UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2021

OR

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

For the transition period from _____ to _____

Commission File Number: 001-38938

Stoke Therapeutics, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**47-1144582**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
45 Wiggins Ave **Bedford, Massachusetts**	**01730**
(Address of principal executive offices)	**(Zip Code)**

(781) 430-8200

(Registrant's telephone number, including area code)

Not applicable

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.0001 par value per share	STOK	Nasdaq Global Select Market

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 such files). Yes ☒ No ☐

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
Emerging growth company	☒		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

As of August 3, 2021 the registrant had 36,749,090 shares of common stock, $0.0001 par value per share, outstanding.

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FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of present and historical facts contained in this Quarterly Report on Form 10-Q, including statements regarding our future results of operations and financial position, business strategy, prospective products, planned preclinical studies and clinical or field trials, regulatory approvals, research and development costs, and timing and likelihood of success, as well as plans and objectives of management for future operations, may be forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expect," "plan," "anticipate," "could," "intend," "target," "project," "contemplate," "believe," "estimate," "predict," "potential" or "continue" or the negative of these terms or other similar expressions, although not all forward-looking statements contain these words.

Forward-looking statements are based on our management's beliefs and assumptions and on information currently available to us. Such statements are subject to a number of known and unknown risks, uncertainties and assumptions, and actual results may differ materially from those expressed or implied in the forward-looking statements due to various factors, including, but not limited to, those identified in Part I. Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Part II. Item 1A "Risk Factors." These risks and uncertainties include, but are not limited to:

- the direct and indirect impact of COVID-19 on our business, financial condition and operations, including on our expenses, supply chain, strategic partners, research and development costs, clinical trials and employees;
- our ability to become profitable;
- our ability to procure sufficient funding;
- our limited operating history;
- our ability to develop, obtain regulatory approval for and commercialize STK-001 and our future product candidates, including any impact from COVID-19;
- our success in early preclinical studies or clinical trials, which may not be indicative of results obtained in later studies or trials;
- our ability to obtain regulatory approval to commercialize STK-001 or any other future product candidate;
- our ability to identify patients with the diseases treated by STK-001 or our future product candidates, and to enroll patients in trials;
- the success of our efforts to use TANGO to expand our pipeline of product candidates and develop marketable products;
- our ability to precisely upregulate protein expression in OPA1 protein-deficient cells and to treat the underlying cause of ADOA;
- our ability to obtain, maintain and protect our intellectual property;
- our reliance upon intellectual property licensed from third parties;
- our ability to identify, recruit and retain key personnel;
- our financial performance; and
- developments or projections relating to our competitors or our industry.

You should read this Quarterly Report on Form 10-Q and the documents that we reference herein completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.

Item 1. Financial Statements.

Stoke Therapeutics, Inc.
Condensed consolidated balance sheets
(in thousands, except share and per share amounts)
(unaudited)

	June 30, 2021	December 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	$ 169,070	$ 287,308
Marketable Securities	82,156	—
Prepaid expenses and other current assets	8,612	6,435
Restricted cash - short-term	147	—
Deferred financing costs	117	181
Interest receivable	131	6
Total current assets	$ 260,233	$ 293,930
Restricted cash	75	205
Operating lease right-of-use assets	1,258	1,115
Property and equipment, net	2,884	2,675
Total assets	$ 264,450	$ 297,925
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 963	$ 1,495
Accrued and other current liabilities	7,234	9,930
Total current liabilities	$ 8,197	$ 11,425
Long term liabilities	1,184	422
Total liabilities	$ 9,381	$ 11,847
Commitments and contingencies (Note 6)		
Stockholders' equity		
Common stock, par value of $0.0001 per share; 300,000,000 shares authorized, 36,722,669 and 36,577,149 shares issued and outstanding as of June 30, 2021 and December 31, 2020, respectively	4	4
Additional paid-in capital	404,145	396,352
Accumulated other comprehensive loss	(42)	—
Accumulated deficit	(149,038)	(110,278)
Total stockholders' equity	$ 255,069	$ 286,078
Total liabilities and stockholders' equity	$ 264,450	$ 297,925

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Stoke Therapeutics, Inc.
Condensed consolidated statements of operations and comprehensive loss
(in thousands, except share and per share amounts)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Revenue	$ —	$ —	$ —	$ —
Operating expenses:				
Research and development	14,095	7,968	24,008	15,183
General and administrative	7,934	5,044	14,848	9,563
Total operating expenses	22,029	13,012	38,856	24,746
Loss from operations	(22,029)	(13,012)	(38,856)	(24,746)
Other income:				
Interest income (expense), net	34	39	40	704
Other income (expense), net	28	14	56	44
Total other income	62	53	96	748
Net loss	$ (21,967)	$ (12,959)	$ (38,760)	$ (23,998)
Net loss per share, basic and diluted	$ (0.60)	$ (0.39)	$ (1.06)	$ (0.73)
Weighted-average common shares outstanding, basic and diluted	36,708,188	33,054,656	36,675,876	32,976,026
Comprehensive loss:				
Net loss	$ (21,967)	$ (12,959)	$ (38,760)	$ (23,998)
Other comprehensive loss:				
Unrealized loss on marketable securities	(42)	—	(42)	—
Total other comprehensive loss	$ (42)	$ —	$ (42)	$ —
Comprehensive loss	$ (21,925)	$ (12,959)	$ (38,718)	$ (23,998)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Stoke Therapeutics, Inc.
Condensed consolidated statements of stockholders' equity
(in thousands, except share and per share amounts)
(unaudited)

	Common Stock		Additional paid-in capital	Accumulated other comprehensive loss	Accumulated deficit	Stockholders' equity
	Shares	Amount	Amount	Amount	Amount	Amount
Balance as of December 31, 2019	**32,861,842**	**$ 3**	**$ 282,460**	$ —	**$ (58,035)**	**$ 224,428**
Net Loss	—	—	-	—	(11,039)	(11,039)
Stock-based compensation	—	—	754	—	—	754
Issuance of common stock upon exercise of stock options	105,508	—	199	—	—	199
Balance as of March 31, 2020	**32,967,350**	**$ 3**	**$ 283,413**	**$ -**	**$ (69,074)**	**$ 214,342**
Net loss	—	—	-	—	(12,959)	(12,959)
Stock-based compensation	—	—	1,649	—	—	1,649
Issuance of common stock upon exercise of stock options	245,194	—	368	—	—	368
Balance as of June 30, 2020	**33,212,544**	**$ 3**	**$ 285,430**	$ —	**$ (82,033)**	**$ 203,400**
Balance as of December 31, 2020	**36,577,149**	**$ 4**	**$ 396,352**	$ —	**$ (110,278)**	**$ 286,078**
Net loss	—	—	-	—	(16,793)	(16,793)
Stock-based compensation	—	—	2,698	—	—	2,698
Issuance of common stock upon exercise of stock options	111,858	—	371	—	—	371
Issuance of common stock upon follow-on offering, net of underwriting discounts and offering costs	—	—	(64)	—	—	(64)
Issuance of common stock related to employee stock purchase plan	8,801	—	175	—	—	175
Balance as of March 31, 2021	**36,697,808**	**$ 4**	**$ 399,532**	$ —	**$ (127,071)**	**$ 272,465**
Net loss	—	—	—		(21,967)	(21,967)
Unrealized loss on marketable securities	—	—	—	(42)	—	(42)
Stock-based compensation	—	—	4,452	—	—	4,452
Issuance of common stock upon exercise of stock options	24,861	—	161	—	—	161
Balance as of June 30, 2021	**36,722,669**	**$ 4**	**$ 404,145**	**$ (42)**	**$ (149,038)**	**$ 255,069**

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Stoke Therapeutics, Inc.
Condensed consolidated statements of cash flows
(in thousands)
(unaudited)

	Six Months Ended June 30,	
	2021	2020
Cash flows from operating activities:		
Net loss	$ (38,760)	$ (23,998)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	485	417
Amortization and accretion of marketable securities	37	-
Stock-based compensation	7,150	2,403
Loss on disposal of property and equipment	29	3
Reduction in the carrying amount of right of use assets	548	510
Changes in assets and liabilities:		
Prepaid expenses and other current assets	(2,301)	25
Accounts payable and accrued liabilities	(3,155)	223
Net cash used in operating activities	$ (35,967)	$ (20,417)
Cash flows from investing activities:		
Purchases of marketable securities	(82,235)	-
Purchases of property and equipment	(724)	(691)
Net cash used in investing activities	$ (82,959)	$ (691)
Cash flows from financing activities:		
Proceeds from Employee Stock Purchase Plan	175	—
Proceeds from issuance of common stock upon exercise of stock options	532	567
Payments of follow-on offering costs	(2)	—
Net cash provided by financing activities	$ 705	$ 567
Net decrease in cash, cash equivalents and restricted cash	$ (118,221)	$ (20,541)
Cash, cash equivalents and restricted cash—beginning of period	$ 287,513	$ 222,676
Cash, cash equivalents and restricted cash—end of period	$ 169,292	$ 202,135
Supplemental Disclosure of Non-Cash Investing and Financing Activities:		
Property and equipment included in accrued expense and accounts payable	$ —	$ 40
Right-of-use asset recognized upon entering into amended lease	$ 690	$ —
Right-of-use assets recognized in exchange for operating leases upon adoption of Topic 842	$ —	$ 2,153
Deferred offering costs not yet paid	$ —	$ 77

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

1. Nature of the business and basis of presentation

Organization

Stoke Therapeutics, Inc. (the "Company") was founded in June 2014 and was incorporated under the laws of the State of Delaware. The Company is a biotechnology company dedicated to addressing the underlying cause of severe diseases by up-regulating protein expression with RNA-based medicines.

Shelf Registration

In July 2020, the Company filed a universal shelf registration statement on Form S-3 (the "Registration Statement") with the Securities and Exchange Commission ("SEC"). The Registration Statement was declared effective by the SEC in July 2020, and covers the offering, issuance, and sale by the Company of up to a maximum aggregate offering price of $400,000,000 of our common stock, preferred stock, debt securities, warrants to purchase the Company's common stock, preferred stock or debt securities, subscription rights to purchase the Company's common stock, preferred stock or debt securities and/or units consisting of some or all of these securities. In July 2020, the Company entered into an "at-the-market" program and sales agreement with Cantor Fitzgerald & Co. ("Cantor") and Stifel, Nicolaus & Company, Incorporated, ("Stifel"), under which the Company may, from time to time, offer and sell common stock having an aggregate offering value of up to $150.0 million, referred to as our "at-the-market" offering with Cantor and Stifel. As of June 30, 2021, no such shares of the Company's common stock had been offered or sold pursuant to this "at-the-market" program with Cantor and Stifel. The Company may terminate this at-the-market program at any time, pursuant to its terms.

Follow-on public offering

In November 2020, the Company completed an underwritten public offering and issued and sold 2,875,000 shares of common stock at a public offering price of $39.00 per share, which included 375,000 shares sold upon full exercise of the underwriters' option to purchase additional shares of common stock, resulting in net proceeds of $104.9 million after deducting underwriting discounts and commissions and offering expenses.

Uncertainties

The Company is subject to risks and uncertainties common to early-stage companies in the biotechnology industry including, but not limited to, development by competitors of new technological innovations, dependence on key personnel, protection of proprietary technology, compliance with government regulations and ability to secure additional capital to fund operations. Product candidates currently under development will require significant additional research and development efforts, including extensive preclinical and clinical testing and regulatory approval prior to commercialization. These efforts require significant amounts of additional capital, adequate personnel and infrastructure and extensive compliance-reporting capabilities. Even if the Company's product development efforts are successful, it is uncertain when, if ever, the Company will realize significant revenue from product sales.

Liquidity

The Company expects that its operating losses and negative cash flows will continue for the foreseeable future. As of the issuance date of these unaudited condensed consolidated financial statements the Company expects that its cash, cash equivalents, marketable securities and restricted cash will be sufficient to fund its operating expenses and capital expenditure requirements through at least twelve months from the issuance date of these unaudited condensed consolidated financial statements.

2. Summary of significant accounting policies and recent accounting pronouncements

Basis of presentation and consolidation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and include the accounts of the Company and its wholly-owned subsidiary. Any reference in these notes to applicable guidance is meant to refer to GAAP as found in the Accounting Standards Codification ("ASC") and Accounting Standards Update ("ASU") of the Financial Accounting Standards Board ("FASB"). All intercompany transactions between and among its consolidated subsidiary have been eliminated.

Unaudited interim financial information

The accompanying interim unaudited condensed consolidated financial statements and related disclosures are unaudited and have been prepared in accordance with GAAP for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all the information and footnotes required by GAAP for complete financial statements and should be read in conjunction with the Company's consolidated financial statements and related footnotes as of and for the year ended December 31, 2020, which was filed with the SEC on March 9, 2021. The Company's financial information as of June 30, 2021, and for the six months ended June 30, 2021 and 2020 is unaudited, but in the opinion of management, all adjustments, consisting only of normal recurring adjustments, considered necessary for a fair presentation of the financial position, results of operations and cash flows at the dates and for the periods presented of the results of these interim periods have been included. The balance sheet information as of December 31, 2020 was derived from audited financial statements. The results of the Company's operations for any interim period are not necessarily indicative of the results that may be expected for any other interim period or for a full fiscal year.

Use of estimates

The preparation of unaudited condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, equity, expenses and disclosure of contingent assets and liabilities. Estimates are periodically reviewed in light of changes in circumstances, facts and experience. Actual results could differ from those estimates.

Cash, cash equivalents and restricted cash

The Company considers all highly liquid investments with an original maturity of six months or less at the date of purchase to be cash equivalents. The Company deposits its cash in checking, sweep and money market accounts.

At June 30, 2021, restricted cash consisted of money market accounts collateralizing letters of credit issued as security deposits in connection with the Company's leases of its corporate facilities.

Cash and cash equivalents, and restricted cash in the condensed consolidated statements of cash flows consists of the following (in thousands):

	As of June 30,	
	2021	2020
Cash and cash equivalents	$ 169,070	$ 201,930
Restricted cash - short-term	$ 147	$ —
Restricted cash - long-term	$ 75	$ 205
Total cash, cash equivalents and restricted cash	$ 169,292	$ 202,135

Fair value of financial instruments

ASC Topic 820, *Fair Value Measurement* ("ASC 820"), establishes a fair value hierarchy for instruments measured at fair value that distinguishes between assumptions based on market data ("observable inputs") and the Company's own assumptions ("unobservable inputs"). Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the inputs that market participants would use in pricing the asset or liability and are developed based on the best information available in the circumstances. ASC 820 identifies fair value as the exchange price, or exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As a basis for considering market participant assumptions in fair value measurements, ASC 820 establishes a three-tier value hierarchy that distinguishes between the following:

Level 1—Quoted market prices in active markets for identical assets or liabilities.

Level 2—Inputs other than Level 1 inputs that are either directly or indirectly observable, such as quoted market prices, interest rates and yield curves.

Level 3—Unobservable inputs developed using estimates of assumptions developed by the Company, which reflect those that a market participant would use.

To the extent the valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair values requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for instruments categorized as Level 3. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Deferred offering costs

The Company capitalizes certain legal, professional accounting and other third-party fees that are directly associated with in-process equity financings as deferred offering costs until such financings are consummated. After consummation of the equity financing, these costs are recorded in the condensed consolidated statement of stockholders' equity as a reduction of additional paid-in capital.

Emerging growth company and smaller reporting company status

The Company is an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act, until such time as those standards apply to private companies.

The Company has elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that it is (i) no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, the Company's unaudited condensed consolidated financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates.

The Company will remain an emerging growth company until the earliest of (1) the last day of its first fiscal year (a) in which the Company has total annual gross revenues of at least $1.07 billion, or (b) in which the Company is deemed to be a large accelerated filer, which means the market value of its common stock that is held by non-affiliates exceeds $700.0 million as of the prior June 30th, (2) the date on which it has issued more than $1.0 billion in non-convertible debt securities during the prior three-year period and (3) December 31, 2024.

The Company is also a "smaller reporting company," meaning that, the market value of its stock held by non-affiliates is less than $700 million and our annual revenue is less than $100 million during the most recently completed fiscal year. The Company may continue to be a smaller reporting company as long as either (i) the market value of its stock held by non-affiliates is less than $250 million or (ii) its annual revenue is less than $100 million during the most recently completed fiscal year and the market value of its stock held by non-affiliates is less than $700 million. If the Company is a smaller reporting company at the time it ceases to be an emerging growth company, the Company may continue to rely on exemptions from certain disclosure requirements that are available to smaller reporting companies. Specifically, as a smaller reporting company, the Company may choose to present only the two most recent fiscal years of audited financial statements in its Annual Report on Form 10-K and, similar to emerging growth companies, smaller reporting companies have reduced disclosure obligations regarding executive compensation.

Recently adopted accounting pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842). This standard established a right-of-use model that requires all lessees to recognize right-of-use assets and lease liabilities on their balance sheet that arise from leases as well as provide disclosures with respect to certain qualitative and quantitative information related to a company's leasing arrangements. The Company adopted Topic 842 on January 1, 2020 using the modified retrospective approach and elected to apply the transition method that allows companies to continue applying guidance under the lease standard in effect at that time in the comparative period financial statements and recognize a cumulative-effect adjustment to the balance sheet on the date of adoption. The Company elected the package of practical expedients to not reassess its prior conclusions about lease identification, lease classification and indirect costs and to not separate lease and non-lease components.

In July 2017, the FASB issued ASU 2017-11, *Earnings Per Share* (Topic 260), Distinguishing Liabilities from Equity (Topic 480) and Derivatives and Hedging (Topic 815): *I. Accounting for Certain Financial Instruments with Down Round Features; II. Replacement of the Indefinite Deferral for Mandatorily Redeemable Financial Instruments of Certain Nonpublic Entities and Certain Mandatorily Redeemable Noncontrolling Interests with a Scope Exception*. Part I of this update addresses the complexity of accounting for certain financial instruments with down round features. Down round features are features of certain equity-linked instruments (or embedded features) that result in the strike price being reduced on the basis of the pricing of future equity offerings. Current accounting guidance creates cost and complexity for entities that issue financial instruments (such as warrants and convertible instruments) with down round features that require fair value measurement of the entire instrument or conversion option. Part II of this update addresses the difficulty of navigating Topic 480, Distinguishing Liabilities from Equity, because of the existence of extensive pending content in the

FASB Accounting Standards Codification. This pending content is the result of the indefinite deferral of accounting requirements about mandatorily redeemable financial instruments of certain nonpublic entities and certain mandatorily redeemable noncontrolling interests. The amendments in Part II of this update do not have an accounting effect. For public business entities, the amendments in Part I of ASU-2017-11 were effective for fiscal years and interim periods within those years beginning after December 15, 2018. For all other entities, the amendments in Part I of this update are effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted for all entities, including adoption in an interim period. The Company adopted Part 1 of this standard on January 1, 2020 and the adoption of this update did not have a material impact on its consolidated financial statements and financial statement disclosures.

In August 2018, the FASB issued ASU 2018-13, *"Fair Value Measurement (Topic 820), Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement"*. This ASU removed the following disclosure requirements: (1) the amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy; (2) the policy for timing of transfers between levels; and (3) the valuation processes for Level 3 fair value measurements. Additionally, this update added the following disclosure requirements: (1) the changes in unrealized gains and losses for the period included in other comprehensive income and loss for recurring Level 3 fair value measurements held at the end of the reporting period; (2) the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements. For certain unobservable inputs, an entity may disclose other quantitative information (such as the median or arithmetic average) in lieu of the weighted average if the entity determines that other quantitative information would be a more reasonable and rational method to reflect the distribution of unobservable inputs used to develop Level 3 fair value measurements. ASU 2018-13 is effective for all entities, for fiscal years beginning after December 15, 2019 with early adoption permitted. The Company adopted this standard on January 1, 2020 and the adoption of this update did not have a material impact on its consolidated financial statements.

In December 2019, the FASB issued ASU 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes. This guidance removes certain exceptions for recognizing deferred taxes for investments, performing intraperiod allocation and calculating income taxes in interim periods. It also adds guidance to reduce complexity in certain areas, including recognizing deferred taxes for tax goodwill and allocating taxes to members of a consolidated group. This ASU is effective for interim and annual periods beginning after December 15, 2020, and early adoption is permitted. The Company adopted this standard on January 1, 2021 and the adoption of this update did not have a material impact on its consolidated financial statements.

3. Fair value measurements

The following tables present information about the Company's financial assets measured at fair value on a recurring basis and indicate the level of the fair value hierarchy utilized to determine such fair values (in thousands):

	Fair value measurements as of June 30, 2021			
	Level 1	Level 2	Level 3	Total
Cash equivalents:				
Money market funds	$ 169,070	$ —	$ —	$ 169,070
Total	$ 169,070	$ —	$ —	$ 169,070
Marketable Securities:				
Corporate bonds	$ —	$ 17,729	$ —	$ 17,729
Commercial paper	$ —	$ 39,448	$ —	$ 39,448
US Government debt securities	$ —	$ 24,979	$ —	$ 24,979
Total	$ —	$ 82,156	$ —	$ 82,156

	Fair value measurements as of December 31, 2020			
	Level 1	Level 2	Level 3	Total
Cash equivalents:				
Money market funds	$ 287,308	$ —	$ —	$ 287,308
Total	$ 287,308	$ —	$ —	$ 287,308
Marketable Securities:				
Corporate bonds	$ —	$ —	$ —	$ —
Commercial paper	$ —	$ —	$ —	$ —
US Government debt securities	$ —	$ —	$ —	$ —
Total	$ —	$ —	$ —	$ —

The Company's cash equivalents and marketable securities are carried at fair value, determined according to the fair value hierarchy described above and in Note 2. The carrying value of the Company's accounts payable and accrued expenses approximate their fair values due to the short-term nature of these liabilities.

The Company's assets with fair value categorized as Level 1 within the fair value hierarchy include money market funds. Money market funds are publicly traded mutual funds and are presented as cash equivalents on the condensed consolidated balance sheets as of June 30, 2021 and December 31, 2020.

The Company measures its marketable securities at fair value on a recurring basis and classifies those instruments within Level 2 of the fair value hierarchy. Marketable securities are valued using models or other valuation methodologies that use Level 2 inputs. These models are primarily industry-standard models that consider various assumptions, including time value, yield curve, volatility factors, default rates, current market and contractual prices for the underlying financial instruments, as well as other economic measures. Substantially all of these assumptions are observable in the marketplace, can be derived from observable data or are supported by observable levels at which transactions are executed in the marketplace.

There were transfers among the Level 1 to Level 2 category in the June 30, 2021 period presented. There were no transfers to Level 3 in the periods presented.

4. Marketable Securities

The following table summarizes the Company's marketable securities as of June 30, 2021 (in thousands):

	June 30, 2021			
	Amortized Cost	Unrealized Gains	Unrealized Loss	Fair Value
Marketable securities:				
Corporate bonds	$ 17,749	$ —	$ (20)	$ 17,729
Commercial paper	$ 39,448	$ —	$ —	$ 39,448
US Government debt securities	$ 25,001	$ —	$ (22)	$ 24,979
Total	$ 82,198	$ —	$ (42)	$ 82,156

There were no marketable securities as of December 31, 2020.

5. Accrued and other current liabilities

Accrued and other current liabilities consisted of the following (in thousands):

	June 30, 2021	December 31, 2020
Accrued employee compensation costs	$ 2,348	$ 4,123
Accrued professional	505	593
Accrued research and development costs	3,188	3,689
Current portion of operating lease liabilities	592	—
Accrued other	15	82
Other current liabilities	586	1,443
	$ 7,234	$ 9,930

6. Commitments and contingencies

Operating lease

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842). This standard established a right-of-use model that requires all lessees to recognize right-of-use assets and lease liabilities on their balance sheet that arise from leases as well as provide disclosures with respect to certain qualitative and quantitative information related to a company's leasing arrangements. The Company adopted Topic 842 on January 1, 2020 using the modified retrospective approach and elected to apply the transition method that allows companies to continue applying guidance under the lease standard in effect at that time in the comparative period financial statements and recognize a cumulative-effect adjustment to the balance sheet on the date of adoption. The Company elected the

package of practical expedients to not reassess its prior conclusions about lease identification, lease classification and indirect costs and to not separate lease and non-lease components.

