dosing Regime Patent Applications or to any application to which any of the foregoing patents (i) and (ii) claim priority; and (iv) any extensions, equivalents, and supplementary protection certificates of any of the foregoing (i), (ii), and (iii) in the Territory.

"Effective Date" means the date of signature of this Agreement by the last party to sign.

"English Dosing Regime Proceedings" means action HC12 A04413 brought by Bayer in the English High Court and the counterclaim in the action brought by Genentech.

"English Orders" means (i) the court orders dated April 4, 2012 made by Floyd J in actions HC11 C00131 and HC11 C00127 proceeding in the UK, inter alia, restraining Regeneron and Bayer from infringing claims 1, 10-12, 14, and 23-25 of the 986 Patent and ordering Regeneron and Bayer to each pay Genentech £325,000 on account of costs and

interest; and (ii) the court orders dated February 21, 2013 in appeals 2012/0931 and 2012/0933, inter alia, dismissing the appeals, refusing permission to appeal to the Supreme Court and awarding Genentech its costs of the appeals (subject to detailed assessment on the standard basis if not agreed).

"English Proceedings" means actions HC11 C00131 and HC11 C00127 (and appeals 2012/0933 and 2012/0931 thereof and requests for permission to appeal to the UK Supreme Court UKSC 2013/0076 and UKSC 2013/0079) brought by Bayer and Regeneron in the English High Court and the counterclaims in these actions brought by Genentech.

"European Proceedings" means actions 3 Ni 1/12 (EP) and 3 Ni 3/11 (EP) brought by Bayer and Regeneron UK in the German Federal Patent Court; and actions 38178/11 and 38173/11 brought by Bayer and Regeneron UK in the Court of Milan, Italy and the counterclaims in the Italian actions brought by Genentech.

"Eylea" means aflibercept, which is being sold under the trade name Eylea™ as of the Effective Date, and any pharmaceutical formulation containing aflibercept, for the prevention or treatment of eye diseases and eye disorders in a human (including, but not limited to, the prevention or treatment of age-related macular degeneration, central retinal vein occlusion, diabetic macular edema, and/or myopic choroidal neovascularization in a human).

"Person" shall mean an individual, trust, corporation, partnership, joint venture, limited liability company, association, unincorporated organization or other legal or governmental entity.

"Proceedings" means the Australian Proceedings, Australian Patent Office Opposition Proceedings, English Dosing Regime Proceedings, English Proceedings and European Proceedings.

"Subject Patents" means the 986 Patent and the Dosing Regime Patent Rights.

"Territory" means the entire world excluding the United States of America, its territories and possessions.

2. Genentech represents and warrants that it is the owner of the Subject Patents and the Dosing Regime Patent Applications.

3. Each Party represents and warrants that it has the full right, power and authority to execute, deliver and perform this Agreement.

4. The Parties hereby agree that:

4.1 The European Proceedings shall be formally withdrawn or discontinued by the Parties serving on the other Parties and/or filing at the appropriate court within seven (7) days of the Effective Date duly signed originals of the documents attached hereto as Annexes 1 and 2;

4.2 Bayer and Regeneron agree and covenant that they will withdraw their applications for permission to appeal to the UK Supreme Court and will not otherwise pursue an appeal to the UK Supreme Court in respect of the court orders dated February 21, 2013 in appeals 2012/0931 and 2012/0933;

4.3 The Australian Patent Office Opposition Proceedings shall, with effect from the Effective Date, be withdrawn by the Parties or their appropriate Affiliate(s) filing at the Australian Patent Office within seven (7) days of the Effective Date duly signed notices of withdrawal in the form of the documents attached hereto as Annexes 3 and 4;

4.4 The Australian Proceedings shall, with effect from the Effective Date, be discontinued by the Parties or their appropriate Affiliate(s) filing at the appropriate court within seven (7) days of the Effective Date duly signed originals of the document attached hereto as Annexe 5 and, in the case of Regeneron, filing and serving prior thereto a Notice of Appearance in the Australian Proceedings; and

4.5 Bayer and Genentech shall discontinue the English Dosing Regime Proceedings by filing at the High Court within seven (7) days of the Effective Date the document attached hereto as Annexe 6.