Upon adoption of Topic 842 on January 1, 2020, the Company recorded right-of-use assets of $2.2 million, operating lease liabilities of $2.2 million and the elimination of deferred rent of $0.03 million. Adoption of the standard did not result in the Company recording a cumulative effect adjustment.

The Company determines whether an arrangement is a lease at inception. The Company accounts for a lease when it has the right to control the leased asset for a period of time while obtaining substantially all of the assets' economic benefits. The Company determined that it held operating leases for office and laboratory space as of January 1, 2020. Operating lease right-of-use assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the lease commencement date. The discount rate used to determine the present value of the lease payments is the Company's incremental borrowing rate based on the information available at lease inception, as the Company did not have information to determine the rate implicit in the leases. Lease expense for operating leases is recognized on a straight-line basis over the reasonably assured lease term based on the total lease payments (which include initial direct costs and lease incentives). The expense is included in operating expenses in the condensed consolidated statements of operations. The Company's lease agreements also contain variable payments, primarily maintenance-related costs, which are expensed as incurred and not included in the measurement of the right-of-use assets and lease liabilities.

In August 2018, the Company entered into an agreement to lease approximately 23,000 square feet of space for a term of three years. Lease terms are triple net lease commencing at $0.9 million per year, then with 3% annual base rent increases plus operating expenses, real estate taxes, utilities and janitorial fees. The lease commencement date was December 10, 2018.

In December 2018, the Company entered into an agreement to lease 2,485 square feet of space for an initial term of three years. The lease includes one renewal option for an additional two years, however, any time after the initial term the landlord may relocate the Company from the premises to a space reasonably comparable in size and utility. As the Company does not have the right to control the use of the identified asset after the initial term, the renewal option was excluded from the lease liability calculation. Lease terms commence at $0.2 million per annum, with 2.5% annual base rent increases plus operating expenses, real estate taxes, utilities and janitorial fees. The lease commencement date was May 1, 2019.

In June 2021, the Company amended the agreement to extend the Initial Term of the 2,485 square foot lease for a period of three years commencing May 1, 2022 and ending April 30, 2025. In addition, the amendment provided for the lease of an additional 2,357 square feet of rentable space beginning on July 6, 2021 and ending on April 30, 2025. The amended lease provides the Company with the option to extend the term of the lease for an additional two years. The Company recognized a right-of-use asset and operating lease liabilities of $0.7 million for the extension of the lease to April 30, 2025. As the Company did not have access to the additional 2,357 square feet of space, a right of use asset and liability was not recognized as of June 30, 2021.

Future minimum lease payments under non-cancellable leases as of June 30, 2021 are as follows (in thousands):

2021	625
2022	483
2023	497
2024	512
2025	172
Total lease payments	2,289
Less imputed interest	(174)
Present value of lease liabilities	$ 2,115

Future minimum lease payments under non-cancellable leases as of December 31, 2020 are as follows (in thousands):

2021	1,102
2022	81
Total lease payments	1,183
Less imputed interest	(37)
Present value of lease liabilities	$ 1,146

Lease balances as of June 30, 2021 are as follows (in thousands):

Operating right-of-use assets	$	1,258
Current Portion of operating lease liabilities	$	592
Non-current portion of operating lease liabilities		683
Total operating lease liabilities	$	1,275

The weighted average remaining lease term and weighted average discount rate of our operating leases as of June 30, 2021 are as follows:

Weighted average remaining lease term in years	2.8
Weighted average discount rate	5.74%

Scientific Advisory Board Agreement

In June 2020, the Company entered into a scientific advisory board agreement with a member of the Company's board of directors, who is also an employee of Cold Spring Harbor Laboratory ("CSHL"), to provide scientific advisory services related to the Company's Targeted Augmentation of Nuclear Gene Output ("TANGO") antisense oligonucleotide ("ASO") technology and other ASO technologies, as well as current and future therapeutic targets and programs. The Company recognized expense of $0.01 million in the three-month period ended June 30, 2021, and $0.02 million for the six-month period ended June 30, 2021, compared to $0.01 million for the three and six-month periods ended June 30, 2020 for such scientific advisory services. The initial term of this agreement was for 12 months. This agreement was renewed in June 2021.

License and research agreements

In July 2015, the Company entered into a worldwide license agreement (the "CSHL Agreement"), with CSHL, with respect to TANGO patents. Under the CSHL Agreement, the Company receives an exclusive (except with respect to certain government rights and non-exclusive licenses), worldwide license under certain patents and applications relating to TANGO. As part of the CSHL Agreement, the Company granted CSHL 164,927 shares of common stock valued based on an independent appraisal at approximately $0.07 million. The CSHL Agreement obligates the Company to make additional payments that are contingent upon certain milestones being achieved. The Company is also required to pay royalties, tiered based on the scope of patent coverage for each licensed product, ranging from a low-single digit percentage to a mid-single digit percentage on annual net sales. These royalty obligations apply on a licensed product-by-licensed product and country-by-country basis until the latest of (i) the expiration of the last valid claim of a CSHL patent covering the applicable licensed product or (ii) the expiration of any regulatory exclusivity for the applicable licensed product. In addition, if the Company sublicenses the rights under the CSHL Agreement, the Company is required to pay a maximum of twenty percent of the sublicense revenue to CSHL, which may be reduced to a mid-teens or a mid-single digit percentage upon achievement of certain clinical milestones for the applicable licensed product. Finally, the Company is required to pay an annual license maintenance fee of $0.01 million, which amount is creditable against any owed royalty or milestone payments. The maximum aggregate potential milestone payments payable total approximately $0.9 million. Additionally, certain licenses under the CSHL Agreement require the Company to reimburse CSHL for certain past and ongoing patent related expenses, however, there were no expenses related to these reimbursable patent costs during the six months ended June 30, 2021 and 2020.

In April 2016, the Company entered into an exclusive, worldwide license agreement with the University of Southampton, (the "Southampton Agreement"), whereby the Company acquired rights to foundational technologies related to the Company's TANGO technology. Under the Southampton Agreement, the Company receives an exclusive, worldwide license under certain licensed patents and applications relating to TANGO. As part of the Southampton Agreement, the Company paid 0.06 million pounds sterling (approximately $0.08 million as of the date thereof) as an up-front license fee. Under the Southampton Agreement, the Company may be obligated to make additional payments that are contingent upon certain milestones being achieved, as well as royalties on future product sales. These royalty obligations survive until the latest of (i) the expiration of the last valid claim of a licensed patent covering a subject product or (ii) the expiration of any regulatory exclusivity for the subject product in a country. In addition, if the Company sublicenses its rights under the Southampton Agreement, the Company is required to pay a mid-single digit percentage of the sublicense revenue to the University of Southampton. The maximum aggregate potential milestone payments payable by the Company totaled approximately 0.4 million pounds sterling (approximately $0.6 million as of June 30, 2021). As of June 30, 2021, and December 31, 2020, the Company had recorded no liabilities under the Southampton Agreement. Additionally, certain licenses under the Southampton Agreement require the Company to reimburse the University of Southampton for certain past and ongoing patent related expenses. For the three months ended June 30, 2021 these expenses were $0.05 million compared to $0.01 million for three months ended June 30, 2020 and for the six months ended June 30, 2021 these expenses were $0.06 million compared to $0.02 million for the six months ended June 30, 2020.

7. Equity incentive plans

In June 2019, the Company's board of directors and stockholders approved the 2019 Equity Incentive Plan (the "2019 Plan") which became effective on June 17, 2019, and replaced the Company's 2014 Equity Incentive Plan (the "2014 Plan"). In addition to the shares of common stock reserved for future issuance under the 2014 Plan that were added to the 2019 Plan upon its effective date, the Company initially reserved 2,200,000 shares of common stock for issuance under the 2019 Plan. The number of shares reserved for issuance under the Company's 2019 Plan will increase automatically on January 1 of each of 2020 through 2029 by the number of shares equal to 4% of the aggregate number of outstanding shares of the Company's common stock as of the immediately preceding December 31, or a lesser number as may be determined by the Company's board of directors.

As of June 30, 2021, there were no shares available for future issuance under the 2014 Plan and 2,447,012 shares were available under the 2019 Plan.

During the six-months ended June 30, 2021, the Company granted options to purchase 1,188,047 shares of common stock to certain of its employees. The options vest over four years and are exercisable at a per share price equal to the fair value of the common stock on the grant date.

Stock-based compensation

As of June 30, 2021, there was $52.9 million of unrecognized compensation cost related to unvested stock-based compensation arrangements granted under the 2014 and 2019 Plans. The compensation is expected to be recognized over a weighted average period of 3.24 years as of June 30, 2021.

Stock-based compensation expense recorded as research and development and general and administrative expenses in the accompanying condensed consolidated statements of operations and comprehensive loss is as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Research and development	$ 1,728	$ 534	$ 2,762	$ 738
General and administrative	2,724	1,115	4,388	1,665
	$ 4,452	$ 1,649	$ 7,150	$ 2,403

2019 Employee stock purchase plan

In June 2019, the Company adopted the 2019 Employee Stock Purchase Plan (the "ESPP"), which became effective on June 18, 2019. The Company initially reserved 315,000 shares of common stock for sale under the ESPP. At June 30, 2021, the Company had 654,579 shares available for issuance under the plan. The average grant date fair value per share under the plan was $58.07 for 2021. The total ESPP stock-based compensation expense for the three and six months ended June 30, 2021 was $0.08 million and $0.16 million, respectively, and for the three and six months ended June 30, 2020 was $0.2 million. The number of shares reserved for issuance under the ESPP will increase automatically on January 1st of each of the first ten calendar years following the first offering date by the number of shares equal to the lesser of 1% of the total outstanding shares of the Company's common stock as of the immediately preceding December 31 or a lower amount determined by the Company's board of directors. The aggregate number of shares issued over the term of the ESPP will not exceed 3,150,000 shares of the Company's common stock.

8. Net loss per share

The following table summarizes the computation of basic and diluted net loss per share of the Company (in thousands except share and per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Numerator:				
Net loss	$ (21,967)	$ (12,959)	$ (38,760)	$ (23,998)
Denominator:				
Weighted-average number of common shares, basic and diluted	36,708,188	33,054,656	36,675,876	32,976,026
Net loss per share, basic and diluted	$ (0.60)	$ (0.39)	$ (1.06)	$ (0.73)

The Company's potential dilutive securities, which include common stock options and ESPP purchase rights, have been excluded from the computation of diluted net loss per share as the effect would be anti-dilutive. Therefore, the weighted average number of common shares outstanding used to calculate both basic and diluted net loss per share is the same.

The Company excluded the following potential common shares, presented based on amounts outstanding at period end, from the computation of diluted net loss per share indicated because including them would have had an anti-dilutive effect:

	June 30,	
	2021	2020
Outstanding options to purchase common stock	5,514,338	4,857,247

9. Income taxes

The Company did not record an income tax benefit in its condensed consolidated statement of operations and comprehensive loss for the three and six months ended June 30, 2021 and 2020 as it is more likely than not that the Company will not recognize the federal and state deferred tax benefits generated by its losses. The Company had net deferred tax assets and liabilities of $37.2 million at December 31, 2020. The Company has provided a valuation allowance for the full amount of its net deferred tax assets and liabilities as of June 30, 2021 and December 31, 2020, as management has determined it is more likely than not that any future benefit from deductible temporary differences and net operating loss and tax credit carryforwards would not be realized.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was enacted in response to the COVID-19 pandemic. The CARES Act, among other things, permits net operating loss ("NOL") carryovers and carrybacks to offset 100% of taxable income for taxable years beginning before 2021. In addition, the CARES Act allows NOLs incurred in 2018, 2019, and 2020 to be carried back to each of the five preceding taxable years to generate a refund of previously paid income taxes. The Company has evaluated the impact of the CARES Act, and at present, the Company does not expect that the NOL carryback provision of the CARES Act would result in a cash benefit to us.

The Company did not record any amounts for unrecognized tax benefits as of June 30, 2021 or December 31, 2020.

10. Subsequent events

The Company has evaluated subsequent events through the issuance date of these interim unaudited condensed consolidated financial statements.

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

You should read the following discussion and analysis of our financial condition and consolidated results of operations together with the section entitled "Risk Factors" and our interim condensed consolidated financial statements and related notes appearing elsewhere in this Quarterly Report. Some of the information contained in this discussion and analysis or set forth elsewhere in this Quarterly Report, including information with respect to our plans and strategy for our business and related financing, includes forward-looking statements that involve risks and uncertainties. You should carefully read the sections entitled "Special Note Regarding Forward-Looking Statements" and "Risk Factors" to gain an understanding of the important factors that could cause actual results to differ materially from our forward-looking statements.

Overview

We are a biotechnology company dedicated to addressing the underlying cause of severe diseases by up-regulating protein expression with RNA-based medicines. We are developing novel antisense oligonucleotide ("ASO") medicines that target ribonucleic acid ("RNA") and modulate precursor-messenger RNA splicing to upregulate protein expression where needed and with appropriate specificity to near normal levels. We utilize our proprietary RNA therapeutics platform, Targeted Augmentation of Nuclear Gene Output ("TANGO"), to design ASOs to upregulate the expression of protein by individual genes in a patient. Our approach is designed to allow us to deliver in a highly precise, durable and controlled manner disease-modifying therapies to a wide range of relevant tissues, including the central nervous system, eye, kidney and liver.

We were incorporated in June 2014. In July 2015 and April 2016, we entered into worldwide license agreements with Cold Spring Harbor Laboratory ("CSHL") and the University of Southampton, respectively, with respect to certain licensed patents and applications relating to TANGO. TANGO exploits non-productive splicing events to effect targeted enhancement of protein expression. Since our inception through June 21, 2019, our operations have been financed primarily from the sale of convertible notes payable and our convertible preferred stock.

In June 2019, we completed an initial public offering ("IPO") and issued and sold 9,074,776 shares of common stock at a public offering price of $18.00 per share, which included 1,183,666 shares sold upon full exercise of the underwriters' option to purchase additional shares of common stock resulting in net proceeds of $149.4 million after deducting underwriting discounts and commissions and offering costs.

In July 2020, we filed a universal shelf registration statement on Form S-3 (the "Registration Statement") with the Securities and Exchange Commission ("SEC"). The Registration Statement was declared effective by the SEC in July 2020, and covers the offering, issuance and sale by us of up to a maximum aggregate offering price of $400,000,000 of our common stock, preferred stock, debt securities, warrants to purchase our common stock, preferred stock or debt securities, subscription rights to purchase our common stock, preferred stock or debt securities and/or units consisting of some or all of these securities. In July 2020, we entered into an "at-the-market" program and sales agreement with Cantor Fitzgerald & Co. ("Cantor") and Stifel, Nicolaus & Company, Incorporated ("Stifel"), under which we may, from time to time, offer and sell common stock having an aggregate offering value of up to $150.0 million, referred to as our "at-the-market" offering with Cantor and Stifel. As of June 30, 2021, no such shares of our common stock had been offered or sold pursuant to this "at-the-market" program with Cantor and Stifel. We may terminate this at-the-market program at any time, pursuant to its terms.

In November 2020, we completed an underwritten public offering and issued and sold 2,875,000 shares of common stock at a public offering price of $39.00 per share (the "Follow-On Offering"), which included 375,000 shares sold upon full exercise of the underwriters' option to purchase additional shares of common stock resulting in net proceeds of $104.9 million after deducting underwriting discounts and commissions and estimated offering expenses.

As of June 30, 2021 and December 31, 2020 we had $251.4 million and $287.5 million, respectively, in cash, cash equivalents, marketable securities and restricted cash.

Since inception, we have had operating losses, the majority of which are attributable to research and development activities. Our net losses were $22.0 million and $13.0 million for the three months ended June 30, 2021 and 2020, respectively and $38.8 million and $24.0 million for the six months ended June 30, 2021 and 2020, respectively. As of June 30, 2021, we had an accumulated deficit of $149.0 million and as of December 31, 2020 we had an accumulated deficit of $110.3 million.

Our primary use of cash is to fund operating expenses, which consist primarily of research and development expenditures, and to a lesser extent, general and administrative expenditures. Cash used to fund operating expenses is impacted by the timing of when we pay these expenses, as reflected in the change in our outstanding accounts payable and accrued expenses. We expect to continue to incur net losses for the foreseeable future, and we expect our research and development expenses, general and administrative expenses, and capital expenditures will continue to increase. In particular, we expect our expenses and losses to increase as we continue our development of, and seek regulatory approvals for, our product candidates, and begin to commercialize any approved

products, as well as hire additional personnel, develop commercial infrastructure, pay fees to outside consultants, lawyers and accountants, and incur increased costs associated with being a public company such as expenses related to services associated with maintaining compliance with Nasdaq listing rules and SEC requirements, insurance and investor relations costs. Our net losses may fluctuate significantly from quarter-to-quarter and year-to-year, depending on the timing of our clinical trials and our expenditures on other research and development activities.

Based upon our current operating plan, we believe that our existing cash, cash equivalents, marketable securities and restricted cash as of June 30, 2021, will enable us to fund our operating expenses and capital expenditure requirements into 2024. To date, we have not had any products approved for sale and have not generated any product sales. We do not expect to generate any revenues from product sales unless and until we successfully complete development and obtain regulatory approval for one or more of our product candidates, which we expect will take a number of years. If we obtain regulatory approval for any of our product candidates, we expect to incur significant commercialization expenses related to product sales, marketing, manufacturing and distribution. As a result, until such time, if ever, as we can generate substantial product revenue, we expect to finance our cash needs through equity offerings, debt financings or other capital sources, including potentially collaborations, licenses and other similar arrangements. However, we may be unable to raise additional funds or enter into such other arrangements when needed on favorable terms or at all. Any failure to raise capital as and when needed could have a negative impact on our financial condition and on our ability to pursue our business plans and strategies. If we are unable to raise capital, we will need to delay, reduce or terminate planned activities to reduce costs.

Business Update Regarding COVID-19

The current COVID-19 pandemic continues to present a substantial public health and economic challenge around the world and is affecting our employees, patients, communities and business operations, as well as the U.S. economy and financial markets. The full extent to which the COVID-19 pandemic will directly or indirectly impact our business, results of operations, liquidity and financial condition will depend on future developments that are highly uncertain and cannot be accurately predicted, including the timing and effectiveness of global efforts to roll out vaccines, new information that may emerge concerning COVID-19 and COVID-19 variants, the actions taken to contain it or treat its impact and the economic impact on local, regional, national and international markets.

To date, our third party contract research organizations (“CROs”), contract manufacturing organizations (“CMOs”), and other third party vendors have been able to continue to provide services and supply reagents, materials, and products and currently do not anticipate any significant disruption in services or interruptions in supply. We have pursued mitigation strategies to keep key research activities on track. Our third-party CMOs continue to operate their manufacturing facilities at or near normal levels. While we currently do not anticipate any significant interruptions in our manufacturing processes, it is possible that the COVID-19 pandemic and response efforts may have an impact in the future on our third-party suppliers and CMO’s ability to manufacture reagents, materials, or products that we need to use in our research and clinical trial. However, we are continuing to assess the potential impact of the COVID-19 pandemic on our business and operations, including our expenses, our observational study, our clinical trials, and our ability to hire and retain employees.

Our ability to continue our clinical trials and our observational study may be adversely affected, directly or indirectly, by the COVID-19 pandemic. Currently we are monitoring patient enrollment and participation in our clinical trials and our observational study, including the duration and degree to which we may see declines in enrollment, delays in conducting in-person follow-ups, and disruptions in our ability to monitor patients due to hospitals closing sites or diverting the resources that are necessary to conduct our clinical trials and our observational study. While we continue to enroll and dose patients in our clinical trials at sites across the United States and plan to begin enrolling and dosing patients at sites across the United Kingdom in the second half of 2021, we expect that COVID-19 precautions may directly or indirectly impact the timeline for some of our clinical trial activities due to hospitals closing sites and/or diverting the resources that are necessary to conduct clinical trials. We are pursuing approaches to help mitigate the impact to our clinical trials. Currently we have not experienced any delays in our clinical trials.

The COVID-19 pandemic has caused us to modify our business practices (including but not limited to curtailing or modifying employee travel, moving to partial remote work, and cancelling some physical participation in meetings, events and conferences). We continue to monitor our operations and applicable governmental recommendations, and we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, patients and business partners.

Our office-based employees have been primarily working from home since early March 2020, while ensuring essential staffing levels in our operations remain in place, including maintaining key personnel in our laboratories.

For additional information on the various risks posed by the COVID-19 pandemic, please read Item 1A. Risk Factors included in this quarterly report.

Program Update

Dravet Syndrome Program - STK-001

We designed our lead product candidate, STK-001, to treat Dravet syndrome, a severe and progressive genetic epilepsy. This program draws on a well-defined patient population based on routine genetic testing and learnings from drugs approved for the treatment of Dravet syndrome to inform the clinical and regulatory pathways for STK-001.

We submitted an investigational new drug application ("IND") for STK-001 to the U.S. Food and Drug Administration (the "FDA") in late 2019. In August 2020, we dosed the first patient with STK-001 in the single ascending dose portion of the MONARCH Phase 1/2a Study at the 10mg dose level.

The MONARCH Study is designed to evaluate single and multiple ascending dose levels of STK-001 in children and adolescents with Dravet syndrome. Patients are eligible for the trial if they are between the ages of 2 to 18, have an established diagnosis of Dravet syndrome and have evidence of a pathogenic genetic mutation in the *SCN1A* gene. Requiring an *SCN1A* mutation (of which more than 1,700 *SCN1A* mutations have been identified) for trial enrollment allows for a clear and definitive etiologic diagnosis, a more homogeneous patient population and tailored treatment based on a precision medicine approach. Eligible patients will also have failed at least two epilepsy treatments in the past and currently be taking at least one antiepileptic drug. All medications and interventions will remain unchanged throughout the trial, which will allow for assessment of STK-001 with a variety of antiepileptic therapies.

The primary objectives are the assessment of the safety and tolerability of STK-001, as well as to characterize human pharmacokinetics. A secondary objective is to assess the efficacy as an adjunctive antiepileptic treatment with respect to the percentage change from baseline in convulsive seizure frequency over a 12-week treatment period. We are measuring non-seizure aspects of the disease, such as quality of life as secondary endpoints. These endpoints as well as other exploratory endpoints will be informed based on our two-year observational study ("BUTTERFLY"). Enrollment in BUTTERFLY is complete and the study is ongoing. BUTTERFLY is designed to evaluate seizure frequency and non-seizure comorbidities associated with the disease, including motor and speech impairment, intellectual and developmental disabilities, behavioral deficits and abnormal sleep patterns. Data from the study will support clinical development plans for STK-001.

In March 2020, we announced the FDA had placed a partial clinical hold on doses of STK-001 above 20mg in the MONARCH Study, pending additional preclinical testing to determine the safety profile of doses higher than the current no observed adverse effect level ("NOAEL"). When intrathecal doses above the NOAEL were administered to non-human primates ("NHPs") acute, transient adverse hind limb paresis was observed. This finding is known to occur following intrathecal delivery of ASOs to NHPs and is not known to translate to the human experience. When extremely high dose levels were administered, acute convulsions were observed immediately following STK-001 administration. The dose levels were well above the range of corresponding human doses that would ever be administered in the clinic and were delivered in a formulation that was at a higher concentration than would be administered in the clinic. There is no apparent correlation of these acute adverse events with the mechanism of action of STK-001.

Following interactions with the FDA, in October 2020, we announced that the FDA agreed to allow us to add an additional higher dose level to the SAD portion of the study such that a total of three dose levels will be evaluated: 10 mg, 20 mg, and 30mg. Dosing above 30mg in this study remains on FDA partial clinical hold.

In addition, a multiple ascending dose ("MAD") portion was added to the MONARCH Study based on preclinical repeat-dose toxicology data, which were reviewed by the FDA. There were no adverse effects observed in the NHP repeat dose study.

Enrollment and dosing in the 10mg, 20mg and 30mg single ascending dose portion of the study are now complete. We expect to announce initial safety and pharmacokinetic data from the SAD portion of the MONARCH Study in the third quarter of 2021. In February 2021, the first patient in the MAD portion of the study was dosed with STK-001 at the 20mg level.