4.6 The Parties shall take all steps necessary to promptly withdraw or discontinue the Proceedings pursuant to this clause 4 (including any other proceedings in relation to the Subject Patents initiated before the Effective Date) and shall cooperate with each other to take all steps necessary to obtain court orders as required to achieve the same.

5. The Parties further agree that they shall bear their own legal costs and court fees in respect of the Proceedings, notwithstanding the English Orders or any other court orders or statutory or procedural provisions to the contrary, and each Party further agrees that it shall not seek from any other Party or its Affiliates, successors, licensees or assignees any repayment or reimbursement of any costs or interest thereon, including without limitation any costs or interest paid pursuant to the English Orders, or any court fees paid or payable in respect of the Proceedings.

6. Genentech hereby agrees and covenants that it will not initiate any lawsuit or other legal proceeding (and to procure that its Affiliates, successors, licensees and assignees shall not initiate any lawsuit or other legal proceeding) at any time from the Effective Date against any of the Claimants, their Affiliates, successors, licensees, assignees, manufacturers, distributors or customers for infringement of any of the Subject Patents based on its or their dealings in Eylea, including *inter alia* the making, keeping, supplying, marketing, using, selling, importing, or exporting of Eylea or authorising, aiding, abetting, counselling, procuring, inducing or otherwise participating with any Person in a common design to do any of those things. Genentech agrees and covenants that it will assign the Subject Patents and Dosing Regime Patent Applications only to a Person which has accepted to be bound by the obligations of this Agreement.

7. The provisions set out in clauses 4 to 6 above shall be in full and final settlement of the Proceedings and, with effect from the Effective Date, the Parties, and Affiliates, successors, licensees, assignees, manufacturers, distributors, and customers are mutually released and discharged from any and all liabilities (existing or future, contingent or actual) in relation to the Subject Patents or Dosing Regime Patent Applications arising out of, in connection with, or related to, any dealings of Regeneron or its Affiliates and/or Bayer or its Affiliates in Eylea, in the Territory, save for each Party's obligations and liabilities arising under this Agreement and any liabilities, costs, expenses or loss arising in

connection with any breach of or the enforcement of this Agreement. For the avoidance of doubt, there shall be no payments of any kind made by either Party to the other in relation to the execution and performance of and the obligations and covenants arising under this Agreement.

8. It is expressly agreed and acknowledged by the Parties that the execution and performance of this Agreement is not, and is not to be construed as, an admission by any Party as to the patentability, validity, invalidity, infringement or non-infringement of any of the Subject Patents, nor of any counterpart thereof anywhere in the world.

9. For the avoidance of doubt, nothing in this Agreement shall affect Regeneron's and Bayer's prior obligations to comply with the injunctions in paragraph 1 of the English Orders dated April 4, 2012 which were in force until expiry of the 986 Patent. Further, nothing in this Agreement shall affect Genentech's right to enforce, against any one or more of the Claimants, their Affiliates, successors, licensees, manufacturers, suppliers, distributors or customers, (i) any patents, other than the Subject Patents, anywhere in the world or (ii) any of the Subject Patents based on the making, keeping, supplying, marketing, using, selling, importing, or exporting of any product other than Eylea.

10. The Parties agree that the fact of and contents of this Agreement, any discussions, correspondence or negotiations leading to this Agreement or concerning the performance of this Agreement, and any documents that have passed between the Parties that relate to the Proceedings and to which the public does not by law have a right of inspection shall be kept confidential to the Parties and their Affiliates and successors and (to the extent required for the purposes of clause 6 of this Agreement) their applicable licensees and/or assignees. In the event that a Party is required by law or legal process to disclose the existence or any term of any document or other information that is subject to this clause 10 or the fact of or contents of this Agreement, it will provide the other Parties with prompt notice of such legal requirement or the receipt of such legal process in order to enable any of the other Parties to seek an appropriate protective order.