In January 2021, we initiated enrollment and dosing in our SWALLOWTAIL Open Label Extension (OLE) study of STK-001 for children and adolescents with Dravet syndrome. SWALLOWTAIL is designed to evaluate the long-term safety and tolerability of repeated doses of STK-001 in patients with Dravet syndrome who previously participated in studies of STK-001. In this study, patients will initially be administered the same dose level they received in the previous study and will receive a maximum of three doses. One dose will be administered every four months.

In March 2021, we announced the authorization of our Clinical Trial Application (CTA) by the United Kingdom Medicines and Healthcare products Regulatory Agency (MHRA) to initiate a Phase 1/2a study (ADMIRAL) of STK-001 for the treatment of Dravet syndrome. ADMIRAL is an open-label, multi-center, Phase 1/2a study designed to assess the safety and tolerability of multiple doses of up to 70mg of STK-001, as well as to characterize human pharmacokinetics. Secondary endpoints include change in seizure frequency and quality of life measures. The study is expected to enroll more than 20 children and adolescents with Dravet syndrome across multiple clinical sites in the United Kingdom. Patient enrollment and dosing are expected to start in the second half of 2021.

While we continue working to minimize any potential delay to continued clinical testing of STK-001, we expect that the COVID-19 pandemic may directly or indirectly impact the timeline. Our ability to continue our clinical trials may be adversely affected, directly or indirectly, by the COVID-19 pandemic. For example, although our Phase 1/2a study of STK-001 for the treatment of Dravet syndrome has not been delayed, we plan to have clinical trial sites in various parts of the United States and United Kingdom, some of

which have had high incident rates of COVID-19 patients. Restrictions on travel and/or transport of clinical materials, as well as diversion of hospital staff and resources to COVID-19 infected patients, could disrupt trial operations as well as recruitment, possibly resulting in a slowdown in enrollment and/or deviations from or disruptions in key clinical trial activities, such as clinical trial site monitoring. These challenges may lead to difficulties in meeting protocol-specified procedures.

We have not yet discussed with regulatory authorities the evidence necessary for approval of STK-001. However, in addition to requesting Fast Track Designation, if we see evidence of clinical efficacy, then we would plan to meet with regulatory authorities to discuss expedited regulatory pathways, such as Breakthrough Therapy Designation in the United States.

Autosomal Dominant Optic Atrophy Program

In November 2020, we announced the nomination of OPA1 as our next target for preclinical development to treat Autosomal Dominant Optic Atrophy ("ADOA"). ADOA is the most common inherited optic nerve disorder seen in clinical practice and causes progressive and irreversible vision loss in both eyes starting in the first decade of life. Many children progress to blindness. The disease affects one in 30,000 people globally with a higher incidence of approximately one in 10,000 in Denmark due to a founder effect. 65%-90% of cases are caused by mutations in one allele of the *OPA1* gene, most of which lead to a haploinsufficiency resulting in 50% of OPA1 protein expression and disease manifestation. More than 400 different *OPA1* mutations have been reported in people diagnosed with ADOA. Most mutations result in a severe decrease – up to 50% – of the normal amount of the OPA1 protein. There is no strong genotype-phenotype correlation.

OPA1 is a dynamin-related GTPase that plays a key role in maintaining mitochondria structure and dynamics. The OPA1 protein is imported into the mitochondria and is a crucial molecule that mediates inner mitochondria membrane fusion and cristae morphogenesis and is critical for oxidative phosphorylation and ATP synthesis. Insufficient OPA1 activity causes mitochondria dysfunction with consequent insufficient ATP production, excess reactive oxygen species production and eventual cell death. High energy demanding cells such as neurons and cardiomyocytes are particularly susceptible to mitochondria dysfunction, and retinal ganglion cells ("RGCs") are a neuronal cell type most susceptible to loss of OPA1 protein as evidenced by RGC death in ADOA caused by OPA1 haploinsufficiency.

A clinical diagnosis of dominant optic atrophy is made when a patient meets some or all of the following criteria: pathogenic variant of the *OPA1* gene identified in the patient or a family member; reduced visual acuity; temporal disc pallor; visual field defect; color vision defect (acquired blue-yellow loss); thinning of retinal nerve fiber layer and abnormal visual evoked potentials. Clinical findings are based on: intraocular pressure measurement; visual field assessment; color discrimination; dilated slit lamp biomicroscopy; optical coherence tomography; or visual electrophysiology. Patients suspected of dominant optic atrophy are recommended to receive genetic testing to confirm the clinical diagnosis, help identify other family members who are affected and ensure patients avoid stressors that could increase disease progression (e.g. smoking, alcohol). The prognosis for many patients with dominant optic atrophy is poor and the rate of visual loss can be difficult to predict given significant inter- and intra-familial variability.

There are currently no available treatments for dominant optic atrophy. Because ADOA causes deterioration of the optic nerves, corrective aids such as glasses or contacts do not help to improve vision lost to the disease. Supportive services and low-vision aids are offered for patients with severely decreased visual acuity. Our ASOs are designed to target the underlying cause of ADOA, which is *OPA1* haploinsufficiency, by decreasing a non-productive mRNA splicing event in the *OPA1* gene to increase productive OPA1 mRNA and OPA1 protein in the retinal ganglion cells. In May 2021, we presented new preclinical efficacy data for TANGO ASO at The Association for Research in Vision and Ophthalmology (ARVO) Annual meeting and The American Society of Gene and Cell Therapy (ASGCT) Annual Meeting demonstrating, for the first time, that in human cells derived from ADOA patients with different *OPA1* mutations TANGO ASO can increase OPA1 protein level and improve mitochondrial function. Lead optimization is on track to identify a clinical candidate for the treatment of ADOA by the end of 2021.

Financial operations overview

Revenue

We currently do not have any products approved for sale and have not generated any revenue since inception. If we are able to successfully develop, receive regulatory approval for and commercialize any of our current or future product candidates alone or in collaboration with third parties, we may generate revenue from the sales of these product candidates.

Operating expenses

Research and development

Research and development expenses consist primarily of costs incurred for the development of our discovery work and preclinical programs, which include:

- personnel costs, which include salaries, benefits and stock-based compensation expense;
- expenses incurred under agreements with consultants, third-party contract organizations that conduct research and development activities on our behalf, costs related to production of preclinical material and laboratory and vendor expenses related to the execution of preclinical studies;
- scientific consulting, collaboration and licensing fees;
- laboratory equipment and supplies; and
- facilities costs, depreciation and other expenses related to internal research and development activities.

We use our personnel and infrastructure resources across multiple research and development programs directed toward identifying and developing product candidates. Our direct research and development expenses are tracked on a program-by-program basis from the point a program becomes a clinical candidate for us and consists primarily of external costs, such as fees paid to consultants, central laboratories and contractors in connection with our preclinical activities. We do not allocate employee costs, costs associated with our technology or facility expenses, including depreciation or other indirect costs, to specific programs because these costs are currently deployed across multiple product development programs and, as such, are not separately classified. We use internal resources to manage our development activities and our employees work across multiple development programs and, therefore, we do not track their costs by program.

The table below summarizes our research and development expenses incurred by development program (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
OPA1	$ 980	$ —	$ 1,058	$ —
STK-001	4,885	3,087	8,009	5,595
Non-program specific and unallocated research and development expenses	8,230	4,881	14,941	9,588
Total research and development expenses	$ 14,095	$ 7,968	$ 24,008	$ 15,183

We expense all research and development costs in the periods in which they are incurred. Costs for certain development activities are recognized based on an evaluation of the progress to completion of specific tasks using information and data provided to us by our vendors and third-party service providers.

We expect that our expenses will increase substantially in connection with our planned discovery work, preclinical and clinical development activities in the near term and our planned clinical trials in the future. At this time, we cannot reasonably estimate the costs for completing the preclinical and clinical development of any of our other product candidates. We expect our research and development expenses to increase substantially for the foreseeable future as we continue to invest in research and development activities related to developing our product candidates, including investments in manufacturing, as our programs advance into later stages of development and we conduct clinical trials. The process of conducting the necessary clinical research to obtain regulatory approval is costly and time-consuming, and the successful development of our product candidates is highly uncertain. As a result, we are unable to determine the duration and completion costs of our research and development projects or when and to what extent we will generate revenue from the commercialization and sale of any of our product candidates.

Because of the numerous risks and uncertainties associated with product development, we cannot determine with certainty the duration and completion costs of the current or future preclinical studies and clinical trials or if, when, or to what extent we will generate revenues from the commercialization and sale of our product candidates. We may never succeed in achieving regulatory approval for our product candidates. The duration, costs and timing of preclinical studies and clinical trials and development of our product candidates will depend on a variety of factors, which may be directly or indirectly impacted by the COVID-19 pandemic, including:

- successful completion of preclinical studies and investigational new drug-enabling studies;
- successful enrollment in, and completion of, clinical trials;

- receipt of regulatory approvals from applicable regulatory authorities;
- furthering our commercial manufacturing capabilities and arrangements with third-party manufacturers;
- obtaining and maintaining patent and trade secret protection and non-patent exclusivity;
- launching commercial sales of our product candidates, if and when approved, whether alone or in collaboration with others;
- acceptance of our product candidates, if and when approved, by patients, the medical community and third-party payors;
- effectively competing with other therapies and treatment options;
- a continued acceptable safety profile following approval;
- enforcing and defending intellectual property and proprietary rights and claims; and
- achieving desirable medicinal properties for the intended indications.

A change in the outcome of any of these factors could mean a significant change in the costs and timing associated with the development of our current and future preclinical and clinical product candidates. For example, if the FDA, or another regulatory authority were to require us to conduct clinical trials beyond those that we currently anticipate will be required for the completion of clinical development, or if we experience significant delays in execution of or enrollment in any of our preclinical studies or clinical trials, we could be required to expend significant additional financial resources and time on the completion of preclinical and clinical development. We expect our research and development expenses to increase for the foreseeable future as we continue the development of product candidates.

General and administrative expenses

General and administrative expenses consist primarily of personnel costs, costs related to maintenance and filing of intellectual property, expenses for outside professional services, including legal, human resources, information technology, audit and accounting services, and facilities and other expenses. Personnel costs consist of salaries, benefits and stock-based compensation expense. We expect our general and administrative expenses to increase over the next several years to support our continued research and development activities, manufacturing activities, increased costs of operating as a public company and the potential commercialization of our product candidates. These increases are anticipated to include increased costs related to the hiring of additional personnel, developing commercial infrastructure, fees to outside consultants, lawyers and accountants, and increased costs associated with being a public company such as expenses related to services associated with maintaining compliance with Nasdaq listing rules and SEC requirements, insurance and investor relations costs.

Other income (expense)

Our other income (expense), includes (i) interest income earned on cash reserves in our operating money market fund investment accounts and on our marketable securities investments and (ii) other items of income (expense), net.

Results of operations for the three months ended June 30, 2021 and 2020

The following table sets forth our results of operations:

	Three Months Ended June 30,	
	2021	2020
	(in thousands)	
Condensed consolidated statements of operations:		
Revenue	$ —	$ —
Operating expenses:		
Research and development	14,095	7,968
General and administrative	7,934	5,044
Total operating expenses	$ 22,029	$ 13,012
Loss from operations	$ (22,029)	$ (13,012)
Other income:		
Interest income (expense), net	34	39
Other income (expense), net	28	14
Total other income	$ 62	$ 53
Net loss	$ (21,967)	$ (12,959)

Research and development expenses

Research and development expenses were $14.1 million for the three months ended June 30, 2021 as compared to $8.0 million for the three months ended June 30, 2020, an increase of $6.1 million. The table below summarizes our research and development expenses (in thousands):

	Three Months Ended June 30,	
	2021	2020
OPA1	$ 980	$ —
STK-001	4,885	3,087
Personnel-related expenses	4,053	2,595
Third-party services	425	351
Scientific consulting	129	265
Facilities and other research and development expenses	3,623	1,670
Total research and development expenses	$ 14,095	$ 7,968

The increase in research and development expenses were primarily attributable to an increase of $1.5 million in personnel costs resulting from an increase in headcount, an increase of $2.0 million in facilities, stock compensation expense and other costs, an increase of $1.8 million in expenses related to our STK-001 program and $1.0 million related to our OPA1 program, which comprised of third-party services and scientific consulting fees, partially offset by a decrease of $0.2 million in non-project specific consulting and third-party services, materials and other costs. The increases in expense reflect the accelerating pace of research and development activities and the increases in personnel, facilities and, third party services to support those activities.

General and administrative expenses

General and administrative expenses were $7.9 million for the three months ended June 30, 2021 as compared to $5.0 million for the three months ended June 30, 2020, an increase of $2.9 million.

The increase in general and administrative expenses were primarily attributable to an increase of $0.8 million in personnel costs resulting from an increase in headcount, and an increase of $2.1 million in third-party services to support our in-house personnel in various aspects of developing and supporting the business including human resources, information technology, audit, tax, public relations, communications and other general and administrative activities and expenses including stock compensation expense.

Other income

The change in our other income for the six months ended June 30, 2021 as compared to the six months ended June 30, 2020 primarily reflects a decrease in cash balances and in market interest rates.

Results of operations for the six months ended June 30, 2021 and 2020

The following table sets forth our results of operations:

	Six Months Ended June 30,	
	2021	2020
	(in thousands)	
Condensed consolidated statements of operations:		
Revenue	$ —	$ —
Operating expenses:		
Research and development	24,008	15,183
General and administrative	14,848	9,563
Total operating expenses	$ 38,856	$ 24,746
Loss from operations	$ (38,856)	$ (24,746)
Other income:		
Interest income (expense), net	40	704
Other income (expense), net	56	44
Total other income	$ 96	$ 748
Net loss	$ (38,760)	$ (23,998)

Research and development expenses

Research and development expenses were $24.0 million for the six months ended June 30, 2021 as compared to $15.2 million for the six months ended June 30, 2020, an increase of $8.8 million. The table below summarizes our research and development expenses (in thousands):

	Six Months Ended June 30,	
	2021	2020
OPA1	$ 1,058	$ —
STK-001	8,009	5,595
Personnel-related expenses	7,654	4,989
Third-party services	868	752
Scientific consulting	228	616
Facilities and other research and development expenses	6,191	3,231
Total research and development expenses	$ 24,008	$ 15,183

The increase in research and development expenses were primarily attributable to an increase of $2.7 million in personnel costs resulting from an increase in headcount, an increase of $3.0 million in facilities, stock compensation expense and other costs, an increase of $2.4 million in expenses related to our STK-001 program and $1.1 million related to our OPA1 program, which comprised of third-party services and scientific consulting fees, partially offset by a decrease of $0.4 million in non-project specific consulting and third-party services, materials and other costs. The increases in expense reflect the accelerating pace of research and development activities and the increases in personnel, facilities and, third party services to support those activities.

General and administrative expenses

General and administrative expenses were $14.9 million for the six months ended June 30, 2021 as compared to $9.6 million for the six months ended June 30, 2020, an increase of $5.3 million.

The increase in general and administrative expenses were primarily attributable to an increase of $1.3 million in personnel costs resulting from an increase in headcount, and an increase of $4.0 million in third-party services to support our in-house personnel in various aspects of developing and supporting the business including human resources, information technology, audit, tax, public relations, communications and other general and administrative activities and expenses including stock compensation expense.

Other income

The change in our other income for the six months ended June 30, 2021 as compared to the six months ended June 30, 2020 primarily reflects a decrease in cash balances and in market interest rates.

Liquidity and capital resources

Since our inception through June 30, 2021, our operations have been primarily financed by net proceeds of $385.3 million from the sale of convertible notes payable and our convertible preferred stock as well as our IPO and Follow-On Offering.

As of June 30, 2021, we had $251.4 million in cash, cash equivalents, marketable securities and restricted cash. Cash in excess of immediate requirements is invested in accordance with our investment policy, primarily with a view to liquidity and capital preservation.

We have incurred losses since our inception in June 2014 and, as of June 30, 2021, we had an accumulated deficit of $149.0 million. Our primary use of cash is to fund operating expenses, which consist primarily of research and development expenditures, and to a lesser extent, general and administrative expenditures. Cash used to fund operating expenses is impacted by the timing of when we pay these expenses, as reflected in the change in our outstanding accounts payable and accrued expenses.

Based upon our current operating plan, we believe that our existing cash, cash equivalents, marketable securities and restricted cash as of June 30, 2021 will enable us to fund our operating expenses and capital expenditure requirements into 2024. We have based this estimate on assumptions that may prove to be wrong, and we could utilize our available capital resources sooner than we currently expect. We will continue to require additional financing to advance our current product candidates through clinical development, to develop, acquire or in-license other potential product candidates and to fund operations for the foreseeable future. We will continue to seek funds through equity offerings, debt financings or other capital sources, including potentially collaborations, licenses and other

similar arrangements. However, we may be unable to raise additional funds or enter into such other arrangements when needed on favorable terms or at all. If we do raise additional capital through public or private equity offerings, the ownership interest of our existing stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect our stockholders' rights. If we raise additional capital through debt financing, we may be subject to covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. Any failure to raise capital as and when needed could have a negative impact on our financial condition and on our ability to pursue our business plans and strategies. If we are unable to raise capital, we will need to delay, reduce or terminate planned activities to reduce costs.

Because of the numerous risks and uncertainties associated with research, development and commercialization of pharmaceutical products, and the full extent to which the COVID-19 pandemic will directly or indirectly impact our business, we are unable to estimate the exact amount of our operating capital requirements. Our future funding requirements will depend on many factors, including, but not limited to:

- the scope, progress, results and costs of researching and developing our lead product candidates or any future product candidates, and conducting nonclinical studies and clinical trials;
- the timing of, and the costs involved in, obtaining regulatory approvals or clearances for our lead product candidates or any future product candidates;
- the number and characteristics of any additional product candidates we develop or acquire;
- the timing of any cash milestone payments if we successfully achieve certain predetermined milestones;
- the cost of manufacturing our lead product candidates or any future product candidates and any products we successfully commercialize, including costs associated with building-out our manufacturing capabilities;
- our ability to establish and maintain strategic collaborations, licensing or other arrangements and the financial terms of any such agreements that we may enter into;
- the expenses needed to attract and retain skilled personnel;
- the costs associated with being a public company; and
- the timing, receipt and amount of sales of any future approved or cleared products, if any.

Further, our operating plans may change, and we may need additional funds to meet operational needs and capital requirements for clinical trials and other research and development activities. We currently have no credit facility or committed sources of capital. Because of the numerous risks and uncertainties associated with the development and commercialization of our product candidates, we are unable to estimate the amounts of increased capital outlays and operating expenditures associated with our current and anticipated product development programs.

Cash flows

The following table summarizes our cash flows:

	Six Months Ended June 30,	
	2021	2020
	(in thousands)	
Net cash (used in) provided by:		
Operating activities	$ (35,967)	$ (20,417)
Investing activities	(82,959)	(691)
Financing activities	705	567
Net decrease in cash, cash equivalents and restricted cash	$ (118,221)	$ (20,541)

Operating activities

During the six months ended June 30, 2021, cash used in operating activities was $36.0 million and was primarily attributable to a net loss of $38.8 million, partially offset by non-cash charges of $8.2 million for share-based compensation, depreciation, and reduction in the carrying amount of right of use assets, and a net change of $5.4 million in our net operating assets and liabilities.

During the six months ended June 30, 2020, cash used in operating activities was $20.4 million and was primarily attributable to a net loss of $24.0 million, partially offset by non-cash charges of $3.3 million for share-based compensation, depreciation, and reduction in the carrying amount of right of use assets, and a net change of $0.3 million in our net operating assets and liabilities.

Investing activities

Our investing activities during the six months ended June 30, 2021 consisted of purchases of marketable securities and purchases of property and equipment.

Our investing activities during the six months ended June 30, 2020 have consisted principally of purchases of property and equipment.

Financing activities

Our financing activities during the six months ended June 30, 2021 consisted of $0.5 million from the exercise of stock options and $0.2 million in proceeds from our Employee Stock Purchase Plan.

Our financing activities during the six months ended June 30, 2020 consisted primarily of $0.6 million from the exercise of stock options.

Contractual obligations and commitments

The following table summarizes our contractual obligations as of June 30, 2021 and the effects that such obligations are expected to have on our liquidity and cash flows in future fiscal periods:

	Payments Due by Fiscal Period				
	Total	Less Than 1 Year	1 to 3 Years	4 to 5 Years	More than 5 Years
	(in thousands)				
Operating lease obligations	$ 2,289	$ 625	$ 1,492	$ 172	$ —
Total	$ 2,289	$ 625	$ 1,492	$ 172	$ —

In August 2018, we entered into an agreement to lease approximately 23,000 square feet of space for a term of three years. Lease terms are triple net lease commencing at $0.9 million per year, then with 3% annual base rent increases plus operating expenses, real estate taxes, utilities and janitorial fees. The lease commencement date was December 10, 2018.

In December 2018, we entered into an agreement to lease 2,485 square feet of space for a term of three years. The lease includes one renewal option for an additional two years. Lease terms commence at $0.2 million per year, with 2.5% annual base rent increases plus operating expenses, real estate taxes, utilities, and janitorial fees. The lease commencement date was May 1, 2019.

In June 2021, we amended the agreement to extend the initial term of the 2,485 square foot lease for a period of three years ending April 30, 2025. In addition, the amendment provided for the lease of an additional 2,357 square feet of rentable space beginning on July 6, 2021 and ending on April 30, 2025. The amended lease provides us with the option to extend the term of the lease for an additional two years with a base annual rent increase of 2.9%.

Commitments

Our commitments primarily consist of obligations under our agreements with CSHL and the University of Southampton. As of June 30, 2021, we were unable to estimate the timing or likelihood of achieving the milestones or making future product sales. For additional information regarding our agreements, see *Note 5—Commitments and Contingencies* of the notes to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

Additionally, we have entered into agreements with third-party contract manufacturers for the manufacture and processing of certain of our product candidates for preclinical testing purposes, and we have entered and will enter into other contracts in the normal course of business with contract research organizations for clinical trials and other vendors for other services and products for operating purposes. These agreements generally provide for termination or cancellation, other than for costs already incurred.

Off-balance sheet arrangements

During the periods presented, we did not have, nor do we currently have, any off-balance sheet arrangements as defined under SEC rules.

Critical accounting policies and significant judgments and estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our condensed consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles ("GAAP"). The preparation of these condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements, as well as the reported expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. We believe that the accounting policies discussed below are critical to understanding our historical and future performance, as these policies relate to the more significant areas involving management's judgments and estimates.

There have been no significant changes in our critical accounting policies and estimates as compared to the critical accounting policies and estimates disclosed in the section titled "Management's Discussion and Analysis of Financial Condition and Operations" included in our Annual Report on Form 10-K filed with the SEC on March 9, 2021.

Emerging growth company and smaller reporting company status

We are an "emerging growth company," as defined in the Jumpstart our Business Startups Act of 2012 (the "JOBS Act"). Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies.

We have elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date we (i) are no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act.

As a result, our condensed consolidated financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

We will remain an emerging growth company until the earliest of (1) the last day of our first fiscal year (a) in which we have total annual gross revenues of at least $1.07 billion, or (b) in which we are deemed to be a large accelerated filer, which means the market value of our common stock that is held by non-affiliates exceeds $700.0 million as of the prior June 30th, (2) the date on which we have issued more than $1.0 billion in non-convertible debt securities during the prior three-year period and (3) December 31, 2024.

We are also a "smaller reporting company," meaning that the market value of our stock held by non-affiliates was less than $700 million and its annual revenue is less than $100 million during the most recently completed fiscal year. We may continue to be a smaller reporting company as long as either (i) the market value of our stock held by non-affiliates is less than $250 million or (ii) our annual revenue is less than $100 million during the most recently completed fiscal year and the market value of our stock held by non-affiliates is less than $700 million. If we are a smaller reporting company at the time we cease to be an emerging growth company, we may continue to rely on exemptions from certain disclosure requirements that are available to smaller reporting companies. Specifically, as a smaller reporting company, we may choose to present only the two most recent fiscal years of audited financial statements in our Annual Report on Form 10-K and, similar to emerging growth companies, smaller reporting companies have reduced disclosure obligations regarding executive compensation.