11. The Parties hereby agree and covenant that the fact of or contents of this Agreement or of any other document or information that is subject to clause 10 above shall not be used by any Party for any reason in any other legal proceeding anywhere in the world, including, but not limited to, the litigations in the United States of America captioned *Genentech, Inc. v Regeneron Pharmaceuticals, Inc., Sanofi-Aventis U.S. LLC, and Sanofi-Aventis U.S. Inc.*, and *Regeneron Pharmaceuticals Inc. v Genentech, Inc.*, Civil Action Nos. 11-CV-09463 and 11-CV-01156 (SDNY), except if necessary (and then only to the limited extent necessary) for the sole and exclusive purpose of enforcing this Agreement.

12. Furthermore, if a Party is required by law to make an announcement concerning this Agreement then:

12.1 It shall send written notice to the other Parties of the full text of the proposed announcement as soon as possible prior to the announcement so that the other Parties will have an opportunity to comment upon the announcement; and

12.2 Any such announcement shall be factual and as brief as possible.

13. The Parties shall use commercially reasonable endeavours to ensure that, to the extent permitted by relevant authorities, this Agreement shall not form part of any public record.

14. This Agreement shall come into effect on the Effective Date and, subject to earlier termination pursuant to clauses 15 or 16 below, this Agreement shall continue in force until the latest of the dates of expiry of the Dosing Regime Patent Rights, provided that, if this Agreement has not been earlier terminated pursuant to clauses 15 or 16 below, the Parties' respective covenants, undertakings, and releases/discharge set forth in clauses 6 – 7 and clauses 10-13 above shall survive such expiry of such patents.

15. The Claimants shall be entitled to terminate this Agreement by written notice thereof to Genentech if at any time from the Effective Date Genentech or any of its Affiliates, successors, licensees or assignees fails to comply with clause 6 above by initiating a lawsuit or other legal proceeding against one or more of the Claimants, their Affiliates, successors, licensees, manufacturers, suppliers, distributors or customers for infringement of the Subject Patents based on its or their dealings in Eylea, including *inter alia* the making, using, keeping, supplying, marketing, selling, importing, or exporting of Eylea or authorising, aiding, abetting, counselling, procuring, inducing or otherwise participating with any Person in a common design to do any of those things. Provided, however, that after the receipt of such written notice Genentech, its Affiliates, successors, licensees and assignees shall have ten (10) days to cure such failure to comply by withdrawing or discontinuing, or taking all necessary actions to have the tribunal dismiss, such lawsuit or other legal proceeding, and if such cure is timely made the written notice shall be deemed withdrawn and Claimants shall not be entitled to terminate this Agreement.

16. Genentech shall be entitled to terminate this Agreement by written notice thereof to Claimants if at any time from the Effective Date any of the Claimants, their Affiliates or, as to Claimants' rights in Eylea, successors, licensees (to the extent the parties have the contractual right to control them) or assignees: (i) initiates a lawsuit, opposition or other official proceeding seeking the revocation of any of the Subject Patents, or (ii) initiates a lawsuit, opposition or other official proceeding disputing or challenging the patentability, validity, or enforceability of any of the Subject Patents, or (iii) authorises, aids, abets, counsels, procures, induces or otherwise participates with any Person in a common design to do any of (i) or (ii). Provided, however, that after the receipt of such written notice the Claimants, their Affiliates, successors, licensees and assignees shall have ten (10) days to cure such failure to comply by withdrawing or discontinuing, or taking all necessary actions to have the tribunal dismiss, such lawsuit or other legal proceeding, or ending all such assistance to the third party, as the case may be, and if such cure is timely made the written notice shall be deemed withdrawn and Genentech shall not be entitled to terminate this Agreement.

17. Following any termination of this Agreement pursuant to and in accordance with clauses 15 or 16 above, the rights and the obligations of the Parties under this Agreement shall terminate (save for clauses 6-7 and 10-13, which shall survive termination).