Recently adopted and recently issued accounting pronouncements

See *Note 2—Summary of significant accounting policies and recent accounting pronouncements* of the notes to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for more information.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Interest rate risk

We are exposed to market risks in the ordinary course, primarily including interest sensitivities. As of June 30, 2021, we had cash, cash equivalents, marketable securities, and restricted cash of $251.4 million and $287.5 million as of December 31, 2020. Our primary exposure to market risk is interest rate sensitivity, which is affected by changes in the general level of U.S. interest rates. A hypothetical 100 basis point change in interest rates would affect the fair market value of our cash equivalents and marketable securities by approximately $2.5 million.

Item 4. Controls and Procedures.

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our Chief Financial Officer and Chief Executive Officer, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act") as of June 30, 2021. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on our management's evaluation (with the participation of our Chief Executive Officer and our Chief Financial Officer), as of the end of the period covered by this report, our Chief Executive Officer and our Chief Financial Officer have concluded that our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the period covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. We have not experienced any material impact to our internal controls over financial reporting despite the fact that most of our employees are working remotely due to the COVID-19 pandemic. We are continually monitoring and assessing the COVID-19 situation on our internal controls to minimize the impact on their design and operating effectiveness.

Inherent Limitations on Effectiveness of Controls

Internal control over financial reporting may not prevent or detect all errors and all fraud. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objective and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we may be involved in legal proceedings arising in the ordinary course of our business. We are not presently a party to any legal proceedings that, in the opinion of management, would have a material adverse effect on our business. Regardless of outcome, litigation can have an adverse impact on us due to defense and settlement costs, diversion of management resources, negative publicity and reputation harm, and other factors.

Item 1A. Risk Factors.

Summary of Risk Factors

An investment in our common stock involves various risks, and prospective investors are urged to carefully consider the matters discussed in the section titled “Risk Factors” prior to making an investment in our common stock. These risks include, but are not limited to, the following:

- We are early in our development efforts. If we are unable to develop, obtain regulatory approval for and commercialize STK-001 and our future product candidates, or if we experience significant delays in doing so, our business will be materially harmed.
- Success in early preclinical studies or clinical trials may not be indicative of results obtained in later preclinical studies and clinical trials, including in our Dravet syndrome program or our ADOA program.
- Even if we complete the necessary preclinical studies and clinical trials, we cannot predict when, or if, we will obtain regulatory approval to commercialize a product candidate and the approval may be for a narrower indication than we seek.
- The ongoing COVID-19 pandemic may, directly or indirectly, adversely affect our business, results of operations and financial condition.
- Certain of the diseases we seek to treat have low prevalence, and it may be difficult to identify patients with these diseases, which may lead to delays in enrollment for our trials or slower commercial revenue growth if STK-001 or our future product candidates are approved.
- If clinical trials of STK-001 or our future product candidates, including the product candidate we select to treat ADOA, fail to demonstrate safety and efficacy to the satisfaction of FDA or foreign regulatory authorities or do not otherwise produce favorable results, we may incur additional costs or experience delays in completing, or ultimately may be unable to complete, the development and commercialization of such product candidate.
- We may not be successful in our efforts to use TANGO to expand our pipeline of product candidates and develop marketable products.
- Any product candidate for which we obtain marketing approval will be subject to extensive post-marketing regulatory requirements and could be subject to post-marketing restrictions or withdrawal from the market, and we may be subject to penalties if we fail to comply with regulatory requirements or if we experience unanticipated problems with our product candidates, when and if any of them are approved.
- Our failure to obtain regulatory approval in international jurisdictions would prevent us from marketing our product candidates outside the United States.
- STK-001 or our future product candidates, including the product candidate we select to treat ADOA, may cause undesirable and unforeseen side effects or be perceived by the public as unsafe, which could delay or prevent their advancement into clinical trials or regulatory approval, limit the commercial potential or result in significant negative consequences.
- A Fast Track Designation by the FDA, even if granted for any of our future product candidates, may not lead to a faster development or regulatory review or approval process, and does not increase the likelihood that our product candidates will receive marketing approval.
- A Breakthrough Therapy Designation by the FDA for STK-001 or our future product candidates, including the product candidate we select to treat ADOA, may not lead to a faster development or regulatory review or approval process, and it would not increase the likelihood that the product candidate will receive marketing approval.
- Enacted and future legislation may increase the difficulty and cost for us to obtain marketing approval of and commercialize our product candidates and may affect the prices we may set.

- The commercial success of our product candidates, including STK-001 and the product candidate we select to treat ADOA will depend upon their degree of market acceptance by providers, patients, patient advocacy groups, third-party payors and the general medical community.
- The pricing, insurance coverage and reimbursement status of newly approved products is uncertain. Failure to obtain or maintain adequate coverage and reimbursement for our product candidates, if approved, could limit our ability to market those products and decrease our ability to generate product revenue.
- Current and potential future healthcare reforms may adversely impact pricing, insurance coverage and reimbursement status of newly approved products.
- We have a history of operating losses, and we may not achieve or sustain profitability. We anticipate that we will continue to incur losses for the foreseeable future. If we fail to obtain additional funding to conduct our planned research and development effort, we could be forced to delay, reduce or eliminate our product development programs or commercial development efforts.
- We expect that we will need to raise additional funding before we can expect to become profitable from any potential future sales of STK-001 or our future product candidates, including the product candidate we select to treat ADOA. This additional financing may not be available on acceptable terms or at all. Failure to obtain this necessary capital when needed may force us to delay, limit or terminate our product development efforts or other operations.
- Our limited operating history may make it difficult for you to evaluate the success of our business to date and to assess our future viability.
- Our success depends in part on our ability to obtain, maintain and protect our intellectual property. It is difficult and costly to protect our proprietary rights and technology, and we may not be able to ensure their protection.
- The market price of our stock may be volatile, and you could lose all or part of your investment.

Risks related to product development and regulatory approval

We are early in our development efforts. If we are unable to develop, obtain regulatory approval for and commercialize STK-001 and our future product candidates, or if we experience significant delays in doing so, our business will be materially harmed.

We have invested substantially all of our efforts and financial resources in the development of our Targeted Augmentation of Nuclear Gene Output (“TANGO”) technology and our current lead product candidate, STK-001, for the treatment of Dravet syndrome. We submitted an investigational new drug application (“IND”) for STK-001 to the U.S. Food and Drug Administration (the “FDA”) in late 2019. In August 2020, we dosed the first patient with STK-001 in the single ascending dose portion of the MONARCH Phase 1/2a Study at the 10mg dose level.

In addition in November 2020, we announced the nomination of OPA1 as our next target for preclinical development to treat Autosomal Dominant Optic Atrophy (“ADOA”), and intend to invest significant efforts and financial resources in its development. Our ability to generate product revenue, which we do not expect will occur for many years, if ever, will depend heavily on the successful development and eventual commercialization of TANGO and our product candidates, which may never occur. We currently generate no revenue from sales of any product and we may never be able to develop or commercialize a marketable product.

Each of our programs and product candidates will require preclinical and clinical development, regulatory approval in multiple jurisdictions, obtaining preclinical, clinical and commercial manufacturing supply, capacity and expertise, building of a commercial organization, substantial investment and significant marketing efforts before we generate any revenue from product sales. STK-001 and our future product candidates must be authorized for marketing by the FDA or certain other foreign regulatory agencies, such as the European Medicines Agency (the “EMA”), before we may commercialize any of our product candidates.

The success of STK-001 and our future product candidates depends on multiple factors, including:

- effective INDs and CTAs that allow commencement of our planned clinical trials or future clinical trials for our product candidates in relevant territories;
- potential delays in enrollment, site visits, evaluations, or dosing of patients participating in clinical trials as hospitals prioritize the treatment of COVID-19 patients or patients decide not to enroll in the study as a result of the COVID-19 pandemic;
- government regulations that may be imposed in response to the COVID-19 pandemic may restrict the movement of our global supply chain and divert hospital resources that are necessary to administer STK-001 or delay the review of future product candidates;

- the direct and indirect impact of COVID-19 on our business and operations, third party vendors, supply chain, and regulatory approvals;
- successful completion of preclinical studies, including those compliant with GLP, or GLP toxicology studies, biodistribution studies and minimum effective dose studies in animals, and successful enrollment and completion of clinical trials compliant with current GCPs;
- positive results from our clinical programs that are supportive of safety and efficacy and provide an acceptable risk-benefit profile for our product candidates in the intended patient populations;
- receipt of regulatory approvals from applicable regulatory authorities;
- establishment of arrangements with third-party CMOs for key materials used in our manufacturing processes and to establish backup sources for clinical and large-scale commercial supply;
- establishment and maintenance of patent and trade secret protection and regulatory exclusivity for our product candidates;
- commercial launch of our product candidates, if and when approved, whether alone or in collaboration with others;
- acceptance of our product candidates, if and when approved, by patients, patient advocacy groups, third-party payors and the general medical community;
- our effective competition against other therapies available in the market;
- establishment and maintenance of adequate reimbursement from third-party payors for our product candidates;
- our ability to acquire or in-license additional product candidates;
- prosecution, maintenance, enforcement and defense of intellectual property rights and claims; and
- maintenance of a continued acceptable safety profile of our product candidates following approval.

If we do not succeed in one or more of these factors in a timely manner or at all, we could experience significant delays or an inability to successfully commercialize our product candidates, which would materially harm our business. If we do not receive regulatory approvals for our product candidates, we may not be able to continue our operations.

Success in early preclinical studies or clinical trials may not be indicative of results obtained in later preclinical studies and clinical trials, including in our Dravet syndrome program or our ADOA program.

STK-001 is currently being evaluated in human clinical trials, and we may experience unexpected or negative results in the future. We will be required to demonstrate through adequate and well-controlled clinical trials that our product candidates are safe and effective, with a favorable benefit-risk profile, for use in their target indications before we can seek regulatory approvals for their commercial sale. The positive results we have observed for our product candidates in preclinical animal models may not be predictive of our future clinical trials in humans, as mouse models carry inherent limitations relevant to all preclinical studies. In particular, the Dravet syndrome mouse model is more severe than the human disease and provides a shorter post-symptomatic observation period. Trial designs and results from early-phase trials are not necessarily predictive of future clinical trial designs or results, and initial positive results we may observe may not be confirmed in later-phase clinical trials. Our product candidates may also fail to show the desired safety and efficacy in later stages of clinical development even if they successfully advance through initial clinical trials. We may not be able to demonstrate a disease-modifying effect of STK-001 in our clinical trials in Dravet syndrome patients, even if we are able to demonstrate efficacy on seizure reduction, and we may be similarly unable to demonstrate the efficacy of our future product candidates in our ADOA program or other future programs. Even if our clinical trials demonstrate acceptable safety and efficacy of STK-001 or our future product candidates, the labeling we obtain through negotiations with the FDA or foreign regulatory authorities may not include data on secondary endpoints and may not provide us with a competitive advantage over other products approved for the same or similar indications.

Many companies in the biotechnology industry have suffered significant setbacks in late-stage clinical trials after achieving positive results in early-stage development and there is a high failure rate for product candidates proceeding through clinical trials. In addition, different methodologies, assumptions and applications we utilize to assess particular safety or efficacy parameters may yield different statistical results. Even if we believe the data collected from clinical trials of our product candidates are promising, these data may not be sufficient to support approval by the FDA or foreign regulatory authorities. Preclinical and clinical data can be interpreted in different ways. Accordingly, the FDA or foreign regulatory authorities could interpret these data in different ways from us or our partners, which could delay, limit or prevent regulatory approval. If our study data do not consistently or sufficiently demonstrate the safety or efficacy of any of our product candidates, including STK-001 for Dravet syndrome or a future product candidate for ADOA, then the regulatory approvals for such product candidates could be significantly delayed as we work to meet approval requirements, or, if we are not able to meet these requirements, such approvals could be withheld or withdrawn. Regulatory delays or rejections may be encountered as a result of many factors, including changes in regulatory policy during the period of product development. We cannot be certain that we will not face similar setbacks. While currently we are not experiencing any significant delays or disruptions

to our clinical trial a result of the global COVID-19 pandemic, we expect that the COVID-19 pandemic may directly or indirectly impact our clinical trial enrollment, dosing, and regulatory approval timelines.

Even if we complete the necessary preclinical studies and clinical trials, we cannot predict when, or if, we will obtain regulatory approval to commercialize a product candidate and the approval may be for a narrower indication than we seek.

Prior to commercialization, STK-001 and our other future product candidates, including any product candidate selected to treat ADOA, must be approved by the FDA pursuant to a new drug application ("NDA") in the United States and pursuant to similar marketing applications by the EMA and similar regulatory authorities outside the United States. The process of obtaining marketing approvals, both in the United States and abroad, is expensive and takes many years, if approval is obtained at all, and can vary substantially based upon a variety of factors, including the type, complexity and novelty of the product candidates involved. Failure to obtain marketing approval for a product candidate will prevent us from commercializing the product candidate. We have not received approval to market STK-001 or any of our other future product candidates, including any product candidate selected to treat ADOA, from regulatory authorities in any jurisdiction. We have no experience in submitting and supporting the applications necessary to gain marketing approvals, and, in the event regulatory authorities indicate that we may submit such applications, we may be unable to do so as quickly and efficiently as desired. Securing marketing approval requires the submission of extensive preclinical and clinical data and supporting information to regulatory authorities for each therapeutic indication to establish the product candidate's safety and efficacy. Securing marketing approval also requires the submission of information about the product manufacturing process to, and inspection of manufacturing facilities by, the regulatory authorities. Our product candidates may not be effective, may be only moderately effective or may prove to have undesirable or unintended side effects, toxicities or other characteristics that may preclude our obtaining marketing approval or prevent or limit commercial use. Regulatory authorities have substantial discretion in the approval process and may refuse to accept or file any application or may decide that our data are insufficient for approval and require additional preclinical, clinical or other studies. In addition, varying interpretations of the data obtained from preclinical and clinical testing could delay, limit or prevent marketing approval of a product candidate.

Approval of STK-001 and our other future product candidates, including any product candidate selected to treat ADOA, may be delayed or refused for many reasons, including:

- the FDA or comparable foreign regulatory authorities may disagree with the design or implementation of our clinical trials;
- we may be unable to demonstrate, to the satisfaction of the FDA or comparable foreign regulatory authorities, that our product candidates are safe and effective for any of their proposed indications;
- the results of clinical trials may not meet the level of statistical significance required by the FDA or comparable foreign regulatory authorities for approval;
- we may be unable to demonstrate that our product candidates' clinical and other benefits outweigh their safety risks;
- the FDA or comparable foreign regulatory authorities may disagree with our interpretation of data from preclinical programs or clinical trials;
- the data collected from clinical trials of our product candidates may not be sufficient to support the submission of an NDA or other comparable submission in foreign jurisdictions or to obtain regulatory approval in the United States or elsewhere;
- the facilities of third-party manufacturers with which we contract or procure certain service or raw materials, may not be adequate to support approval of our product candidates;
- the approval policies or regulations of the FDA or comparable foreign regulatory authorities may significantly change in a manner rendering our clinical data insufficient for approval;
- potential delays in enrollment, site visits, evaluations, or dosing of patients participating in the clinical trial if hospitals divert staff and resources away from the conduct of clinical trials to focus on COVID-19 patients or limit key clinical trial activities, such as clinical trial site monitoring and in-person follow-ups, or patients decide to not enroll in the study as a result of the COVID-19 pandemic; and
- government regulations that may be imposed in response to the COVID-19 pandemic may restrict the movement of our global supply chain, divert hospital resources that are necessary to administer STK-001 or our future product candidates.

Even if our product candidates meet their safety and efficacy endpoints in clinical trials, the regulatory authorities may not complete their review processes in a timely manner, or we may not be able to obtain regulatory approval. Additional delays may result if an FDA Advisory Committee or other regulatory authority recommends non-approval or restrictions on approval. In addition, we may experience delays or rejections based upon additional government regulation from future legislation or administrative action, or changes in regulatory authority policy during the period of product development, clinical trials and the review process.

Regulatory authorities also may approve a product candidate for more limited indications than requested or they may impose significant limitations in the form of narrow indications, warnings or Risk Evaluation and Mitigation Strategies. These regulatory authorities may require precautions or contra-indications with respect to conditions of use or they may grant approval subject to the performance of costly post-marketing clinical trials. In addition, regulatory authorities may not approve the labeling claims that are

necessary or desirable for the successful commercialization of our product candidates. Any of the foregoing scenarios could materially harm the commercial prospects for our product candidates and adversely affect our business, financial condition, results of operations and prospects. While currently we are not experiencing any significant delays or disruptions to our clinical trial a result of the global COVID-19 pandemic, we expect that the COVID-19 pandemic may directly or indirectly impact our clinical trial enrollment, dosing, and regulatory approval timelines.

The ongoing COVID-19 pandemic may, directly or indirectly, adversely affect our business, results of operations and financial condition.

Our business could be materially adversely affected, directly or indirectly, by the widespread outbreak of contagious disease, including the ongoing COVID-19 pandemic, which has spread to many of the countries in which we and our suppliers do business. National, state and local governments in affected regions have implemented and may continue to implement safety precautions, including quarantines, border closures, increased border controls, travel restrictions, shelter in place orders and shutdowns, business closures, cancellations of public gatherings and other measures. Organizations and individuals are taking additional steps to avoid or reduce infection, including limiting travel and staying home from work. These measures are disrupting normal business operations both in and outside of affected areas and have had significant negative impacts on businesses and financial markets worldwide.

The COVID-19 pandemic has caused us to modify our business practices (including but not limited to curtailing or modifying employee travel, moving to full remote work, and cancelling physical participation in meetings, events and conferences) and we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, patients and business partners. Our office-based employees have been working from home since early March 2020, while ensuring essential staffing levels in our operations remain in place, including maintaining key personnel in our laboratories.

Notwithstanding these measures, the COVID-19 pandemic could affect the health and availability of our workforce as well as those of the third parties we rely on taking similar measures. If members of our management and other key personnel in critical functions across our organization are unable to perform their duties or have limited availability due to COVID-19, we may not be able to execute on our business strategy and/or our operations may be negatively impacted. We may also experience limitations in employee resources, including because of sickness of employees or their families or the desire of employees to avoid contact with individuals or large groups of people. In addition, we have experienced and will continue to experience disruptions to our business operations resulting from quarantines, self-isolations and other restrictions on the ability of our employees to perform their jobs.

The COVID-19 pandemic has disrupted business operations. The extent and severity of the impact on our business and clinical trial will be determined largely by the extent of disruptions in the supply chains for STK-001 and our future product candidates in ADOA and other indications, and delays in the conduct of current and future clinical trials. Our ability to continue our observational study may be adversely affected, directly or indirectly, by the COVID-19 pandemic. Currently we are monitoring patient participation in our observational study, including delays in conducting in-person follow-ups and disruptions in our ability to monitor patients due to hospitals closing sites or diverting the resources that are necessary to conduct our observational study to care for COVID-19 patients. For these reasons, we expect that COVID-19 precautions may directly or indirectly impact the timeline for some of our clinical trial activities. In addition, the impact of the COVID-19 pandemic on the operations of the FDA and other health authorities may delay potential approvals of STK-001 and our future product candidates.

While it is not possible at this time to estimate the entirety of the impact that the COVID-19 pandemic will have on our business, operations, employees, customers, or our suppliers, continued spread of COVID-19, measures taken by governments, actions taken to protect employees and the broad impact of the pandemic on all business activities may materially and adversely affect our business, results of operations and financial condition.

Certain of the diseases we seek to treat have low prevalence, and it may be difficult to identify patients with these diseases, which may lead to delays in enrollment for our trials or slower commercial revenue growth if STK-001 or our future product candidates are approved.

Genetically defined diseases generally, and especially those for which our lead product candidate is targeted, have low incidence and prevalence. We estimate that the worldwide incidence of Dravet syndrome is approximately one in 16,000 births, and the incidence of ADOA is approximately one in 30,000 births. This could pose obstacles to the timely recruitment and enrollment of a sufficient number of eligible patients into our trials or limit a product candidate’s commercial potential. Patient enrollment may be affected by other factors including:

- the ability to identify and enroll patients that meet study eligibility criteria in a timely manner for clinical trials;
- the severity of the disease under investigation;
- design of the study protocol;

- the perceived risks, benefits and convenience of administration of the product candidate being studied;
- the patient referral practices of providers; and
- the proximity and availability of clinical trial sites to prospective patients.

Any inability to enroll a sufficient number of patients with these diseases for our planned clinical trials would result in significant delays and could cause us to not initiate or abandon one or more clinical trials altogether. Enrollment delays in our clinical trials may result in increased development costs for our product candidate, which would cause the value of our company to decline and limit our ability to obtain additional financing.

Additionally, our projections of both the number of people who have Dravet syndrome or ADOA, as well as the people with this disease who have the potential to benefit from treatment with our product candidate, are based on estimates derived from a market research study that we commissioned, which may not accurately identify the size of the market for our product candidates. The total addressable market opportunity for STK-001 and our future product candidates will ultimately depend upon, among other things, the final labeling for our product candidates, if our product candidates are approved for sale in our target indications, acceptance by the medical community and patient access, drug pricing and reimbursement. The number of patients globally may turn out to be lower than expected, patients may not be otherwise amenable to treatment with our product candidates, or new patients may become increasingly difficult to identify or gain access to, all of which would adversely affect our results of operations and our business.

Moreover, in light of the limited number of potential patients impacted by Dravet syndrome and ADOA, our per-patient therapy pricing of STK-001 and our future product candidates, if approved, must be high in order to recover our development and manufacturing costs, fund additional research and achieve profitability. We may also need to fund patient support programs upon the marketing of a product candidate, which would negatively affect our product revenue. We may be unable to maintain or obtain sufficient therapy sales volumes at a price high enough to justify our development efforts and our sales, marketing and manufacturing expenses. While currently we are not experiencing any significant delays or disruptions to our clinical trial as a result of the global COVID-19 pandemic, we expect that the COVID-19 pandemic may directly or indirectly impact our clinical trial enrollment, dosing, and regulatory approval timelines.

If clinical trials of STK-001 or the product candidate we select to treat ADOA or any other product candidate that we develop fail to demonstrate safety and efficacy to the satisfaction of FDA or foreign regulatory authorities or do not otherwise produce favorable results, we may incur additional costs or experience delays in completing, or ultimately may be unable to complete, the development and commercialization of such product candidate.

Before obtaining marketing approval from regulatory authorities for the sale of any product candidate, including STK-001 and the product candidate we select to treat ADOA, we must complete preclinical development and then conduct extensive clinical trials to demonstrate the safety and efficacy of our product candidates in humans. Clinical testing is expensive, difficult to design and implement, can take many years to complete and is uncertain as to outcome. A failure of one or more clinical trials can occur at any stage of testing.

Clinical trials may be placed on a full or partial clinical hold by the FDA, foreign regulatory authorities, or us for various reasons, including but not limited to: deficiencies in the conduct of the clinical trials, including failure to conduct the clinical trial in accordance with regulatory requirements or clinical protocols; deficiencies in the clinical trial operations or trial sites; deficiencies in the trial designs necessary to demonstrate efficacy; fatalities or other adverse effects arising during a clinical trial due to medical problems that may or may not be related to clinical trial treatments; the product candidates may not appear to be more effective than current therapies; the quality or stability of the product candidates may fall below acceptable standards; or the data from animal studies are not sufficient to support the anticipated exposure (dose, route of administration, and duration) for the proposed clinical trial. For example, in March 2020, we announced that the FDA had placed a partial clinical hold on doses of STK-001 above 20 mg in our Phase 1/2a clinical trial (the “MONARCH Study”) based on observations of adverse hind limb paresis in non-human primates, pending additional preclinical testing to determine the safety profile of doses higher than the current no observed adverse effect level. The partial clinical hold remains in place in the MONARCH Study for dosing above 30 mg. If the partial clinical hold is not lifted, our ability to successfully conclude the MONARCH Study or other studies related to STK-001, and our business, results of operations and financial condition, may be adversely affected.

We may not be successful in our efforts to use TANGO to expand our pipeline of product candidates and develop marketable products.