18. Any dispute, controversy, or claim arising out of or in connection with or relating to this Agreement or the breach or alleged breach thereof (including any dispute regarding arbitrability), but not including any dispute, controversy, or claim concerning the patentability, validity, enforceability, or infringement of any patent, shall be finally and exclusively decided by binding arbitration under the then-current Commercial Arbitration Rules of the American Arbitration Association ("AAA"). If the arbitration is demanded by Genentech, the arbitration shall be held in New York, New York. If the arbitration is demanded by one or more of the Claimants, the arbitration shall be held in San Francisco, California. The Parties shall choose, by mutual agreement, one (1) neutral arbitrator within thirty (30) days of receipt of the notice of the intent to arbitrate. If no arbitrator is appointed within that time or any extension

thereof to which the Parties may mutually agree, the AAA shall make the appointment of the arbitrator within thirty (30) days of such failure, which arbitrator shall have substantial prior experience arbitrating patent licensing disputes. The arbitrator's decision and award in the arbitration shall be in writing setting forth the basis therefor and shall be rendered within six (6) months following the appointment of the arbitrator. The award rendered by the arbitrator shall include costs of the arbitration, reasonable attorneys' fees, and reasonable costs for experts and other witnesses, and judgment on the award may be entered in any court having jurisdiction. To the extent permitted by law, the arbitration proceeding and arbitrator's decision shall be confidential and the arbitrator shall issue appropriate protective orders to safeguard each Party's confidential information. Nothing in this Agreement shall be deemed as preventing any Party from seeking temporary injunctive relief (or any other provisional remedy) from any court having jurisdiction over the Parties and the subject matter of the dispute but only to the extent necessary to protect such Party's name, confidential information, or other similar proprietary rights, or to prevent any imminent irreparable harm.

19. Any notice (which term shall in this clause include any other communication) required or permitted to be given under this Agreement or in connection with the matters contemplated by it shall be in writing and addressed as follows:

TO: Bayer Pharma AG

For the attention of: Chief Patent Counsel

Address: Müllerstraße 178, D-13353 Berlin

TO: Bayer Australia Limited

For the attention of: General Counsel

Address: 875 Pacific Highway, Pymble, NSW, 2073, Australia

TO: Regeneron Pharmaceuticals Inc

For the attention of: General Counsel

Address: 777 Old Saw Mill River Road, Tarrytown, NY 10591, USA

TO: Regeneron UK Ltd

For the attention of: Murray Goldberg

Address: 40 Bank Street, Canary Wharf, E14 5DS, London, UK

TO: Genentech Inc

For the attention of: General Counsel

Address: Genentech Legal Department, 1 DNA Way, South San Francisco, California, USA

Any such notice shall be sent by overnight express delivery (Federal Express, DHL, or the like) and shall be deemed to have been given on the second business day after its dispatch.

20. This Agreement shall constitute the entire agreement between the Parties in relation to the subject matter hereof and all other terms are expressly excluded.

21. Nothing in this Agreement is intended or shall be deemed to amend, alter, modify, or have any effect whatsoever on any of the terms and conditions of any other written agreement between the Parties entered into on or prior to the Effective Date that pertains to subject matter different from the subject matter of this Agreement. Nothing in this Agreement shall be used to construe or interpret any other written agreement between the Parties. By way of example only, and without limitation, nothing in this Agreement is intended or shall be deemed to amend, alter, modify, or have any effect on (i) that certain Confidentiality Agreement that was entered into by and between Genentech and Regeneron with respect to the settlement discussions that preceded this Agreement, (ii) that certain Non-Exclusive License and Partial Settlement Agreement by and between Genentech and Regeneron, having an effective date of December 31, 2011, and (iii) that certain agreement by and between Bayer, Regeneron, Regeneron UK and Genentech, dated October 19, 2011.

22. Genentech shall be solely responsible, at its sole discretion and expense, for the prosecution, defense, and maintenance of the Subject Patents and the Dosing Regime Patent Applications (including whether to undertake such activities), and for enforcing the same against actual or suspected third party infringers (including whether to undertake such activities).

23. If any term or provision of this Agreement shall be held to be illegal or unenforceable, in whole or in part, under any enactment or rule of law or otherwise, such term or provision or part shall to that extent be deemed not to form part of this Agreement but the enforceability of the remainder of this Agreement shall not be affected.