Because we have limited financial and managerial resources, we focus on research programs and product candidates that we identify for specific indications. Our business depends on our successful development and commercialization of the limited number of internal product candidates we are researching or have in preclinical development. Even if we are successful in continuing to build our pipeline, development of the potential product candidates that we identify will require substantial investment in additional clinical development, management of clinical, preclinical and manufacturing activities, regulatory approval in multiple jurisdictions, obtaining

manufacturing supply capability, building a commercial organization, and significant marketing efforts before we generate any revenue from product sales. Furthermore, such product candidates may not be suitable for clinical development, including as a result of their harmful side effects, limited efficacy or other characteristics that indicate that they are unlikely to be products that will receive marketing approval and achieve market acceptance. If we cannot validate TANGO by successfully developing and commercializing product candidates based upon our technological approach, we may not be able to obtain product revenue in future periods, which would adversely affect our business, prospects, financial condition and results of operations.

In November 2020, we announced the nomination of OPA1 as our second program for preclinical development in ADOA; however, we are primarily focused on our lead product candidate, STK-001, and we may forego or delay pursuit of opportunities with other product candidates or for other indications that later prove to have greater commercial potential. Our resource allocation decisions may cause us to fail to capitalize on viable commercial products or profitable market opportunities. Our spending on current and future research and development programs and product candidates for specific indications may not yield any commercially viable products. Our understanding and evaluation of biological targets for the discovery and development of new product candidates may fail to identify challenges encountered in subsequent preclinical and clinical development. If we do not accurately evaluate the commercial potential or target market for a particular product candidate, we may relinquish valuable rights to that product candidate through collaboration, licensing or other royalty arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights.

Any product candidate for which we obtain marketing approval will be subject to extensive post-marketing regulatory requirements and could be subject to post-marketing restrictions or withdrawal from the market, and we may be subject to penalties if we fail to comply with regulatory requirements or if we experience unanticipated problems with our product candidates, when and if any of them are approved.

Our product candidates and the activities associated with their development and potential commercialization, including their testing, manufacturing, recordkeeping, labeling, storage, approval, advertising, promotion, sale and distribution, are subject to comprehensive regulation by the FDA and other U.S. and international regulatory authorities. These requirements include submissions of safety and other post-marketing information and reports, registration and listing requirements, requirements relating to manufacturing, including current Good Manufacturing Practices (“GMPs”), quality control, quality assurance and corresponding maintenance of records and documents, including periodic inspections by the FDA and other regulatory authorities and requirements regarding the distribution of samples to providers and recordkeeping.

The FDA may also impose requirements for costly post-marketing studies or clinical trials and surveillance to monitor the safety or efficacy of any approved product. The FDA closely regulates the post-approval marketing and promotion of drugs and biologics to ensure drugs and biologics are marketed only for the approved indications and in accordance with the provisions of the approved labeling. The FDA imposes stringent restrictions on manufacturers’ communications regarding use of their products. If we promote our product candidates in a manner inconsistent with FDA-approved labeling or otherwise not in compliance with FDA regulations, we may be subject to enforcement action. Violations of the Federal Food, Drug, and Cosmetic Act relating to the promotion of prescription drugs may lead to investigations alleging violations of federal and state healthcare fraud and abuse laws, as well as state consumer protection laws and similar laws in international jurisdictions.

In addition, later discovery of previously unknown adverse events or other problems with our product candidates, manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may yield various results, including:

- restrictions on such product candidates, manufacturers or manufacturing processes;
- restrictions on the labeling or marketing of a product;
- restrictions on product distribution or use;
- requirements to conduct post-marketing studies or clinical trials;
- warning or untitled letters;
- withdrawal of any approved product from the market;
- refusal to approve pending applications or supplements to approved applications that we submit;
- recall of product candidates;
- fines, restitution or disgorgement of profits or revenues;
- suspension or withdrawal of marketing approvals;
- refusal to permit the import or export of our product candidates;

- product seizure; or
- injunctions or the imposition of civil or criminal penalties.

Non-compliance with European requirements regarding safety monitoring or pharmacovigilance, and with requirements related to the development of products for the pediatric population, can also result in significant financial penalties. Similarly, failure to comply with Europe's requirements regarding the protection of personal information can also lead to significant penalties and sanctions.

Our failure to obtain regulatory approval in international jurisdictions would prevent us from marketing our product candidates outside the United States.

To market and sell STK-001 and our future product candidates, including the product candidate we select to treat ADOA, in other jurisdictions, we must obtain separate marketing approvals and comply with numerous and varying regulatory requirements. The approval procedure varies among countries and can involve additional testing. The time required to obtain approval may differ substantially from that required to obtain FDA approval. The regulatory approval process outside the United States generally includes all of the risks associated with obtaining FDA approval. In addition, in many countries outside the United States, we must secure product reimbursement approvals before regulatory authorities will approve the product for sale in that country. Failure to obtain foreign regulatory approvals or non-compliance with foreign regulatory requirements could result in significant delays, difficulties and costs for us and could delay or prevent the introduction of our product candidates in certain countries. The United Kingdom's pending exit from the European Union (the "EU"), which is referred to as "Brexit," continues to create political and economic uncertainty, particularly in the United Kingdom and the EU. Since a significant proportion of the regulatory framework in the United Kingdom is derived from EU directives and regulations, the withdrawal of the United Kingdom from the EU could materially impact the regulatory regime with respect to the approval of our product candidates in the United Kingdom or the EU.

If we fail to comply with the regulatory requirements in international markets and receive applicable marketing approvals, our target market will be reduced and our ability to realize the full market potential of our product candidates will be harmed and our business will be adversely affected. We may not obtain foreign regulatory approvals on a timely basis, if at all. Our failure to obtain approval of any of our product candidates by regulatory authorities in another country may significantly diminish the commercial prospects of that product candidate and our business prospects could decline.

STK-001 or our future product candidates, including the product candidate we select to treat ADOA, may cause undesirable and unforeseen side effects or be perceived by the public as unsafe, which could delay or prevent their advancement into clinical trials or regulatory approval, limit the commercial potential or result in significant negative consequences.

Although other ASOs have received regulatory approval, our method of seeking to upregulate protein expression by targeting the underlying genetic causes of haploinsufficiencies presents a new approach to disease treatment, which means there is uncertainty associated with the safety profile of STK-001 or our future product candidates, including the product candidate we select to treat ADOA, and drugs in the antisense oligonucleotide class.

In addition to side effects caused by our product candidates, the intrathecal or intravitreal administration process or related procedures also can cause adverse side effects. If any such adverse events occur, our clinical trials could be suspended or terminated. If we are unable to demonstrate that any adverse events were caused by the administration process or related procedures, the FDA, the European Commission, the EMA or other regulatory authorities could order us to cease further development of, or deny approval of, our product candidates for any or all targeted indications. Even if we can demonstrate that all future serious adverse events are not product-related, such occurrences could affect patient recruitment or the ability of enrolled patients to complete the trial. Moreover, if we elect, or are required, to not initiate, delay, suspend or terminate any future clinical trial of any of our product candidates, the commercial prospects of such product candidates may be harmed and our ability to generate product revenues from any of these product candidates may be delayed or eliminated. Any of these occurrences may harm our ability to develop other product candidates, and may adversely affect our business, financial condition, results of operations and prospects significantly. Finally, SPINRAZA, which is produced by Biogen Inc., is an ASO therapy utilizing intrathecal delivery, and if SPINRAZA is found to cause undesirable side effects or to be unsafe due to a potential class effect, it may adversely affect demand for STK-001 and our other future product candidates. Other ASOs in clinical development utilizing intrathecal delivery could also generate data that could adversely affect the clinical, regulatory or commercial perception of STK-001 and our other future product candidates.

Additionally, if any of our product candidates receives marketing approval, the FDA could require us to adopt a Risk Evaluation and Mitigation Strategy to ensure that the benefits of the product outweigh its risks, which may include, for example, a Medication Guide outlining the risks of the product for distribution to patients and a communication plan to health care practitioners, or other elements to assure safe use of the product. Furthermore, if we or others later identify undesirable side effects caused by our product candidate, several potentially significant negative consequences could result, including:

- regulatory authorities may suspend or withdraw approvals of such product candidate;

- regulatory authorities may require additional warnings in the labeling;
- we may be required to change the way a product candidate is administered or conduct additional clinical trials;
- we could be sued and held liable for harm caused to patients; and
- our reputation may suffer.

Any of these occurrences may harm our business, financial condition, results of operations and prospects significantly.

A Fast Track Designation by the FDA, even if granted for any of our future product candidates, may not lead to a faster development or regulatory review or approval process, and does not increase the likelihood that our product candidates will receive marketing approval.

If a drug is intended for the treatment of a serious or life-threatening condition and the drug demonstrates the potential to address unmet medical needs for this condition, the drug sponsor may apply to the FDA for Fast Track Designation. The FDA has broad discretion whether to grant this designation. Even if we believe a particular product candidate is eligible for this designation, we cannot assure you that the FDA would decide to grant it. Even if we do receive Fast Track Designation for any of our product candidates, we may not experience a faster development process, review or approval compared to conventional FDA procedures. The FDA may withdraw Fast Track Designation if it believes that the designation is no longer supported by data from our clinical development program. Many drugs that have received Fast Track Designation have failed to obtain approval.

We may also seek accelerated approval for product candidates that have obtained Fast Track Designation. Under the FDA's accelerated approval program, the FDA may approve a drug for a serious or life-threatening illness that provides meaningful therapeutic benefit to patients over existing treatments based upon a surrogate endpoint that is reasonably likely to predict clinical benefit, or on a clinical endpoint that can be measured earlier than irreversible morbidity or mortality, that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit, taking into account the severity, rarity or prevalence of the condition and the availability or lack of alternative treatments. Full approval of another product for the same indication as any of our product candidates for which we are seeking accelerated approval may make accelerated approval of our product candidates more difficult. For drugs granted accelerated approval, post-marketing confirmatory trials are required to describe the anticipated effect on irreversible morbidity or mortality or other clinical benefit. These confirmatory trials must be completed with due diligence and in general the FDA may require that the trial be designed and/or initiated prior to approval. All promotional materials for product candidates approved via accelerated approval are subject to prior review by the FDA. Moreover, the FDA may withdraw approval of any product candidate or indication approved under the accelerated approval pathway if, for example:

- the trial or trials required to verify the predicted clinical benefit of the product candidate fail to verify such benefit or do not demonstrate sufficient clinical benefit to justify the risks associated with the drug;
- other evidence demonstrates that the product candidate is not shown to be safe or effective under the conditions of use;
- we fail to conduct any required post-approval trial of the product candidate with due diligence; or
- we disseminate false or misleading promotional materials relating to the product candidate.

A Breakthrough Therapy Designation by the FDA for STK-001 or our future product candidates, including the product candidate we select to treat ADOA, may not lead to a faster development or regulatory review or approval process, and it would not increase the likelihood that the product candidate will receive marketing approval.

We may seek a Breakthrough Therapy Designation for STK-001 or one or more of our future product candidates, including the product candidate we select to treat ADOA. A breakthrough therapy is defined as a drug that is intended, alone or in combination with one or more other drugs, to treat a serious or life-threatening disease or condition, and preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. For drugs that have been designated as breakthrough therapies, interaction and communication between the FDA and the sponsor of the trial can help to identify the most efficient path for clinical development while minimizing the number of patients placed in ineffective control regimens. Drugs designated as breakthrough therapies by the FDA are also eligible for priority review if supported by clinical data at the time of the submission of the NDA.

Designation as a breakthrough therapy is at the discretion of the FDA. Accordingly, even if we believe that one of our product candidates meets the criteria for designation as a breakthrough therapy, the FDA may disagree and instead determine not to make such designation. In any event, the receipt of a Breakthrough Therapy Designation for a drug may not result in a faster development process, review, or approval compared to drugs considered for approval under conventional FDA procedures and it would not assure ultimate approval by the FDA. In addition, even if one or more of our product candidates qualify as breakthrough therapies, the FDA

may later decide that the product candidate no longer meets the conditions for qualification or it may decide that the time period for FDA review or approval will not be shortened.

Enacted and future legislation may increase the difficulty and cost for us to obtain marketing approval of and commercialize our product candidates and may affect the prices we may set.

Existing regulatory policies may change, and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our product candidates. We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action, either in the United States or abroad. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained and we may not achieve or sustain profitability.

In the United States, there have been and continue to be a number of legislative initiatives to contain healthcare costs. The pharmaceutical industry has been a particular focus of these efforts and has been significantly affected by major legislative initiatives. For example, in March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 (collectively, the "ACA") was enacted, which was intended to broaden access to health insurance, reduce or constrain the growth of healthcare spending, enhance remedies against fraud and abuse, add new transparency requirements for health care and health insurance industries, impose new taxes and fees on the health industry and impose additional health policy reforms. The ACA substantially changed the way healthcare is financed by both governmental and private insurers, and significantly impacts the U.S. pharmaceutical industry. On June 17, 2021, the U.S. Supreme Court dismissed a challenge on procedural grounds that argued the ACA is unconstitutional in its entirety because the "individual mandate" was repealed by Congress. Thus, the ACA will remain in effect in its current form. Further, prior to the U.S. Supreme Court ruling, on January 28, 2021, President Biden issued an executive order that initiated a special enrollment period for purposes of obtaining health insurance coverage through the ACA marketplace, which began on February 15, 2021, and will remain open through August 15, 2021. The executive order also instructed certain governmental agencies to review and reconsider their existing policies and rules that limit access to healthcare, including among others, reexamining Medicaid demonstration projects and waiver programs that include work requirements, and policies that create unnecessary barriers to obtaining access to health insurance coverage through Medicaid or the ACA. It is possible that the ACA will be subject to judicial or Congressional challenges in the future. It is uncertain how any such challenges and the healthcare measures of the Biden administration will impact the ACA and our business.

In addition, other legislative changes have been proposed and adopted since the ACA was enacted. These changes included aggregate reductions to Medicare payments to providers of up to 2% per fiscal year, effective April 1, 2013, which, due to subsequent legislative amendments, will stay in effect through 2030 unless additional Congressional action is taken. The CARES Act, which was signed into law in March 2020 and is designed to provide financial support and resources to individuals and businesses affected by the COVID-19 pandemic, suspended the 2% Medicare sequester from May 1, 2020 through December 31, 2020. In January 2013, the American Taxpayer Relief Act of 2012 was signed into law, which, among other things, reduced Medicare payments to several providers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. These new laws may result in additional reductions in Medicare and other healthcare funding, which could have a material adverse effect on customers for our drugs, if approved, and accordingly, our financial operations. Additionally, on May 30, 2018, the Trickett Wendler, Frank Mongiello, Jordan McLinn, and Matthew Bellina Right to Try Act of 2017 was signed into law. The law, among other things, provides a federal framework for certain patients to access certain investigational new drug products that have completed a Phase 1 clinical trial and that are undergoing investigation for FDA approval. Under certain circumstances, eligible patients can seek treatment without enrolling in clinical trials and without obtaining FDA authorization under an FDA expanded access program; however, manufacturers are not obligated to provide investigational new drug products under the current federal right to try law. We may choose to seek an expanded access program for our product candidates, or to utilize comparable rules in other countries that allow the use of a drug, on a named patient basis or under a compassionate use program.

We expect that the ACA, as well as other healthcare reform measures that may be adopted in the future, may result in more rigorous coverage criteria and in additional downward pressure on the price that we receive for any approved product. Any reduction in reimbursement from Medicare or other government programs may result in a similar reduction in payments from private payors. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability, or commercialize our product candidates.

Legislative and regulatory proposals have been made to expand post-approval requirements and restrict sales and promotional activities for pharmaceutical products. We cannot be sure whether additional legislative changes will be enacted, or whether FDA regulations, guidance or interpretations will be changed, or what the impact of such changes on the marketing approvals of our product candidates, if any, may be. In addition, increased scrutiny by the U.S. Congress of the FDA's approval process may significantly delay or prevent marketing approval, as well as subject us to more stringent product labeling and post-marketing testing and other requirements.

We may be unsuccessful in obtaining Orphan Drug Designation or transfer of designations obtained by others for future product candidates. And, even if we obtain such designation, we may be unable to maintain the benefits associated with Orphan Drug Designation, including the potential for market exclusivity, for STK-001, or our future product candidates, including the product candidate we select to treat ADOA.

As part of our business strategy, we applied for and, in August 2019, received Orphan Drug Designation for STK-001 in the United States, and we may seek such designation in Europe and other countries. However, Orphan Drug Designation does not guarantee future orphan drug marketing exclusivity, and there is no guarantee that we will be successful in obtaining such designation for our future product candidates.

Regulatory authorities in some jurisdictions, including the United States and Europe, may designate drugs intended to treat relatively small patient populations as orphan drugs. Under the Orphan Drug Act, the FDA may designate a drug as an orphan drug if it is intended to treat a rare disease or condition, which is defined as a patient population of fewer than 200,000 individuals in the United States. In the United States, Orphan Drug Designation entitles a party to financial incentives such as opportunities for tax credits for qualified clinical research costs and exemption from prescription drug user fees. Similarly, in the EU, the European Commission grants Orphan Drug Designation after receiving the opinion of the EMA's Committee for Orphan Medicinal Products on an Orphan Drug Designation application. In the EU, Orphan Drug Designation is intended to promote the development of drug that are intended for the diagnosis, prevention or treatment of life-threatening or chronically debilitating conditions affecting not more than five in 10,000 persons in the EU and for which no satisfactory method of diagnosis, prevention or treatment has been authorized (or the product would be a significant benefit to those affected). In the EU, Orphan Drug Designation entitles a party to financial incentives such as reduction of fees or fee waivers.

Generally, if a drug with an Orphan Drug Designation subsequently receives the first marketing approval for the indication for which it has such designation, the drug is entitled to a period of marketing exclusivity, which precludes EMA or the FDA from approving another marketing application for the same drug and indication for that time period, except in limited circumstances. If a competitor is able to obtain orphan drug exclusivity prior to us for a product that constitutes the same active moiety and treats the same indications as our product candidates, we may not be able to obtain approval of our drug by the applicable regulatory authority for a significant period of time unless we are able to show that our drug is clinically superior to the approved drug. The applicable period is seven years in the United States and ten years in the EU. The EU exclusivity period can be reduced to six years if a drug no longer meets the criteria for Orphan Drug Designation or if the drug is sufficiently profitable so that market exclusivity is no longer justified.

Even after an orphan drug is approved, the FDA can also subsequently approve a later application for the same drug for the same condition if the FDA concludes that the later drug is clinically superior in that it is shown to be safer in a substantial portion of the target populations, more effective or makes a major contribution to patient care. In addition, a designated orphan drug may not receive orphan drug exclusivity if it is approved for a use that is broader than the indication for which it received orphan designation. Moreover, orphan drug exclusive marketing rights in the United States may be lost if the FDA later determines that the request for designation was materially defective or if we are unable to manufacture sufficient quantities of the product to meet the needs of patients with the rare disease or condition. Orphan Drug Designation neither shortens the development time or regulatory review time of a drug nor gives the drug any advantage in the regulatory review or approval process.

A Rare Pediatric Disease designation by the FDA does not guarantee that the NDA for the product will qualify for a priority review voucher upon approval, and it does not lead to a faster development or regulatory review process, or increase the likelihood that STK-001 or our future product candidates, including the product candidate we select to treat ADOA, will receive marketing approval.

Under the Rare Pediatric Disease Priority Review Voucher program, upon the approval of a qualifying NDA for the treatment of a rare pediatric disease, the sponsor of such an application would be eligible for a rare pediatric disease priority review voucher that can be used to obtain priority review for a subsequent Biologics License Application or a NDA. We may seek Rare Pediatric Disease designations for STK-001 or any future product candidates. If a product candidate is designated before December 11, 2020, it is eligible to receive a voucher if it is approved before December 11, 2022. However, there is no expectation that STK-001 or our future product candidates, including the product candidate we select to treat ADOA, will be designated or approved by those dates, or at all, and, therefore, we may not be in a position to obtain priority review vouchers prior to expiration of the program, unless Congress further reauthorizes the program. The Creating Hope Authorization Act (H.R. 4439), which has been passed by the House of Representatives, but not the Senate, would further extend the designation deadline to September 30, 2024, and the approval deadline to September 30, 2026. There is no guarantee that this bill will become law or that the deadlines will be extended. Additionally, designation of a drug for a rare pediatric disease does not guarantee that an NDA will meet the eligibility criteria for a rare pediatric disease priority review voucher at the time the application is approved. Finally, a Rare Pediatric Disease Designation does not lead to faster development or regulatory review of the product or increase the likelihood that it will receive marketing approval.

The FDA's ability to review and approve new products may be hindered by a variety of factors, including budget and funding levels, ability to hire and retain key personnel, and statutory, regulatory and policy changes.

The ability of the FDA to review and approve new products can be affected by a variety of factors, including budget and funding levels, ability to hire and retain key personnel, and statutory, regulatory, and policy changes. In addition, government funding of other government agencies that fund research and development activities is subject to the political process, which is inherently fluid and unpredictable.

The ability of the FDA and other government agencies to properly administer their functions is highly dependent on the levels of government funding and the ability to fill key leadership appointments, among various factors. Currently, the FDA Commissioner position is vacant, pending the appointment of a new Commissioner by the new presidential administration. The confirmation process for a new commissioner may not occur efficiently. Delays in filling or replacing key positions could significantly impact the ability of the FDA and other agencies to fulfill their functions, and could greatly impact healthcare and the pharmaceutical industry.

In December 2016, the 21st Century Cures Act was signed into law, and was designed to advance medical innovation and empower the FDA with the authority to directly hire positions related to drug and device development and review. In the past, the FDA was often unable to offer key leadership candidates (including scientists) competitive compensation packages as compared to those offered by private industry. The 21st Century Cures Act is designed to streamline the agency's hiring process and enable the FDA to compete for leadership talent by expanding the narrow ranges that are provided in the existing compensation structures.

Disruptions at the FDA and other governmental agencies may also slow the time necessary for new drugs to be reviewed or approved by necessary government agencies, which would adversely affect our operating results and business.

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

Healthcare providers and third-party payors will play a primary role in the recommendation and prescription of any product candidates for which we obtain marketing approval. Our future arrangements with providers, third-party payors and customers will subject us to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we market, sell and distribute any product candidates for which we obtain marketing approval.

Restrictions under applicable U.S. federal and state healthcare laws and regulations include the following:

- the federal Anti-Kickback Statute prohibits, among other things, persons and entities from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward either the referral of an individual for, or the purchase, order or recommendation of, any good or service, for which payment may be made under federal healthcare programs such as Medicare and Medicaid;
- federal false claims laws, including the federal False Claims Act, imposes criminal and civil penalties, including through civil whistleblower or qui tam actions, against individuals or entities for knowingly presenting, or causing to be presented, to the federal government, claims for payment that are false or fraudulent or making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government;
- the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, imposes criminal and civil liability for, among other things, knowingly and willfully executing or attempting to execute a scheme to defraud any healthcare benefit program or making false statements relating to healthcare matters;
- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, or HITECH, and its implementing regulations, also imposes obligations, including mandatory contractual terms, on certain types of people and entities with respect to safeguarding the privacy, security and transmission of individually identifiable health information;
- the federal Physician Payment Sunshine Act requires applicable manufacturers of covered drugs, devices, biologics, and medical supplies for which payment is available under Medicare, Medicaid, or the Children's Health Insurance Program, with specific exceptions, to report payments and other transfers of value to physicians and teaching hospitals, as well as certain ownership and investment interests held by physicians and their immediate family, which includes annual data collection and reporting obligations; and
- analogous state and foreign laws and regulations, such as state anti-kickback and false claims laws, may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers.

Some state laws require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government and may require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers, marketing expenditures or pricing. State and foreign laws also govern the privacy and security of health information in some circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts.

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

Risks related to commercialization and manufacturing

The commercial success of our product candidates, including STK-001 and the product candidate we select to treat ADOA will depend upon their degree of market acceptance by providers, patients, patient advocacy groups, third-party payors and the general medical community.

Ethical, social and legal concerns about genetic treatments generally could result in additional regulations restricting or prohibiting our product candidates. Even with the requisite approvals from the FDA, the EMA and other regulatory authorities internationally, the commercial success of our product candidates will depend, in part, on the acceptance of providers, patients and third-party payors of drugs designed to increase protein expression in general, and our product candidates in particular, as medically necessary, cost-effective and safe. In addition, we may face challenges in seeking to establish and grow sales of STK-001, the product we select to treat ADOA and any future product candidates, including acceptance of intravitreal injection, the lumbar puncture and intrathecal administration, which carries risks of infection or other complications. Any product that we commercialize may not gain acceptance by providers, patients, patient advocacy groups, third-party payors and the general medical community. If these products do not achieve an adequate level of acceptance, we may not generate significant product revenue and may not become profitable. The degree of market acceptance of genetic medicines and, in particular, STK-001 and our future product candidates, if approved for commercial sale, will depend on several factors, including:

- the efficacy, durability and safety of such product candidates as demonstrated in clinical trials;
- the potential and perceived advantages of product candidates over alternative treatments;
- the cost of treatment relative to alternative treatments;
- the clinical indications for which the product candidate is approved by the FDA or the European Commission;
- the willingness of providers to prescribe new therapies;
- the willingness of the target patient population to try new therapies;
- the prevalence and severity of any side effects;
- product labeling or product insert requirements of the FDA, EMA or other regulatory authorities, including any limitations or warnings contained in a product's approved labeling;
- the willingness of providers to prescribe, and of patients to receive, intrathecal injections;
- the strength of marketing and distribution support;
- the timing of market introduction of competitive products;
- the quality of our relationships with patient advocacy groups;
- publicity concerning our product candidates or competing products and treatments; and
- sufficient third-party payor coverage and adequate reimbursement.

Even if a potential product displays a favorable efficacy and safety profile in preclinical studies and clinical trials, market acceptance of the product will not be fully known until after it is launched.

The pricing, insurance coverage and reimbursement status of newly approved products is uncertain. Failure to obtain or maintain adequate coverage and reimbursement for our product candidates, if approved, could limit our ability to market those products and decrease our ability to generate product revenue.

Our target indications, including Dravet syndrome and ADOA, are indications with small patient populations. For product candidates that are designed to treat smaller patient populations to be commercially viable, the reimbursement for such product candidates must be higher, on a relative basis, to account for the lack of volume. Accordingly, we will need to implement a coverage and reimbursement strategy for any approved product candidate that accounts for the smaller potential market size. If we are unable to establish or sustain coverage and adequate reimbursement for any future product candidates from third-party payors, the adoption of those product candidates and sales revenue will be adversely affected, which, in turn, could adversely affect the ability to market or sell those product candidates, if approved.

We expect that coverage and reimbursement by third-party payors will be essential for most patients to be able to afford these treatments. Accordingly, sales of STK-001 and our future product candidates will depend substantially, both domestically and internationally, on the extent to which the costs of our product candidates will be paid by health maintenance, managed care, pharmacy benefit and similar healthcare management organizations, or will be reimbursed by government authorities, private health coverage insurers and other third-party payors. Even if coverage is provided, the approved reimbursement amount may not be high enough to allow us to establish or maintain pricing sufficient to realize a sufficient return on our investment.

There is significant uncertainty related to the insurance coverage and reimbursement of newly approved products. In the United States, the principal decisions about reimbursement by government authorities for new products are typically made by the Centers for Medicare & Medicaid Services (“CMS”) since CMS decides whether and to what extent a new product will be covered and reimbursed under Medicare. Private payors tend to follow CMS to a substantial degree. However, one payor’s determination to provide coverage for a drug product does not assure that other payors will also provide coverage for the drug product. Further, a payor’s decision to provide coverage for a drug product does not imply that an adequate reimbursement rate will be approved. Reimbursement agencies in Europe may be more conservative than CMS. For example, a number of cancer drugs have been approved for reimbursement in the United States and have not been approved for reimbursement in certain European countries.

Outside the United States, international operations are generally subject to extensive governmental price controls and other market regulations, and we believe the increasing emphasis on cost-containment initiatives in Europe, Canada and other countries has and will continue to put pressure on the pricing and usage of therapeutics such as our product candidates. In many countries, particularly the countries of the EU, the prices of medical products are subject to varying price control mechanisms as part of national health systems. In these countries, pricing negotiations with governmental authorities can take considerable time after the receipt of marketing approval for a product. To obtain reimbursement or pricing approval in some countries, we may be required to conduct a clinical trial that compares the cost-effectiveness of our product candidate to other available therapies. In general, the prices of products under such systems are substantially lower than in the United States. Other countries allow companies to fix their own prices for products, but monitor and control company profits. Additional foreign price controls or other changes in pricing regulation could restrict the amount that we are able to charge for our product candidates. Accordingly, in markets outside the United States, the reimbursement for our product candidates may be reduced compared with the United States and may be insufficient to generate commercially reasonable revenues and profits.

Moreover, increasing efforts by governmental and third-party payors, in the United States and internationally, to cap or reduce healthcare costs may cause such organizations to limit both coverage and level of reimbursement for new products approved and, as a result, they may not cover or provide adequate payment for our product candidates. We expect to experience pricing pressures in connection with the sale of any of our product candidates due to the trend toward managed healthcare, the increasing influence of certain third-party payors, such as health maintenance organizations, and additional legislative changes. The downward pressure on healthcare costs in general, particularly prescription drugs and surgical procedures and other treatments, has become very intense. As a result, increasingly high barriers are being erected to the entry of new products into the healthcare market. Recently there have been instances in which third-party payors have refused to reimburse treatments for patients for whom the treatment is indicated in the FDA-approved product label. Even if we are successful in obtaining FDA approvals to commercialize our product candidates, we cannot guarantee that we will be able to secure reimbursement for all patients for whom treatment with our product candidates is indicated.

In addition to CMS and private payors, professional organizations such as the American Medical Association, or the AMA, can influence decisions about reimbursement for new products by determining standards for care. In addition, many private payors contract with commercial vendors who sell software that provide guidelines that attempt to limit utilization of, and therefore reimbursement for, certain products deemed to provide limited benefit to existing alternatives. Such organizations may set guidelines that limit reimbursement or utilization of our product candidates. Even if favorable coverage and reimbursement status is attained for one or more product candidates for which we or our collaborators receive regulatory approval, less favorable coverage policies and reimbursement rates may be implemented in the future.

The CARES Act, and other potential future healthcare reforms may adversely impact pricing, insurance coverage and reimbursement status of newly approved products.

In response to the COVID-19 pandemic, the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") was signed into law in March 2020. The CARES Act is aimed at providing emergency assistance and health care for individuals, families and businesses affected by the COVID-19 pandemic and generally supporting the U.S. economy. Due to the recent enactment of the CARES Act, there is a high degree of uncertainty around its implementation. We expect that additional state and federal healthcare reform measures may be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, which could result in reduced demand for our future products or additional pricing pressures.

If third parties on which we depend to conduct our planned preclinical studies, or any future clinical trials, do not perform as contractually required, fail to satisfy regulatory or legal requirements or miss expected deadlines, our development program could be delayed with adverse effects on our business, financial condition, results of operations and prospects.

We rely on third parties for genetic testing, and on third party contract research organizations, or CROs, contract manufacturing organizations, or CMOs, consultants and others to design, conduct, supervise and monitor key activities relating to, discovery, manufacturing, preclinical studies and clinical trials of our product candidates, and we intend to do the same for future activities relating to existing and future programs. Because we rely on third parties and do not have the ability to conduct all required testing, discovery, manufacturing, preclinical studies or clinical trials independently, we have less control over the timing, quality and other aspects of discovery, manufacturing, preclinical studies and clinical trials than we would if we conducted them on our own. These investigators, CROs, CMOs and consultants are not our employees and we have limited control over the amount of time and resources that they dedicate to our programs. These third parties may have contractual relationships with other entities, some of which may be our competitors, which may draw time and resources from our programs. The third parties we contract with might not be diligent, careful or timely in conducting our discovery, manufacturing, preclinical studies or clinical trials, resulting in testing, discovery, manufacturing, preclinical studies or clinical trials being delayed or unsuccessful, in whole or in part.

If we cannot contract with acceptable third parties on commercially reasonable terms, or at all, or if these third parties do not carry out their contractual duties, satisfy legal and regulatory requirements for the conduct of preclinical studies or clinical trials or meet expected deadlines, our clinical development programs could be delayed and otherwise adversely affected. In all events, we are responsible for ensuring that each of our preclinical studies and clinical trials is conducted in accordance with the general investigational plan and protocols for the trial. Our reliance on third parties that we do not control does not relieve us of these responsibilities and requirements. Any such event could have an adverse effect on our business, financial condition, results of operations and prospects.

We face significant competition in an environment of rapid technological change and it is possible that our competitors may achieve regulatory approval before us or develop therapies that are more advanced or effective than ours, which may harm our business, financial condition and our ability to successfully market or commercialize STK-001 and our future product candidates, including the product candidate we select to treat ADOA.

The biotechnology and pharmaceutical industries, including the genetic medicine and antisense oligonucleotide fields, are characterized by rapidly changing technologies, competition and a strong emphasis on intellectual property. We are aware of several companies focused on developing ASO treatments in various indications as well as several companies addressing other methods for modifying genes and regulating protein expression. We may also face competition from large and specialty pharmaceutical and biotechnology companies, academic research institutions, government agencies and public and private research institutions.

Numerous treatments for epilepsy exist, including 5-HT agonists, such as Zogenix's Fintepla, cannabidiols, such as Jazz Pharmaceuticals, plc's Epidiolex, GABA receptor agonists, such as clobazam, and glutamate blockers, such as topiramate. In addition, numerous compounds are in clinical development for treatment of epilepsy. We believe the clinical development pipeline includes cannabinoids, 5-HT release stimulants, cholesterol 24-hydroxylase inhibitors, and sodium channel agonists from a variety of companies. In addition to competition from these small molecule drugs, any products we may develop may also face competition from other types of therapies, such as gene therapy, gene editing, modified mRNA therapies or other ASO approaches.

Many of our potential competitors, alone or with their strategic partners, have substantially greater financial, technical and other resources than we do, such as larger research and development, clinical, marketing and manufacturing organizations. Mergers and acquisitions in the biotechnology and pharmaceutical industries may result in even more resources being concentrated among a smaller number of competitors. Our commercial opportunity could be reduced or eliminated if competitors develop and commercialize products that are safer, more effective, have fewer or less severe side effects, are more convenient or are less expensive than any product candidates that we may develop. Competitors also may obtain FDA or other regulatory approval for their products more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we are able to enter the market, if ever. Additionally, new or advanced technologies developed by our competitors may render our current

or future product candidates uneconomical or obsolete, and we may not be successful in marketing our product candidates against competitors.

To become and remain profitable, we must develop and eventually commercialize product candidates with significant market potential, which will require us to be successful in a range of challenging activities. These activities include, among other things, completing preclinical studies and initiating and completing clinical trials of our product candidates, obtaining marketing approval for these product candidates, manufacturing, marketing and selling those products that are approved and satisfying any post marketing requirements. We may never succeed in any or all of these activities and, even if we do, we may never generate revenues that are significant or large enough to achieve profitability. If we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis. Our failure to become and remain profitable would decrease the value of our company and could impair our ability to raise capital, maintain our research and development efforts, expand our business or continue our operations. A decline in the value of our company also could cause you to lose all or part of your investment.

The manufacture of drugs is complex and our third-party manufacturers may encounter difficulties in production. If any of our third-party manufacturers encounter such difficulties, our ability to provide supply of STK-001 or our future product candidates, including the product candidate we select to treat ADOA, for clinical trials, our ability to obtain marketing approval, or our ability to provide supply of our product candidates for patients, if approved, could be delayed or stopped.

We have established manufacturing relationships with a limited number of suppliers to manufacture raw materials and the drug substance of any product candidate for which we are responsible for preclinical or clinical development. Each supplier may require licenses to manufacture such components if such processes are not owned by the supplier or in the public domain. As part of any marketing approval, a manufacturer and its processes are required to be qualified by the FDA prior to commercialization. If supply from the approved vendor is interrupted, there could be a significant disruption in commercial supply. An alternative vendor would need to be qualified through an NDA supplement which could result in further delay. The FDA or other regulatory agencies outside of the United States may also require additional studies if a new supplier is relied upon for commercial production. Switching vendors may involve substantial costs and is likely to result in a delay in our desired clinical and commercial timelines.

The process of manufacturing drugs is complex, highly-regulated and subject to multiple risks. Manufacturing drugs is highly susceptible to product loss due to contamination, equipment failure, improper installation or operation of equipment, vendor or operator error, inconsistency in yields, variability in product characteristics and difficulties in scaling the production process. Even minor deviations from normal manufacturing processes could result in reduced production yields, product defects and other supply disruptions. If microbial, viral or other contaminations are discovered at the facilities of our manufacturers, such facilities may need to be closed for an extended period of time to investigate and remedy the contamination, which could delay clinical trials and adversely harm our business. Moreover, if the FDA determines that our manufacturers are not in compliance with FDA laws and regulations, including those governing cGMPs, the FDA may deny NDA approval until the deficiencies are corrected or we replace the manufacturer in our NDA with a manufacturer that is in compliance.

In addition, there are risks associated with large scale manufacturing for clinical trials or commercial scale including, among others, cost overruns, potential problems with process scale-up, process reproducibility, stability issues, compliance with good manufacturing practices, lot consistency and timely availability of raw materials. Even if we or our collaborators obtain regulatory approval for any of our product candidates, there is no assurance that manufacturers will be able to manufacture the approved product to specifications acceptable to the FDA or other regulatory authorities, to produce it in sufficient quantities to meet the requirements for the potential launch of the product or to meet potential future demand. If our manufacturers are unable to produce sufficient quantities for clinical trials or for commercialization, commercialization efforts would be impaired, which would have an adverse effect on our business, financial condition, results of operations and prospects.

Our reliance on a limited number of manufacturers, the complexity of drug manufacturing and the difficulty of scaling up a manufacturing process could cause the delay of clinical trials, regulatory submissions, required approvals or commercialization of our product candidates, cause us to incur higher costs and prevent us from commercializing our product candidates successfully. Furthermore, if our suppliers fail to deliver the required commercial quantities of materials on a timely basis and at commercially reasonable prices, and we are unable to secure one or more replacement suppliers capable of production in a timely manner at a substantially equivalent cost, our clinical trials may be delayed or we could lose potential revenue.

If we are unable to establish sales and marketing capabilities or enter into agreements with third parties to market and sell STK-001 and our future product candidates, including the product candidate we select to treat ADOA, we may be unable to generate any revenues.

We currently do not have an organization for the sales, marketing and distribution of STK-001 and our future product candidates, including the product candidate we select to treat ADOA, and the cost of establishing and maintaining such an organization may exceed the cost-effectiveness of doing so. To market any products that may be approved, we must build our sales, marketing, managerial and other non-technical capabilities or make arrangements with third parties to perform these services. With respect to certain of our current programs as well as future programs, we may rely completely on an alliance partner for sales and marketing. In

addition, although we intend to establish a sales organization if we are able to obtain approval to market any product candidates, we may enter into strategic alliances with third parties to develop and commercialize STK-001 and other future product candidates, including in markets outside of the United States or for other large markets that are beyond our resources. This will reduce the revenue generated from the sales of these products.

Any future strategic alliance partners may not dedicate sufficient resources to the commercialization of our product candidates or may otherwise fail in their commercialization due to factors beyond our control. If we are unable to establish effective alliances to enable the sale of our product candidates to healthcare professionals and in geographical regions, including the United States, that will not be covered by our own marketing and sales force, or if our potential future strategic alliance partners do not successfully commercialize the product candidates, our ability to generate revenues from product sales will be adversely affected.

If we are unable to establish adequate sales, marketing and distribution capabilities, whether independently or with third parties, we may not be able to generate sufficient product revenue and may not become profitable. We will be competing with many companies that currently have extensive and well-funded marketing and sales operations. Without an internal team or the support of a third party to perform marketing and sales functions, we may be unable to compete successfully against these more established companies.

We may expend our limited resources to pursue a particular product candidate or indication and fail to capitalize on product candidates or indications that may be more profitable or for which there is a greater likelihood of success.

Because we have limited financial and managerial resources, we focus on research programs and product candidates that we identify for specific indications. As a result, we may forego or delay pursuit of opportunities with other product candidates or for other indications that later prove to have greater commercial potential. Our resource allocation decisions may cause us to fail to timely capitalize on viable commercial products or profitable market opportunities. Our spending on current and future research and development programs and product candidates for specific indications may not yield any commercially viable products. If we do not accurately evaluate the commercial potential or target market for a particular product candidate, we may relinquish valuable rights to that product candidate through collaboration, licensing or other royalty arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights to such product candidate.

We may not be successful in finding strategic collaborators for continuing development of certain of our future product candidates or successfully commercializing or competing in the market for certain indications.

In the future, we may decide to collaborate with non-profit organizations, universities, pharmaceutical and biotechnology companies for the development and potential commercialization of existing and new product candidates. We face significant competition in seeking appropriate collaborators. Whether we reach a definitive agreement for a collaboration will depend, among other things, upon our assessment of the collaborator's resources and expertise, the terms and conditions of the proposed collaboration and the proposed collaborator's evaluation of a number of factors. Those factors may include the design or results of clinical trials, the likelihood of approval by the FDA or similar regulatory authorities outside the United States, the potential market for the subject product candidate, the costs and complexities of manufacturing and delivering such product candidate to patients, the potential of competing drugs, the existence of uncertainty with respect to our ownership of technology, which can exist if there is a challenge to such ownership without regard to the merits of the challenge and industry and market conditions generally. The collaborator may also consider alternative product candidates or technologies for similar indications that may be available to collaborate on and whether such a collaboration could be more attractive than the one with us for our product candidate. The terms of any additional collaborations or other arrangements that we may establish may not be favorable to us. Collaborations are complex and time-consuming to negotiate and document. In addition, there have been a significant number of recent business combinations among large pharmaceutical companies that have resulted in a reduced number of potential future collaborators.

We may not be able to negotiate collaborations on a timely basis, on acceptable terms, or at all. If we are unable to do so, we may have to curtail the development of the product candidate for which we are seeking to collaborate, reduce or delay its development program or one or more of our other development programs, delay its potential commercialization or reduce the scope of any sales or marketing activities, or increase our expenditures and undertake development or commercialization activities at our own expense. If we elect to increase our expenditures to fund development or commercialization activities on our own, we may need to obtain additional capital, which may not be available to us on acceptable terms or at all. If we do not have sufficient funds, we may not be able to further develop our product candidates or bring them to market and generate product revenue.

The success of any potential collaboration arrangements will depend heavily on the efforts and activities of our collaborators. Collaborators generally have significant discretion in determining the efforts and resources that they will apply to these collaborations. Disagreements between parties to a collaboration arrangement regarding clinical development and commercialization matters can lead to delays in the development process or commercializing the applicable product candidate and, in some cases, termination of such collaboration arrangements. These disagreements can be difficult to resolve if neither of the parties has final decision-making authority. Collaborations with pharmaceutical or biotechnology companies and other third parties often are terminated or allowed to expire by the other party. Any such termination or expiration would adversely affect us financially and could harm our business reputation.

Risks related to our financial position

We have a history of operating losses, and we may not achieve or sustain profitability. We anticipate that we will continue to incur losses for the foreseeable future. If we fail to obtain additional funding to conduct our planned research and development effort, we could be forced to delay, reduce or eliminate our product development programs or commercial development efforts.

We are an early-stage biotechnology company with a limited operating history on which to base your investment decision. Biotechnology product development is a highly speculative undertaking and involves a substantial degree of risk. Our operations to date have been limited primarily to organizing and staffing our company, business planning, raising capital, acquiring and developing product and technology rights, manufacturing, and conducting research and development activities for our product candidates. We have never generated any revenue from product sales. We have not obtained regulatory approvals for any of our product candidates and have funded our operations to date through proceeds from sales of our preferred stock and common stock.

We have incurred net losses in each year since our inception. We incurred net losses of $22.0 million and $13.0 million, for the quarter ended June 30, 2021 and 2020, respectively. As of June 30, 2021 and 2020, we had accumulated deficits of $149.0 million and $110.3 million, respectively. Substantially all our operating losses have resulted from costs incurred in connection with our research and development programs and from general and administrative costs associated with our operations. We expect to continue to incur significant expenses and operating losses over the next several years and for the foreseeable future as we intend to continue to conduct research and development, clinical testing, regulatory compliance activities, manufacturing activities, and, if any of our product candidates is approved, sales and marketing activities that, together with anticipated general and administrative expenses, will likely result in us incurring significant losses for the foreseeable future. Our prior losses, combined with expected future losses, have had and will continue to have an adverse effect on our stockholders' equity and working capital.

We expect that we will need to raise additional funding before we can expect to become profitable from any potential future sales of STK-001 or our future product candidates, including the product candidate we select to treat ADOA. This additional financing may not be available on acceptable terms or at all. Failure to obtain this necessary capital when needed may force us to delay, limit or terminate our product development efforts or other operations.

We will require substantial future capital in order to complete planned and future preclinical and clinical development for STK-001 and any other future product candidates, including the product candidate we select to treat ADOA, and potentially commercialize these product candidates. Based upon our current operating plan, we believe that our cash, cash equivalents, marketable securities, and restricted cash of $251.4 million as of June 30, 2021, will enable us to fund our operating expenses and capital expenditure requirements into 2024. We expect our spending levels to increase in connection with our preclinical studies and clinical trials of our product candidates. In addition, if we obtain marketing approval for any of our product candidates, we expect to incur significant expenses related to commercial launch, product sales, medical affairs, marketing, manufacturing and distribution. Furthermore, we expect to incur additional costs associated with operating as a public company. Accordingly, we will need to obtain substantial additional funding in connection with our continuing operations. If we are unable to raise capital when needed or on attractive terms, we would be forced to delay, reduce or eliminate certain of our licensing activities, our research and development programs or other operations.

Additional capital might not be available when we need it, and our actual cash requirements might be greater than anticipated. If we require additional capital at a time when investment in our industry or in the marketplace in general is limited, we might not be able to raise funding on favorable terms if at all. If we are not able to obtain financing on terms favorable to us, we may need to cease or reduce development or commercialization activities, sell some or all of our assets or merge with another entity, which could result in a loss of all or part of your investment.

Our future capital requirements will depend on many factors, including:

- the costs associated with the scope, progress and results of discovery, preclinical development, laboratory testing and clinical trials for our product candidates;
- the costs associated with the development of our internal manufacturing facility and processes;
- the costs related to the extent to which we enter into partnerships or other arrangements with third parties to further develop our product candidates;
- the costs and fees associated with the discovery, acquisition or in-license of product candidates or technologies;
- our ability to establish collaborations on favorable terms, if at all;
- the costs of future commercialization activities, if any, including product sales, marketing, manufacturing and distribution, for any of our product candidates for which we receive marketing approval;

- revenue, if any, received from commercial sales of our product candidates, should any of our product candidates receive marketing approval; and
- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property-related claims.

Our product candidates, if approved, may not achieve commercial success. Our commercial revenues, if any, will be derived from sales of product candidates that we do not expect to be commercially available for many years, if at all. Accordingly, we will need to continue to rely on additional financing to achieve our business objectives, which may not be available to us on acceptable terms, or at all.

Our limited operating history may make it difficult for you to evaluate the success of our business to date and to assess our future viability.

We are a clinical stage biotechnology company formed in June 2014. Our operations to date have been limited to organizing and staffing our company, business planning, raising capital, acquiring our technology, identifying potential product candidates, undertaking research, preclinical and clinical development of our product candidates, manufacturing, and establishing licensing arrangements. We have not yet demonstrated the ability to complete clinical trials of our product candidates, obtain marketing approvals, manufacture a commercial scale product or conduct sales and marketing activities necessary for successful commercialization. Consequently, any predictions you make about our future success or viability may not be as accurate as they could be if we had a longer operating history.

In addition, as a new business, we may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown factors. We will need to transition from a company with a licensing and research focus to a company that is also capable of supporting clinical development and commercial activities. We may not be successful in such a transition.

Our ability to utilize our net operating loss carryforwards may be subject to limitations.