24. No Party shall assign any of its rights or obligations hereunder except: (i) as incident to the merger, consolidation, reorganization or acquisition of stock or assets affecting substantially all of the assets or voting control of the assigning Party; (ii) to any Person to which it transfers all or substantially all of its assets related to the Subject Patents or Eylea, as the case may be; or (iii) with the prior written consent of the other Parties (which consent shall not be unreasonably withheld). This Agreement shall be binding upon the successors and permitted assigns of the Parties, and the name of a Party appearing herein shall be deemed to include the names of such Party's successor's and permitted assigns to the extent necessary to carry out the intent of this Agreement. Any assignment not in accordance with this clause shall be void.

25. This Agreement shall not be altered, modified or otherwise amended in any respect except in writing duly signed by all Parties.

26. This Agreement shall be governed by English law. Subject to clause 18 above, the Parties submit to the exclusive jurisdiction of the Courts of England and Wales and the enforcement or interpretation of this Agreement shall be carried out solely by this jurisdiction. A Person who is not a Party to this Agreement shall not have any rights under

the Contracts (Rights of Third Parties) Act of 1999 to enforce any term of this Agreement. No one, including for the avoidance of doubt Affiliates, licensees, assignees, manufacturers, distributors and customers named in clauses 6 and 7, other than the Parties to this Agreement, their successors and permitted assignees shall have any right to enforce any of its terms.

27. This Agreement may be executed in two or more counterparts, each of which should be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF

Signed by: /s/ Dorian Immler
Date: May 17, 2013
Name: Dorian Immler
duly authorised for and on behalf of
Bayer Pharma AG

Signed by: /s/ Stefan Beyreuther
Date: May 17, 2013
Name: Stefan Beyreuther

Signed by: /s/ Rene Klemm
Date: May 20, 2013
Name: Rene Klemm
duly authorised for and on behalf of
Bayer Australia Limited

Signed by: /s/ Eugenia Borgese
Date: May 20, 2013
Name: Eugenia Borgese

Signed by: /s/ Joseph LaRosa
Date: May 17, 2013
Name: Joseph J. LaRosa
duly authorised for and on behalf of
Regeneron Pharmaceuticals Inc

Signed by: /s/ Murray Goldberg
Date: May 17, 2013
Name: Murray A. Goldberg
duly authorised for and on behalf of
Regeneron UK Ltd.

Signed by: /s/ Frederick C. Kentz
Date: May 16, 2013
Name: Frederick C. Kentz, III
duly authorised for and on behalf of
Genentech Inc

Annexe 1

1748137-1

Bundespatentgericht
Cincinnatistraße 64
81549 Munchen

In Sachen

Bayer Pharma AG
- Klägerin -

gegen

Genentech, Inc.
- Beklagte –

Aktenzeichen: 3 Ni 3/11 (EP), verbunden mit 3 Ni 1/12 (EP)

Nichtigkeitsklage gegen den deutschen Teil von EP 1238 986 (DE 692 33 739.3)

nehmen wir hiermit unsere Nichtigkeitsklage vom 19. Dezember 2011 zurück / we hereby withdraw our revocation action dated 19 December 2011. Es wird anwaltlich versichert, dass die Parteien vereinbart haben, ihre Kosten jeweils selbst zu tragen / it is ensured, in my capacity as an attorney, that the parties agreed to each bear their own costs.

[Hoffmann Eitle, Counsel for Bayer Pharma AG]

1748137-1

Bundespatentgericht
Cincinnatistraße 64
81549 Munchen

In Sachen

Regeneron UK Ltd
- Klägerin -

gegen

Genentech, Inc.
- Beklagte –

Aktenzeichen: 3 Ni 3/11 (EP)

Nichtigkeitsklage gegen den deutschen Teil von EP 1238 986 (DE 692 33 739.3)

nehmen wir hiermit unsere Nichtigkeitsklage vom 29. Dezember 2010 zurück / we hereby withdraw our revocation action dated 29 December 2010. Es wird anwaltlich versichert, dass die Parteien vereinbart haben, ihre Kosten jeweils selbst zu tragen / it is ensured, in my capacity as an attorney, that the parties agreed to each bear their own costs.

[Bird & Bird, Counsel for Regeneron UK]

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Annexe 2

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TRIBUNALE DI MILANO

Sezione specializzata in materia di diritti

della proprietà industriale e intellettuale

Rinuncia ex art. 306 c.p.c. agli atti del giudizio pendente avanti il G.I. Giani RG. 38173/2011 – 38178/2011

REGENERON UK Ltd., in persona del suo presidente ed amministratore delegato Leonard S. Schleifer, con sede legale in 40 Bank Street, Canary Wharf, E14 5DS Londra, Regno Unito, rappresentata e difesa dagli avvocati Massimiliano Mostardini (C. F. MST MSM 66C09 D969C), Giovanni Galimberti (C.F. GLM GNN 71D29 F205Y) e Flavio Mellucci (C.F. MLL FVV 57A31 F205M) del Foro di Milano, con domicilio eletto presso il loro studio in Milano, Via Borgogna, 8,

- attrice -

e

BAYER PHARMA AG (già BAYER SCHERING PHARMA AG), società di diritto tedesco, con sede in 13353 Berlino, Germania, Műllerstr., 178, in persona dei legali pro tempore Dr. Nicolas Baron von Behr e Dr. Uwe Hartmann, rappresentata e difesa dagli avvocati Fabrizio Jacobacci (C.F. JCB FRZ 63C07 L219J), del foro di Torino e Laura Orlando (C.F. RLN LRA 76P45 F205U) del foro di Milano, con domicilio eletto presso lo studio di quest'ultima in Milano, Corso Vittorio Emanuele II, 1.

- attrice -

congiuntamente "parte attrice"

e

GENENTECH Inc., con sede in South San Francisco (California, U.S.A.), in persona del suo procuratore speciale Dr. David Wildman, rappresentata e difesa dagli avvocati Gian Paolo Di Santo (C.F. DSN GPL 55L10 A944T) del foro di Milano e Francesca Ferrari (C.F. FRR FNC 69R55 G388Z) del Foro di Pavia, con domicilio eletto presso il loro studio in Milano, Via del Lauro, 7.

- convenuta -

DICHIARANO

Con il presente atto, che viene depositato agli atti del processo, espressamente e congiuntamente di aver definito il presente giudizio con separato atto extra – giudiziale e di aver provveduto a compensare le relative spese di giudizio nonché di sostenere al 50% rispettivamente parte attrice e convenuta i costi della CTU. Ai sensi e per gli effetti di cui all'art. 306 c.p.c., dichiarano altresì espressamente e congiuntamente di voler rinunciare, come in effetti, con la sottoscrizione congiunta del presente atto, rinunciano senza riserve e condizioni, da valere anche come reciproca accettazione della rinuncia medesima e ricezione della notificazione, ai rispettivi atti del giudizio, nonché alle relative domande tutte, tanto in via diretta quanto in via riconvenzionale

formulate avanti il Tribunale di Milano nel procedimento R.G. n. 38173/11 promosso con distinti atti di citazione di Regeneron UK Ltd e di Bayer Schering Pharma AG nei confronti di Genentech Inc. accettando le rinunce agli atti avversari.

Milano, _____

Regeneron UK Ltd Genentech Inc.

_____ _____

Bayer Pharma AG

_____

I legali delle parti sottoscrivono il presente atto ai limitati effetti di cui all'art. 68 legge professionale.

Avv. Massimiliano Mostardini Avv. Gian Paolo Di Santo

_____ _____

Avv. Giovanni Galimberti Avv. Francesca Ferrari

_____ _____

Avv. Flavio Mellucci

_____

Avv. Fabrizio Jacobacci

_____

Avv. Laura Orlando

_____

1748137-1

COURT OF MILAN

Specialized Division

in Industrial and Intellectual Property Rights

Waiver of the proceeding pending in front of the Judge Silvia Giani Docket case number 38173/2011 – 38178/2011 pursuant to art. 306 c.p.c..