We have incurred substantial losses during our history and do not expect to become profitable in the near future and we may never achieve profitability. As of December 31, 2020, we had federal and state net operating loss carryforwards, or NOLs, of approximately $116.9 million and $118.8 million, respectively, and as of December 31, 2019, we had federal and state NOLs of approximately $54.5 million and $56.3 million, respectively. Our NOLs expire at various dates beginning in 2034, for those net operating loss carryforwards generated prior to 2018. Net operating losses generated in 2018 and beyond have no expiration. To the extent that we continue to generate taxable losses, unused losses will carry forward to offset future taxable income, if any, until such unused losses expire. Under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, or the Code, if a corporation undergoes an “ownership change,” generally defined as a greater than 50% change (by value) in its equity ownership over a three-year period, the corporation’s ability to use its pre-change NOLs and other pre-change tax attributes (such as research tax credits) to offset its post-change income may be limited. We may have experienced one or more ownership changes in prior years, and we may experience ownership changes in the future as a result of subsequent shifts in our stock ownership. As a result, if we earn net taxable income, our ability to use our pre-change NOLs to offset U.S. federal taxable income may be subject to limitations, which could potentially result in increased future tax liability to us. In addition, at the state level, there may be periods during which the use of NOLs is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed.

U.S. federal income tax reform and changes in other tax laws could adversely affect us.

In December 2017, U.S. federal tax legislation, commonly referred to as the Tax Cuts and Jobs Act, or the TCJA, was signed into law, significantly reforming the Code. The TCJA, among other things, includes changes to U.S. federal tax rates, imposes significant additional limitations on the deductibility of business interest, allows for the expensing of capital expenditures, puts into effect the migration from a “worldwide” system of taxation to a partial “territorial” system, and modifies or repeals many business deductions and credits.

We continue to examine the impact the TCJA may have on our business. The TCJA is a far-reaching and complex revision to the U.S. federal income tax laws with disparate and, in some cases, countervailing impacts on different categories of taxpayers and industries, and will require subsequent rulemaking and interpretation in a number of areas. The long-term impact of the TCJA on the overall economy, the industries in which we operate and our and our partners’ businesses cannot be reliably predicted at this early stage of the new law’s implementation. There can be no assurance that the TCJA will not negatively impact our operating results, financial condition, and future business operations. The estimated impact of the TCJA is based on our management’s current knowledge and assumptions, following consultation with our tax advisors. Because of our valuation allowance in the U.S., ongoing tax effects of the Act are not expected to materially change our effective tax rate in future periods.

In addition, the CARES Act temporarily repealed the 80% taxable income limitation for tax years beginning before January 1, 2021. Federal NOL carry forwards generated from 2018 or later and Federal NOL carryforwards to taxable years beginning after December 31, 2020 will be subject to the 80% limitation. Also, under the CARES Act, federal NOLs arising in 2018, 2019 and 2020 can be carried back 5 years. New legislation or regulation which could affect our tax burden could be enacted by any governmental authority. We cannot predict the timing or extent of such tax-related developments which could have a negative impact on our financial results. Additionally, we use our best judgment in attempting to quantify and reserve for these tax obligations. However, a challenge by a taxing authority, our ability to utilize tax benefits such as carryforwards or tax credits, or a deviation from other tax-related assumptions could have a material adverse effect on our business, results of operations, or financial condition.

Risks related to our intellectual property

Our success depends in part on our ability to obtain, maintain and protect our intellectual property. It is difficult and costly to protect our proprietary rights and technology, and we may not be able to ensure their protection.

Our commercial success will depend in large part on obtaining and maintaining patent, trademark, trade secret and other intellectual property protection of our proprietary technologies and product candidates, which include TANGO, STK-001 and the additional gene targets identified by TANGO, their respective components, formulations, combination therapies, methods used to manufacture them and methods of treatment, as well as successfully defending our patents and other intellectual property rights against third-party challenges. Our ability to stop unauthorized third parties from making, using, selling, offering to sell, importing or otherwise commercializing our product candidates is dependent upon the extent to which we have rights under valid and enforceable patents or trade secrets that cover these activities. If we are unable to secure and maintain patent protection for any product or technology we develop, or if the scope of the patent protection secured is not sufficiently broad, our competitors could develop and commercialize products and technology similar or identical to ours, and our ability to commercialize any product candidates we may develop may be adversely affected. The patenting process is expensive and time-consuming, and we may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. In addition, we may not pursue or obtain patent protection in all relevant markets. It is also possible that we will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection. Moreover, in some circumstances, we may not have the right to control the preparation, filing and prosecution of patent applications, or to maintain the patents, covering technology that we license from or license to third parties and are reliant on our licensors or licensees to do so. Our pending and future patent applications may not result in issued patents. Even if patent applications we license or own currently or in the future issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors or other third parties from competing with us, or otherwise provide us with any competitive advantage. Any patents that we hold or in-license may be challenged, narrowed, circumvented, or invalidated by third parties. Consequently, we do not know whether any of our platform advances and product candidates will be protectable or remain protected by valid and enforceable patents. In addition, our existing patents and any future patents we obtain may not be sufficiently broad to prevent others from using our technology or from developing competing products and technologies.

We depend on intellectual property licensed from third parties, and our licensors may not always act in our best interest. If we fail to comply with our obligations under our intellectual property licenses, if the licenses are terminated, or if disputes regarding these licenses arise, we could lose significant rights that are important to our business.

We are dependent on patents, know-how and proprietary technology licensed from others. Our licenses to such patents, know-how and proprietary technology may not provide exclusive rights in all relevant fields of use and in all territories in which we may wish to develop or commercialize our products in the future. The agreements under which we license patents, know-how and proprietary technology from others are complex, and certain provisions in such agreements may be susceptible to multiple interpretations.

For example, we are a party to license agreements with Cold Spring Harbor Laboratory and the University of Southampton, pursuant to which we in-license key patent and patent applications for our TANGO platform, STK-001 and future product candidates. For more information regarding these agreements, please see “Business—License agreements.” These agreements impose various diligence, milestone payment, royalty, insurance and other obligations on us. If we fail to comply with these obligations, our licensors may have the right to terminate our license, in which event we would not be able to develop or market our TANGO platform or STK-001 or any other technology or product candidates covered by the intellectual property licensed under these agreements. In addition, we may need to obtain additional licenses from our existing licensors and others to advance our research or allow commercialization of product candidates we may develop. It is possible that we may be unable to obtain any additional licenses at a reasonable cost or on reasonable terms, if at all. In either event, we may be required to expend significant time and resources to redesign our technology, product candidates, or the methods for manufacturing them or to develop or license replacement technology, all of which may not be feasible on a technical or commercial basis. If we are unable to do so, we may be unable to develop or commercialize the affected technology or product candidates.

If we or our licensors fail to adequately protect our licensed intellectual property, our ability to commercialize product candidates could suffer. We do not have complete control over the maintenance, prosecution and litigation of our in-licensed patents and patent applications and may have limited control over future intellectual property that may be in-licensed. For example, we cannot be certain that activities such as the maintenance and prosecution by our licensors have been or will be conducted in compliance with applicable laws and regulations or will result in valid and enforceable patents and other intellectual property rights. It is possible that our

licensors' infringement proceedings or defense activities may be less vigorous than had we conducted them ourselves or may not be conducted in accordance with our best interests.

Furthermore, inventions contained within some of our in-licensed patents and patent applications were made using U.S. government funding or other non-governmental funding. We rely on our licensors to ensure compliance with applicable obligations arising from such funding, such as timely reporting, an obligation associated with in-licensed patents and patent applications. The failure of our licensors to meet their obligations may lead to a loss of rights or the unenforceability of relevant patents. For example, the government could have certain rights in such in-licensed patents, including a non-exclusive license authorizing the government to use the invention or to have others use the invention on its behalf for non-commercial purposes. If the U.S. government then decides to exercise these rights, it is not required to engage us as its contractor in connection with doing so. These rights may also permit the government to exercise march-in rights to use or allow third parties to use the technology covered by such in-licensed patents. The government may also exercise its march-in rights if it determines that action is necessary because we or our licensors failed to achieve practical application of the government-funded technology, because action is necessary to alleviate health or safety needs, to meet requirements of federal regulations, or to give preference to U.S. industry. In addition, our rights in such in-licensed government-funded inventions may be subject to certain requirements to manufacture products embodying such inventions in the United States. Any of the foregoing could harm our business, financial condition, results of operations, and prospects significantly.

In addition, the resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant patents, know-how and proprietary technology, or increase what we believe to be our financial or other obligations under the relevant agreement. Disputes that may arise between us and our licensors regarding intellectual property subject to a license agreement could include disputes regarding:

- the scope of rights granted under the license agreement and other interpretation-related issues;
- whether and the extent to which our technology and processes infringe on intellectual property of the licensor that is not subject to the licensing agreement;
- our right to sublicense patent and other rights to third parties under collaborative development relationships;
- our diligence obligations with respect to the use of the licensed technology in relation to our development and commercialization of our product candidates and what activities satisfy those diligence obligations; and
- the ownership of inventions and know-how resulting from the joint creation or use of intellectual property by our licensors and us.

If disputes over intellectual property that we have licensed prevent or impair our ability to maintain our current licensing arrangements on acceptable terms, we may be unable to successfully develop and commercialize the affected technology or product candidates. As a result, any termination of or disputes over our intellectual property licenses could result in the loss of our ability to develop and commercialize our TANGO platform, or STK-001, or we could lose other significant rights, any of which could have a material adverse effect on our business, financial condition, results of operations, and prospects.

For example, our agreements with certain of our third-party research partners provide that improvements developed in the course of our relationship may be owned solely by either us or our third-party research partner, or jointly between us and the third party. If we determine that rights to such improvements owned solely by a research partner or other third party with whom we collaborate are necessary to commercialize our drug candidates or maintain our competitive advantage, we may need to obtain a license from such third party in order to use the improvements and continue developing, manufacturing or marketing our drug candidates. We may not be able to obtain such a license on an exclusive basis, on commercially reasonable terms, or at all, which could prevent us from commercializing our drug candidates or allow our competitors or others the chance to access technology that is important to our business. We also may need the cooperation of any co-owners of our intellectual property in order to enforce such intellectual property against third parties, and such cooperation may not be provided to us.

Our owned and in-licensed patents and patent applications may not provide sufficient protection of our TANGO platform and our STK-001 product candidate and our future product candidates or result in any competitive advantage.

We own an issued U.S. patent covering STK-001 and related compositions, an issued U.S. patent covering the mechanism of action of STK-001 and use of STK-001 for treating diseases, and our U.S. patent application covering the mechanism of action of STK-001 and use of STK-001 for treating diseases is currently pending. We have also in-licensed two issued U.S. patents and at least one issued foreign patent that cover the mechanism of action of STK-001, use of the mechanism for treating diseases, and related compositions. We have obtained at least two issued foreign patents covering STK-001 and related compositions and are currently pursuing patent protection for STK-001, related compositions, and its uses in several economically significant countries. With respect to our ADOA program (modulating OPA1 gene output), we have applied for and are currently pursuing patent protection for the mechanism of action and methods of treatment in several economically significant countries. We have also filed a PCT international application and

foreign patent applications that specifically disclose compositions related to our ADOA program and uses of those compositions. Furthermore, our in-licensed issued U.S. patents (mentioned above) cover the mechanism of action of modulating OPA1 gene output. We cannot be certain that any of these patent applications will issue as patents, and if they do, that such patents will cover or adequately protect STK-001 and other programs or that such patents will not be challenged, narrowed, circumvented, invalidated or held unenforceable.

In addition to claims directed toward the technology underlying our TANGO platform, our owned and in-licensed patents and patent applications contain claims directed to compositions of matter on the active pharmaceutical ingredients ("APIs") in our product candidates, as well as methods-of-use directed to the use of an API for a specified treatment. Composition-of-matter patents on the active pharmaceutical ingredient in prescription drug products provide protection without regard to any particular method of use of the API used. Method-of-use patents do not prevent a competitor or other third party from developing or marketing an identical product for an indication that is outside the scope of the patented method. Moreover, with respect to method-of-use patents, even if competitors or other third parties do not actively promote their product for our targeted indications or uses for which we may obtain patents, providers may recommend that patients use these products off-label, or patients may do so themselves. Although off-label use may infringe or contribute to the infringement of method-of-use patents, the practice is common and this type of infringement is difficult to prevent or prosecute.

The strength of patents in the biotechnology and pharmaceutical field involves complex legal and scientific questions and can be uncertain. The patent applications that we own or in-license may fail to result in issued patents with claims that cover our product candidates or uses thereof in the United States or in other foreign countries. For example, while our patent applications are pending, we may be subject to a third party preissuance submission of prior art to the United States Patent and Trademark Office (the "USPTO") or become involved in interference or derivation proceedings, or equivalent proceedings in foreign jurisdictions. Even if patents do successfully issue, third parties may challenge their inventorship, validity, enforceability or scope, including through opposition, revocation, reexamination, post-grant and *inter partes* review proceedings. An adverse determination in any such submission, proceeding or litigation may result in loss of patent rights, loss of exclusivity, or in patent claims being narrowed, invalidated, or held unenforceable, which could limit our ability to stop others from using or commercializing similar or identical technology and products, or limit the duration of the patent protection of our technology and product candidates. Furthermore, even if they are unchallenged, our patents and patent applications may not adequately protect our intellectual property or prevent others from designing around our claims. Moreover, some of our owned and in-licensed patents and patent applications may be co-owned with third parties. If we are unable to obtain an exclusive license to any such third-party co-owners' interest in such patents or patent applications, such co-owners may be able to license their rights to other third parties, including our competitors, and our competitors could market competing products and technology. In addition, we may need the cooperation of any such co-owners of our patents in order to enforce such patents against third parties, and such cooperation may not be provided to us. If the breadth or strength of protection provided by the patent applications we hold with respect to our product candidates is threatened, it could dissuade companies from collaborating with us to develop, and threaten our ability to commercialize, our product candidates. Further, if we encounter delays in development, testing, and regulatory review of new product candidates, the period of time during which we could market our product candidates under patent protection would be reduced.

Since patent applications in the United States and other countries are confidential for a period of time after filing, at any moment in time, we cannot be certain that we were in the past or will be in the future the first to file any patent application related to our product candidates. In addition, some patent applications in the United States may be maintained in secrecy until the patents are issued. As a result, there may be prior art of which we are not aware that may affect the validity or enforceability of a patent claim, and we may be subject to priority disputes. We may be required to disclaim part or all of the term of certain patents or all of the term of certain patent applications. There may be prior art of which we are not aware that may affect the validity or enforceability of a patent claim. There also may be prior art of which we are aware, but which we do not believe affects the validity or enforceability of a claim, which may, nonetheless, ultimately be found to affect the validity or enforceability of a claim. No assurance can be given that, if challenged, our patents would be declared by a court, patent office or other governmental authority to be valid or enforceable or that even if found valid and enforceable, a competitor's technology or product would be found by a court to infringe our patents. We may analyze patents or patent applications of our competitors that we believe are relevant to our activities and consider that we are free to operate in relation to our product candidates, but our competitors may achieve issued claims, including in patents we consider to be unrelated, that block our efforts or potentially result in our product candidates or our activities infringing such claims. It is possible that our competitors may have filed, and may in the future file, patent applications covering our products or technology similar to ours. Those patent applications may have priority over our owned and in-licensed patent applications or patents, which could require us to obtain rights to issued patents covering such technologies. The possibility also exists that others will develop products that have the same effect as our product candidates on an independent basis that do not infringe our patents or other intellectual property rights or will design around the claims of patents that we have had issued that cover our product candidates.

Likewise, our currently owned and in-licensed patents and patent applications, if issued as patents, directed to our proprietary technologies and our product candidates are expected to expire from 2035 through 2042, without taking into account any possible patent term adjustments or extensions. Our earliest in-licensed patents may expire before, or soon after, our first product achieves marketing approval in the United States or foreign jurisdictions. Additionally, we cannot be assured that the USPTO or relevant foreign patent offices will grant any of the pending patent applications we own or in-license currently or in the future. Upon the expiration of our current patents, we may lose the right to exclude others from practicing these inventions. The expiration of these patents could also have a similar material adverse effect on our business, financial condition, results of operations and prospects.

The degree of future protection for our proprietary rights is uncertain because legal means afford only limited protection and may not adequately protect our rights or permit us to gain or keep our competitive advantage. For example:

- others may be able to make or use compounds that are similar to the active compositions of our product candidates but that are not covered by the claims of our patents;
- the active pharmaceutical ingredients in our current product candidates will eventually become commercially available in generic drug products, and no patent protection may be available with regard to formulation or method of use;
- we or our licensors, as the case may be, may fail to meet our obligations to the U.S. government regarding any in-licensed patents and patent applications funded by U.S. government grants, leading to the loss or unenforceability of patent rights;
- we or our licensors, as the case may be, might not have been the first to file patent applications for certain inventions;
- others may independently develop similar or alternative technologies or duplicate any of our technologies;
- it is possible that our pending patent applications will not result in issued patents;
- it is possible that there are prior public disclosures that could invalidate our owned or in-licensed patents, as the case may be, or parts of our owned or in-licensed patents;
- it is possible that others may circumvent our owned or in-licensed patents;
- it is possible that there are unpublished applications or patent applications maintained in secrecy that may later issue with claims covering our product candidates or technology similar to ours;
- the laws of foreign countries may not protect our or our licensors', as the case may be, proprietary rights to the same extent as the laws of the United States;
- the claims of our owned or in-licensed issued patents or patent applications, if and when issued, may not cover our product candidates;
- our owned or in-licensed issued patents may not provide us with any competitive advantages, may be narrowed in scope, or be held invalid or unenforceable as a result of legal challenges by third parties;
- the inventors of our owned or in-licensed patents or patent applications may become involved with competitors, develop products or processes that design around our patents, or become hostile to us or the patents or patent applications on which they are named as inventors;
- it is possible that our owned or in-licensed patents or patent applications omit individual(s) that should be listed as inventor(s) or include individual(s) that should not be listed as inventor(s), which may cause these patents or patents issuing from these patent applications to be held invalid or unenforceable;
- we have engaged in scientific collaborations in the past and will continue to do so in the future and our collaborators may develop adjacent or competing products that are outside the scope of our patents;
- we may not develop additional proprietary technologies for which we can obtain patent protection;
- it is possible that product candidates or diagnostic tests we develop may be covered by third parties' patents or other exclusive rights; or
- the patents of others may have an adverse effect on our business.

Any of the foregoing could have a material adverse effect on our business, financial conditions, results of operations and prospects.

Our strategy of obtaining rights to key technologies through in-licenses may not be successful.

We seek to expand our product candidate pipeline in part by in-licensing the rights to key technologies, including those related to specific gene targets which may be upregulated by TANGO. The future growth of our business will depend in part on our ability to in-license or otherwise acquire the rights to additional product candidates and technologies. Although we have succeeded in licensing technologies from Cold Spring Harbor Laboratory and the University of Southampton in the past, we cannot assure you that we will be able to in-license or acquire the rights to any product candidates or technologies from third parties on acceptable terms or at all.

For example, our agreements with certain of our third-party research partners provide that improvements developed in the course of our relationship may be owned solely by either us or our third-party research partner, or jointly between us and the third party. If we determine that exclusive rights to such improvements owned solely by a research partner or other third party with whom we collaborate are necessary to commercialize our drug candidates or maintain our competitive advantage, we may need to obtain an exclusive license from such third party in order to use the improvements and continue developing, manufacturing or marketing our drug candidates. We may not be able to obtain such a license on an exclusive basis, on commercially reasonable terms, or at all, which could prevent us from commercializing our drug candidates or allow our competitors or others the opportunity to access technology that is important to our business. We also may need the cooperation of any co-owners of our intellectual property in order to enforce such intellectual property against third parties, and such cooperation may not be provided to us.

In addition, the in-licensing and acquisition of these technologies is a highly competitive area, and a number of more established companies are also pursuing strategies to license or acquire product candidates or technologies that we may consider attractive. These established companies may have a competitive advantage over us due to their size, cash resources and greater clinical development and commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to license rights to us. Furthermore, we may be unable to identify suitable product candidates or technologies within our area of focus. If we are unable to successfully obtain rights to suitable product candidates or technologies, our business and prospects could be materially and adversely affected.

If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed.

In addition to patent protection, we rely upon know-how and trade secret protection, as well as non-disclosure agreements and invention assignment agreements with our employees, consultants and third parties, to protect our confidential and proprietary information, especially where we do not believe patent protection is appropriate or obtainable.

It is our policy to require our employees, consultants, outside scientific collaborators, sponsored researchers and other advisors to execute confidentiality agreements upon the commencement of employment or consulting relationships with us. These agreements provide that all confidential information concerning our business or financial affairs developed or made known to the individual or entity during the course of the party's relationship with us is to be kept confidential and not disclosed to third parties, except in certain specified circumstances. In the case of employees, the agreements provide that all inventions conceived by the individual, and that are related to our current or planned business or research and development or made during normal working hours, on our premises or using our equipment or proprietary information, are our exclusive property. In the case of consultants and other third parties, the agreements provide that all inventions conceived in connection with the services provided are our exclusive property. However, we cannot guarantee that we have entered into such agreements with each party that may have or have had access to our trade secrets or proprietary technology and processes. We have also adopted policies and conduct training that provides guidance on our expectations, and our advice for best practices, in protecting our trade secrets. Despite these efforts, any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches.

In addition to contractual measures, we try to protect the confidential nature of our proprietary information through other appropriate precautions, such as physical and technological security measures. However, trade secrets and know-how can be difficult to protect. These measures may not, for example, in the case of misappropriation of a trade secret by an employee or third party with authorized access, provide adequate protection for our proprietary information. Our security measures may not prevent an employee or consultant from misappropriating our trade secrets and providing them to a competitor, and any recourse we might take against this type of misconduct may not provide an adequate remedy to protect our interests fully. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret can be difficult, expensive, and time-consuming, and the outcome is unpredictable. In addition, trade secrets may be independently developed by others in a manner that could prevent us from receiving legal recourse. If any of our confidential or proprietary information, such as our trade secrets, were to be disclosed or misappropriated, or if any of that information was independently developed by a competitor, our competitive position could be harmed.

In addition, courts outside the United States are sometimes less willing to protect trade secrets. If we choose to go to court to stop a third party from using any of our trade secrets, we may incur substantial costs. Even if we are successful, these types of lawsuits may consume our time and other resources. Although we take steps to protect our proprietary information and trade secrets, third parties may independently develop substantially equivalent proprietary information and techniques or otherwise gain access to our trade

secrets or disclose our technology. As a result, we may not be able to meaningfully protect our trade secrets. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

Third-party claims of intellectual property infringement may prevent, delay or otherwise interfere with our product discovery and development efforts.

Our commercial success depends in part on our ability to develop, manufacture, market and sell our product candidates and use our proprietary technologies without infringing, misappropriating or otherwise violating the intellectual property or proprietary rights of third parties. There is a substantial amount of litigation involving patents and other intellectual property rights in the biotechnology and pharmaceutical industries, as well as administrative proceedings for challenging patents, including interference, derivation, *inter partes* review, post grant review, and reexamination proceedings before the USPTO or oppositions and other comparable proceedings in foreign jurisdictions. We may be exposed to, or threatened with, future litigation by third parties having patent or other intellectual property rights alleging that our product candidates and/or proprietary technologies infringe, misappropriate or otherwise violate their intellectual property rights. Numerous U.S. and foreign issued patents and pending patent applications that are owned by third parties exist in the fields in which we are developing our product candidates. As the biotechnology and pharmaceutical industries expand and more patents are issued, the risk increases that our product candidates may give rise to claims of infringement of the patent rights of others. Moreover, it is not always clear to industry participants, including us, which patents cover various types of drugs, products or their methods of use or manufacture. Thus, because of the large number of patents issued and patent applications filed in our field, third parties may allege they have patent rights encompassing our product candidates, technologies or methods.

If a third-party claims that we infringe, misappropriate or otherwise violate its intellectual property rights, we may face a number of issues, including, but not limited to:

- infringement and other intellectual property claims that, regardless of merit, may be expensive and time-consuming to litigate and may divert our management's attention from our core business;
- substantial damages for infringement, which we may have to pay if a court decides that the product candidate or technology at issue infringes on or violates the third party's rights, and, if the court finds that the infringement was willful, we could be ordered to pay treble damages plus the patent owner's attorneys' fees;
- a court prohibiting us from developing, manufacturing, marketing or selling our product candidates, or from using our proprietary technologies, unless the third party licenses its product rights to us, which it is not required to do, on commercially reasonable terms or at all;
- if a license is available from a third party, we may have to pay substantial royalties, upfront fees and other amounts, and/or grant cross-licenses to intellectual property rights for our product candidates;
- the requirement that we redesign our product candidates or processes so they do not infringe, which may not be possible or may require substantial monetary expenditures and time; and
- there could be public announcements of the results of hearings, motions, or other interim proceedings or developments, and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock.