REGENERON UK Ltd., represented by its President and CEO Leonard S. Schleifer, with registered office in 40 Bank Street, Canary Wharf, E14 5DS London, UK, represented and defended by Attorneys Massimiliano Mostardini (C. F. MST MSM 66C09 D969C), Giovanni Galimberti (C.F. GLM GNN 71D29 F205Y) and Flavio Mellucci (C.F. MLL FVV 57A31 F205M) of the Milan Bar, domiciled at their office in Milan, Via Borgogna, 8

- Claimant -

and

BAYER PHARMA AG (formerly BAYER SCHERING PHARMA AG), a German Company, with registered office in 13353 Berlin, Germany, Műllerstr., 178, represented by its legal representative Dr. Nicolas Baron von Behr and Dr. Uwe Hartmann, represented and defended by Attorneys Fabrizio Jacobacci (C.F. JCB FRZ 63C07 L219J), of Turin Bar and Laura Orlando (C.F. RLN LRA 76P45 F205U) of Milan Bar, domiciled at the office of the latter in Milan, Corso Vittorio Emanuele II, 1

- Claimant -

together "Claimant party"

and

GENENTECH Inc., with registered office in South San Francisco (California, U.S.A.), represented by its special representative Dr. David Wildman, represented and defended by Attorneys Gian Paolo Di Santo (C.F. DSN GPL 55L10 A944T) of the Milan Bar and Francesca Ferrari (C.F. FRR FNC 69R55 G388Z) of the Pavia Bar, domiciled at their office in Milan, Via del Lauro 7.

- Defendant -

expressly and jointly

DECLARE

With this brief, that is filed in the docket in Court, that they have separately settled the proceeding with an out of Court agreement pursuant to which each party bears its own costs and where the Claimant party and the Defendant will bear 50% each of the Court Expert fees. According to art. 306 of the Civil Procedure Code the parties declare expressly and jointly to waive, as they do with the joint signature of this brief, without reservations or conditions, to their respective claims in the proceeding and to all claims and cross claims filed before the Court of Milan in the proceeding n. 38173/11 in which Regeneron

UK Ltd and Bayer Schering Pharma AG summoned with two distinct writs Genentech Inc. This brief must also be considered as a reciprocal acceptance of the waiver and as a receipt of its notification from the opposing parties.

Milan, _____

Regeneron UK Ltd Genentech Inc.

_____ _____

Bayer Pharma AG

_____

The Attorneys sign this deed for the limited effect set forth by art. 68 of the Professional Law .

Avv. Massimiliano Mostardini Avv. Gian Paolo Di Santo

_____ _____

Avv. Giovanni Galimberti Avv. Francesca Ferrari

_____ _____

Avv. Flavio Mellucci

_____

Avv. Fabrizio Jacobacci

_____

Avv. Laura Orlando

_____

Annexe 3

1748137-1

[Insert date]

The Commissioner of Patents
WODEN ACT 2606

Dear Commissioner

Notice of Withdrawal – Opposition by Bayer Pharma AG to Australian Patent Application No. 2005299701 in the name of Genentech, Inc.

We refer to the above matter.
Bayer Pharma AG formally withdraws its opposition to Australian Patent Application No. 2005299701, pursuant to Regulation 5.15 of the *Patents Regulations 1991* (Cth).

Yours faithfully
Davies Collison Cave

1748137-1

Annexe 4

1748137-1

[Insert date]

The Commissioner of Patents
WODEN ACT 2606

Dear Commissioner

Notice of Withdrawal – Opposition by Regeneron Pharmaceuticals Inc. to Australian Patent Application No. 2005299701 in the name of Genentech, Inc.

We refer to the above matter.
Regeneron Pharmaceuticals Inc. formally withdraws its opposition to Australian Patent Application No. 2005299701, pursuant to Regulation 5.15 of the *Patents Regulations 1991* (Cth).

Yours faithfully
Phillips Ormonde Fitzpatrick

1748137-1

Annexe 5

1748137-1

Form 48
Rule 26.12(1)

Notice of discontinuance

No. NSD 904 of 2012

Federal Court of Australia
District Registry: New South Wales
Division: General Division

BAYER PHARMA AKTIENGESELLSCHAFT
Applicant

GENENTECH, INC.
Respondent

GENENTECH, INC.
Cross-Claimant

BAYER PHARMA AKTIENGESELLSCHAFT and others named in the Schedule
Cross-Respondents

Bayer Pharma Aktiengesellschaft, the Applicant, discontinues the whole of the claim.
Genentech, Inc., the Cross-Claimant, discontinues the whole of the cross-claim.

Each party consents to the discontinuance of the claim and cross-claim on terms that there be no order as to costs.

1748137-1

Date: [ ] 2013

.....

Signed by Odette Margaret Gourley
Lawyer for the Respondent/Cross-Claimant, Genentech, Inc.

Date: [ ] 2013

.....

Signed by Ian Pascarl
Lawyer for the Applicant and First Cross-Respondent, Bayer Bayer Pharma AG, and the Second Cross-Respondent, Bayer Australia Limited

Date: [ ] 2013

.....

Signed by Malcolm Bell
Lawyer for the Cross-Respondent, Regeneron Pharmaceuticals Inc.

Note in relation to costs

Under rule 26.12(7), unless the terms of a consent or an order of the Court provide otherwise, a party who files a notice of discontinuance under rule 26.12(2) is liable to pay the costs of each other party to the proceeding in relation to the claim, or part of the claim, that is discontinued.

Schedule

No. NSD 904 of 2012

FEDERAL COURT OF AUSTRALIA

DISTRICT REGISTRY: NEW SOUTH WALES

DIVISION: GENERAL DIVISION

Cross-Respondents

Second Cross-Respondent:	Bayer Australia Limited ACN 000 138 714
Third Cross-Respondent:	Regeneron Pharmaceuticals Inc.

Date: [ ] 2013

Annexe 6

1748137-1

IN THE HIGH COURT OF JUSTICE **HC 12 A04413**

CHANCERY DIVISION

PATENTS COURT

BETWEEN:

BAYER PHARMA AG

Claimant

-and-

GENENTECH, INC

Defendant

CONSENT ORDER

UPON THE APPLICATION of the Claimant

AND UPON the parties having agreed in writing to the terms of this Order

IT IS ORDERED BY CONSENT THAT:

1. The claim and counterclaim be discontinued.

2. There be no order as to costs.

……

Simmons & Simmons LLP
Solicitors for the Claimant

Ref: London/090/076185-00003/MWD/SMD

……

Marks & Clerk Solicitors LLP
Solicitors for the Defendant

Ref: MG/CB/GEN4/19

1748137-1

Certification of CEO Pursuant to
Rule 13a-14(a) under the Securities Exchange Act
of 1934, as Adopted Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Leonard S. Schleifer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Regeneron Pharmaceuticals, 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) 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

    d) 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: August 6, 2013

/s/ LEONARD S. SCHLEIFER
Leonard S. Schleifer, M.D., Ph.D.
President and Chief Executive Officer

Certification of CFO Pursuant to
Rule 13a-14(a) under the Securities Exchange Act
of 1934, as Adopted Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Murray A. Goldberg, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Regeneron Pharmaceuticals, 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) 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

    d) 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: August 6, 2013

/s/ MURRAY A. GOLDBERG
Murray A. Goldberg
Senior Vice President, Finance & Administration,
Chief Financial Officer, and Assistant Secretary

Certification of CEO and CFO 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 Regeneron Pharmaceuticals, Inc. (the "Company") on Form 10-Q for the quarterly period ended June 30, 2013 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Leonard S. Schleifer, M.D., Ph.D., as Chief Executive Officer of the Company, and Murray A. Goldberg, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of his knowledge, 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.

/s/ Leonard S. Schleifer
Leonard S. Schleifer, M.D., Ph.D.
Chief Executive Officer
August 6, 2013

/s/ Murray A. Goldberg
Murray A. Goldberg
Chief Financial Officer
August 6, 2013