Some of our competitors may be able to sustain the costs of complex patent litigation more effectively than we can because they have substantially greater resources. In addition, any uncertainties resulting from the initiation and continuation of any litigation could have a material adverse effect on our ability to raise the funds necessary to continue our operations or could otherwise have a material adverse effect on our business, financial condition, results of operations and prospects.

Third parties may assert that we are employing their proprietary technology without authorization, including by enforcing its patents against us by filing a patent infringement lawsuit against us. In this regard, patents issued in the United States by law enjoy a presumption of validity that can be rebutted only with evidence that is "clear and convincing," a heightened standard of proof.

There may be third-party patents of which we are currently unaware with claims to materials, formulations, methods of manufacture or methods for treatment related to the use or manufacture of our product candidates. Because patent applications can take many years to issue, there may be currently pending patent applications that may later result in issued patents that our product candidates may infringe. In addition, third parties may obtain patents in the future and claim that use of our technologies infringes upon these patents.

If any third-party patents were held by a court of competent jurisdiction to cover the manufacturing process of our product candidates, or materials used in or formed during the manufacturing process, or any final product itself, the holders of those patents may be able to block our ability to commercialize our product candidate unless we obtain a license under the applicable patents, or until those patents were to expire or those patents are finally determined to be invalid or unenforceable. Similarly, if any third-party patent were held by a

court of competent jurisdiction to cover aspects of our formulations, processes for manufacture or methods of use, including combination therapy or patient selection methods, the holders of that patent may be able to block our ability to develop and commercialize the product candidate unless we obtain a license or until such patent expires or is finally determined to be invalid or unenforceable. In either case, a license may not be available on commercially reasonable terms, or at all, particularly if such patent is owned or controlled by one of our primary competitors. If we are unable to obtain a necessary license to a third-party patent on commercially reasonable terms, or at all, our ability to commercialize our product candidates may be impaired or delayed, which could significantly harm our business. Even if we obtain a license, it may be non-exclusive, thereby giving our competitors access to the same technologies licensed to us. In addition, if the breadth or strength of protection provided by our patents and patent applications is threatened, it could dissuade companies from collaborating with us to license, develop or commercialize current or future product candidates.

Parties making claims against us may seek and obtain injunctive or other equitable relief, which could effectively block our ability to further develop and commercialize our product candidates. Defense of these claims, regardless of their merit, would involve substantial litigation expense and would be a substantial diversion of employee time and resources from our business. In the event of a successful claim of infringement against us, we may have to pay substantial damages, including treble damages and attorneys' fees for willful infringement, obtain one or more licenses from third parties, pay royalties or redesign our infringing products, which may be impossible or require substantial time and monetary expenditure. We cannot predict whether any license of this nature would be available at all or whether it would be available on commercially reasonable terms. Furthermore, even in the absence of litigation, we may need to obtain licenses from third parties to advance our research or allow commercialization of our product candidates and we may fail to obtain any of these licenses at a reasonable cost or on reasonable terms, if at all. In that event, we would be unable to further develop and commercialize our product candidates, which could significantly harm our business.

We may be involved in lawsuits to protect or enforce our patents or the patents of our licensors, which could be expensive, time-consuming and unsuccessful and could result in a finding that such patents are unenforceable or invalid.

Competitors may infringe our patents or the patents of our licensors. To counter infringement or unauthorized use, we may be required to file infringement claims, which can be expensive and time-consuming. In addition, in an infringement proceeding, a court may decide that one or more of our patents is not valid or is unenforceable, or may refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the technology in question.

In patent litigation in the United States, defendant counterclaims alleging invalidity and/or unenforceability are commonplace, and there are numerous grounds upon which a third party can assert invalidity or unenforceability of a patent. Third parties may also raise similar claims before administrative bodies in the United States or abroad, even outside the context of litigation. These types of mechanisms include re-examination, post-grant review, *inter partes* review, interference proceedings, derivation proceedings, and equivalent proceedings in foreign jurisdictions (e.g., opposition proceedings). These types of proceedings could result in revocation or amendment to our patents such that they no longer cover our product candidates. The outcome for any particular patent following legal assertions of invalidity and unenforceability is unpredictable. With respect to the validity question, for example, we cannot be certain that there is no invalidating prior art, of which we, our patent counsel and the patent examiner were unaware during prosecution. If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, or if we are otherwise unable to adequately protect our rights, we would lose at least part, and perhaps all, of the patent protection on our product candidates. Defense of these types of claims, regardless of their merit, would involve substantial litigation expense and would be a substantial diversion of employee resources from our business.

Conversely, we may choose to challenge the patentability of claims in a third party's U.S. patent by requesting that the USPTO review the patent claims in re-examination, post-grant review, *inter partes* review, interference proceedings, derivation proceedings, and equivalent proceedings in foreign jurisdictions (e.g., opposition proceedings), or we may choose to challenge a third party's patent in patent opposition proceedings in the European Patent Office (the "EPO"), or another foreign patent office. Even if successful, the costs of these opposition proceedings could be substantial, and may consume our time or other resources. If we fail to obtain a favorable result at the USPTO, the EPO or other patent office then we may be exposed to litigation by a third party alleging that the patent may be infringed by our product candidates or proprietary technologies.

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

We have limited foreign intellectual property rights and may not be able to protect our intellectual property rights throughout the world.

We have limited intellectual property rights outside the United States. Filing, prosecuting and defending patents on product candidates in all countries throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States can be less extensive than those in the United States. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as federal and state laws in the United States. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the United States, or from selling or importing products made using our inventions in and into the United States or other jurisdictions. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and, further, may export otherwise infringing products to territories where we have patent protection but where enforcement is not as strong as that in the United States. These products may compete with our product candidates in jurisdictions where we do not have any issued patents and our patent claims or other intellectual property rights may not be effective or sufficient to prevent them from competing.

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents, trade secrets and other intellectual property protection, particularly those relating to biopharmaceutical products, which could make it difficult for us to stop the infringement of our patents or marketing of competing products against third parties in violation of our proprietary rights generally. The initiation of proceedings by third parties to challenge the scope or validity of our patent rights in foreign jurisdictions could result in substantial cost and divert our efforts and attention from other aspects of our business. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license.

Our use of open source software could impose limitations on our ability to commercialize our product candidates.

Our use of open source software could impose limitations on our ability to commercialize our product candidates. Our technology utilizes open source software that contains modules licensed for use from third-party authors under open source licenses. In particular, some of the software that powers TANGO may be provided under license arrangements that allow use of the software for research or other non-commercial purposes. As a result, in the future, as we seek to use our platform in connection with commercially available products, we may be required to license that software under different license terms, which may not be possible on commercially reasonable terms, if at all. If we are unable to license software components on terms that permit its use for commercial purposes, we may be required to replace those software components, which could result in delays, additional cost and additional regulatory approvals.

Use and distribution of open source software may entail greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or other contractual protections regarding infringement claims or the quality of the software code. Some open source licenses contain requirements that we make available source code for modifications or derivative works we create based upon the type of open source software we use. If we combine our proprietary software with open source software in a certain manner, we could, under certain of the open source licenses, be required to release the source code of our proprietary software to the public. This could allow our competitors to create similar products with lower development effort and time, and ultimately could result in a loss of product sales for us. Although we monitor our use of open source software, the terms of many open source licenses have not been interpreted by U.S. courts, and there is a risk that those licenses could be construed in a manner that could impose unanticipated conditions or restrictions on our ability to commercialize our product candidates. We could be required to seek licenses from third parties in order to continue offering our product candidates, to re-engineer our product candidates or to discontinue the sale of our product candidates in the event re-engineering cannot be accomplished on a timely basis, any of which could materially and adversely affect our business, financial condition, results of operations and prospects.

Third parties may assert that our employees or consultants have wrongfully used or disclosed confidential information or misappropriated trade secrets.

As is common in the biotechnology and pharmaceutical industries, we employ individuals who were previously employed at universities or other biopharmaceutical or pharmaceutical companies, including our competitors or potential competitors. Although no misappropriation or improper disclosure claims against us are currently pending, and although we try to ensure that our employees and consultants do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or our employees, consultants or independent contractors have inadvertently or otherwise used or disclosed intellectual property, including trade secrets or other proprietary information, of a former employer or other third parties. We may then have to pursue litigation to defend against these claims. If we fail in defending any claims of this nature in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in defending against these types of claims,

litigation or other legal proceedings relating to intellectual property claims may cause us to incur significant expenses and could distract our technical and management personnel from their normal responsibilities. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments, and, if securities analysts or investors perceive these results to be negative, that perception could have a substantial adverse effect on the price of our common stock. This type of litigation or proceeding could substantially increase our operating losses and reduce our resources available for development activities, and we may not have sufficient financial or other resources to adequately conduct this type of litigation or proceedings. For example, some of our competitors may be able to sustain the costs of this type of litigation or proceedings more effectively than we can because of their substantially greater financial resources. In any case, uncertainties resulting from the initiation and continuation of intellectual property litigation or other intellectual property related proceedings could adversely affect our ability to compete in the marketplace.

We may not be successful in obtaining or maintaining necessary rights to product components and processes for our development pipeline through acquisitions and in-licenses.

The growth of our business may depend in part on our ability to acquire, in-license or use third-party proprietary rights. For example, our product candidates may require specific formulations to work effectively and efficiently, we may develop product candidates containing our compounds and pre-existing pharmaceutical compounds, or we may be required by the FDA or comparable foreign regulatory authorities to provide a companion diagnostic test or tests with our product candidates, any of which could require us to obtain rights to use intellectual property held by third parties. In addition, with respect to any patents we may co-own with third parties, we may require licenses to such co-owners interest to such patents. We may be unable to acquire or in-license any compositions, methods of use, processes or other third-party intellectual property rights from third parties that we identify as necessary or important to our business operations. In addition, we may fail to obtain any of these licenses at a reasonable cost or on reasonable terms, if at all. Were that to happen, we may need to cease use of the compositions or methods covered by those third-party intellectual property rights, and may need to seek to develop alternative approaches that do not infringe on those intellectual property rights, which may entail additional costs and development delays, even if we were able to develop such alternatives, which may not be feasible. Even if we are able to obtain a license, it may be non-exclusive, which means that our competitors may also receive access to the same technologies licensed to us. In that event, we may be required to expend significant time and resources to develop or license replacement technology.

Additionally, we sometimes collaborate with academic institutions to accelerate our preclinical research or development under written agreements with these institutions. In certain cases, these institutions provide us with an option to negotiate a license to any of the institution's rights in technology resulting from the collaboration. Even if we hold such an option, we may be unable to negotiate a license from the institution within the specified timeframe or under terms that are acceptable to us. If we are unable to do so, the institution may offer the intellectual property rights to others, potentially blocking our ability to pursue our program.

The licensing and acquisition of third-party intellectual property rights is a competitive area, and companies that may be more established or have greater resources than we do may also be pursuing strategies to license or acquire third-party intellectual property rights that we may consider necessary or attractive in order to commercialize our product candidates. More established companies may have a competitive advantage over us due to their size, cash resources and greater clinical development and commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. There can be no assurance that we will be able to successfully complete these types of negotiations and ultimately acquire the rights to the intellectual property surrounding the additional product candidates that we may seek to develop or market. If we are unable to successfully obtain rights to required third-party intellectual property or to maintain the existing intellectual property rights we have, we may have to abandon development of certain programs and our business financial condition, results of operations and prospects could suffer.

Obtaining and maintaining our patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.

Periodic maintenance fees on any issued patent are due to be paid to the USPTO and foreign patent agencies in several stages over the lifetime of the patent. The USPTO and various foreign patent agencies also require compliance with a number of procedural, documentary, fee payment and other provisions during the patent application process and following the issuance of a patent. While an inadvertent lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Noncompliance events that could result in abandonment or lapse of a patent or patent application include, but are not limited to, failure to respond to official actions within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. Were a noncompliance event to occur, our competitors might be able to enter the market, which would have a material adverse effect on our business financial condition, results of operations and prospects.

Changes in patent law in the United States and in non-U.S. jurisdictions could diminish the value of patents in general, thereby impairing our ability to protect our product candidates.

As is the case with other biopharmaceutical companies, our success is heavily dependent on intellectual property, particularly patents. Obtaining and enforcing patents in the biopharmaceutical industry involve both technological and legal complexity, and is therefore costly, time-consuming and inherently uncertain.

Past or future patent reform legislation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents. For example, in March 2013, under the Leahy-Smith America Invents Act (the "America Invents Act") the United States moved from a "first to invent" to a "first-to-file" patent system. Under a "first-to-file" system, assuming the other requirements for patentability are met, the first inventor to file a patent application generally will be entitled to a patent on the invention regardless of whether another inventor had made the invention earlier. The America Invents Act includes a number of other significant changes to U.S. patent law, including provisions that affect the way patent applications are prosecuted, redefine prior art and establish a new post-grant review system. The effects of these changes are currently unclear as the USPTO continues to promulgate new regulations and procedures in connection with the America Invents Act and many of the substantive changes to patent law, including the "first-to-file" provisions, only became effective in March 2013. In addition, the courts have yet to address many of these provisions and the applicability of the act and new regulations on the specific patents discussed in this filing have not been determined and would need to be reviewed. However, the America Invents Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents.

Additionally, recent U.S. Supreme Court rulings have narrowed the scope of patent protection available in certain circumstances and weakened the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents, once obtained. Depending on decisions by the U.S. Congress, the federal courts and the USPTO, the laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future. For example, in the case, *Assoc. for Molecular Pathology v. Myriad Genetics, Inc.*, the U.S. Supreme Court held that certain claims to DNA molecules are not patentable. While we do not believe that any of our owned or in-licensed patents will be found invalid based on this decision, we cannot predict how future decisions by the courts, the U.S. Congress or the USPTO may impact the value of our patents. Any similar adverse changes in the patent laws of other jurisdictions could also have a material adverse effect on our business, financial condition, results of operations and prospects.

Patent terms may be inadequate to protect our competitive position on our product candidates for an adequate amount of time.

Patents have a limited lifespan. In the United States, if all maintenance fees are timely paid, the natural expiration of a patent is generally 20 years from its earliest U.S. non-provisional filing date. Various extensions may be available, but the life of a patent, and the protection it affords, is limited. Even if patents covering our product candidates are obtained, once the patent life has expired, we may be open to competition from competitive products, including generics. Given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting our product candidates might expire before or shortly after we or our partners commercialize those candidates. As a result, our owned and licensed patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours.

If we do not obtain patent term extension for any product candidates we may develop, our business may be materially harmed.

Depending upon the timing, duration and specifics of any FDA marketing approval of any product candidates we may develop, one or more of our U.S. patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Act of 1984 (the "Hatch-Waxman Amendments"). The Hatch-Waxman Amendments permit a patent extension term of up to five years as compensation for patent term lost during the FDA regulatory review process. A patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval, only one patent per product may be extended and only those claims covering the approved drug, a method for using it, or a method for manufacturing it may be extended. However, even if we were to seek a patent term extension, it may not be granted because of, for example, the failure to exercise due diligence during the testing phase or regulatory review process, the failure to apply within applicable deadlines, the failure to apply prior to expiration of relevant patents, or any other failure to satisfy applicable requirements. Moreover, the applicable time period or the scope of patent protection afforded could be less than we request. If we are unable to obtain patent term extension or term of any such extension is less than we request, our competitors may obtain approval of competing products following our patent expiration, and our business, financial condition, results of operations, and prospects could be materially harmed.

We are subject to a variety of privacy and data security laws, and our failure to comply with them could harm our business.

We maintain a large quantity of sensitive information, including confidential business and patient health information in connection with our preclinical studies, and are subject to laws and regulations governing the privacy and security of such information. In the United States, there are numerous federal and state privacy and data security laws and regulations governing the collection, use, disclosure and protection of personal information, including federal and state health information privacy laws, federal and state security breach notification laws, and federal and state consumer protection laws. Each of these laws is subject to varying interpretations and constantly evolving. In May 2018, a new privacy regime, the General Data Protection Regulation, the GDPR, took effect in the European Economic Area (the "EEA"). The GDPR governs the collection, use, disclosure, transfer or other processing of personal data of European persons. Among other things, the GDPR imposes new requirements regarding the security of personal data and notification of data processing obligations to the competent national data processing authorities, changes the lawful bases on which personal data can be processed, expands the definition of personal data and requires changes to informed consent practices, as well as more detailed notices for clinical trial subjects and investigators. In addition, the GDPR increases the scrutiny of transfers of personal data from clinical trial sites located in the EEA to the United States and other jurisdictions that the European Commission does not recognize as having "adequate" data protection laws and imposes substantial fines for breaches and violations (up to the greater of €20 million or 4% of our consolidated annual worldwide gross revenue). The GDPR also confers a private right of action on data subjects and consumer associations to lodge complaints with supervisory authorities, seek judicial remedies and obtain compensation for damages resulting from violations of the GDPR. Compliance with these and any other applicable privacy and data security laws and regulations is a rigorous and time-intensive process, and we may be required to put in place additional mechanisms ensuring compliance with the new data protection rules. If we fail to comply with any such laws or regulations, we may face significant fines and penalties that could adversely affect our business, financial condition and results of operations.

Risks related to employee matters, managing growth and other risks related to our business

We expect to expand our development and regulatory capabilities, and as a result, we may encounter difficulties in managing our growth, which could disrupt our operations.

We expect to experience significant growth in the number of our employees and the scope of our operations, particularly in the areas of product candidate development and growing our capability to conduct clinical trials. To manage our anticipated future growth, we must continue to implement and improve our managerial, operational and financial systems, expand our facilities and continue to recruit and train additional qualified personnel. Due to our limited financial resources and the limited experience of our management team in managing a company with such anticipated growth, we may not be able to effectively manage the expansion of our operations or recruit and train additional qualified personnel. The expansion of our operations may lead to significant costs and may divert our management and business development resources. Any inability to manage growth could delay the execution of our business plans or disrupt our operations.

We must attract and retain highly skilled employees to succeed.

To succeed, we must recruit, retain, manage and motivate qualified clinical, scientific, technical and management personnel, and we face significant competition for experienced personnel. If we do not succeed in attracting and retaining qualified personnel, particularly at the management level, it could adversely affect our ability to execute our business plan, harm our results of operations and increase our capabilities to successfully commercialize STK-001 and our future product candidates. In particular, we believe that our future success is highly dependent upon the contributions of our senior management, particularly our Chief Executive Officer, our Chief Financial Officer, our Chief Operating Officer and Chief Business Officer, our Chief Medical Officer, our Chief Scientific Officer, and our Co-Founder and Group VP, Discovery Research, as well as our senior scientists and other members of our senior management team. The loss of services of any of these individuals, who all have at-will employment arrangements with us, could delay or prevent the successful development of our product pipeline, completion of our planned clinical trials or the commercialization of our product candidates, if approved. The competition for qualified personnel in the biotechnology field is intense and as a result, we may be unable to continue to attract and retain qualified personnel necessary for the development of our business or to recruit suitable replacement personnel.

Many of the other biotechnology companies that we compete against for qualified personnel have greater financial and other resources, different risk profiles and a longer history in the industry than we do. They also may provide more diverse opportunities and better chances for career advancement. Some of these characteristics may be more appealing to high-quality candidates than what we have to offer. If we are unable to continue to attract and retain high-quality personnel, the rate and success at which we can discover and develop product candidates and our business will be limited.

If members of our management and other key personnel in critical functions across our organization are unable to perform their duties or have limited availability due to the COVID-19 pandemic, we may not be able to execute on our business strategy and/or our operations may be negatively impacted. Our success is dependent upon our ability to attract and retain qualified management and key personnel in a highly competitive environment. Qualified individuals are in high demand, and we may incur significant costs to attract them, particularly at the executive level. We may face difficulty in attracting and retaining key talent for a number of reasons,

including management changes, the underperformance or discontinuation of our clinical stage program, recruitment by competitors or delays in the recruiting and hiring process as a result of the COVID-19 pandemic. We cannot ensure that we will be able to hire or retain the personnel necessary for our operations or that the loss of any such personnel will not have a material impact on our financial condition and results of operations.

Future acquisitions or strategic alliances could disrupt our business and harm our financial condition and results of operations.

We may acquire additional businesses or drugs, form strategic alliances or create joint ventures with third parties that we believe will complement or augment our existing business. If we acquire businesses with promising markets or technologies, we may not be able to realize the benefit of acquiring such businesses if we are unable to successfully integrate them with our existing operations and company culture. We may encounter numerous difficulties in developing, manufacturing and marketing any new drugs resulting from a strategic alliance or acquisition that delay or prevent us from realizing their expected benefits or enhancing our business. We cannot assure you that, following any such acquisition, we will achieve the expected synergies to justify the transaction. The risks we face in connection with acquisitions, include:

- diversion of management time and focus from operating our business to addressing acquisition integration challenges;
- coordination of research and development efforts;
- retention of key employees from the acquired company;
- changes in relationships with strategic partners as a result of product acquisitions or strategic positioning resulting from the acquisition;
- cultural challenges associated with integrating employees from the acquired company into our organization;
- the need to implement or improve controls, procedures, and policies at a business that prior to the acquisition may have lacked sufficiently effective controls, procedures and policies;
- liability for activities of the acquired company before the acquisition, including intellectual property infringement claims, violation of laws, commercial disputes, tax liabilities, and other known liabilities;
- unanticipated write-offs or charges; and
- litigation or other claims in connection with the acquired company, including claims from terminated employees, customers, former stockholders or other third parties.

Our failure to address these risks or other problems encountered in connection with our past or future acquisitions or strategic alliances could cause us to fail to realize the anticipated benefits of these transactions, cause us to incur unanticipated liabilities and harm the business generally. There is also a risk that future acquisitions will result in the incurrence of debt, contingent liabilities, amortization expenses or incremental operating expenses, any of which could harm our financial condition or results of operations.

If we fail to comply with environmental, health, and safety laws and regulations, we could become subject to fines or penalties or incur costs that could harm our business.

We will become subject to numerous environmental, health, and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment, and disposal of hazardous materials and wastes. Our operations will involve the use of hazardous and flammable materials, including chemicals and biological materials. Our operations also may produce hazardous waste products. We generally anticipate contracting with third parties for the disposal of these materials and wastes. We will not be able to eliminate the risk of contamination or injury from these materials. In the event of contamination or injury resulting from any use by us of hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. We also could incur significant costs associated with civil or criminal fines and penalties for failure to comply with such laws and regulations.

Although we maintain workers' compensation insurance to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of hazardous materials, this insurance may not provide adequate coverage against potential liabilities.

In addition, we may incur substantial costs in order to comply with current or future environmental, health, and safety laws and regulations. These current or future laws and regulations may impair our research, development, or production efforts. Our failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions.

Unfavorable global economic conditions could adversely affect our business, financial condition, stock price and results of operations.

Our results of operations could be adversely affected by general conditions in the global economy and in the global financial markets. For example, the global financial crisis caused extreme volatility and disruptions in the capital and credit markets. A severe or prolonged economic downturn, such as the 2008 global financial crisis, could result in a variety of risks to our business, including, weakened demand for our product candidates and our ability to raise additional capital when needed on acceptable terms, if at all. As another example, our financial results may be negatively impacted by the recent COVID-19 outbreak. The extent and duration of such impacts remain largely uncertain and dependent on future developments that cannot be accurately predicted at this time, such as the severity and transmission rate of COVID-19, the extent and effectiveness of containment actions taken and the impact of these and other factors on our operations and the global economy in general. A weak or declining economy could also strain our suppliers, possibly resulting in supply disruption, or cause our customers to delay making payments for our services. If the current equity and credit markets deteriorate, it may make any necessary debt or equity financing more difficult, more costly, and more dilutive. Failure to secure any necessary financing in a timely manner and on favorable terms could have a material adverse effect on our growth strategy, financial performance and stock price and could require us to delay or abandon clinical development plans. In addition, there is a risk that one or more of our current service providers, manufacturers and other partners may not survive such difficult economic times, which could directly affect our ability to attain our operating goals on schedule and on budget. Any of the foregoing could harm our business and we cannot anticipate all of the ways in which the current economic climate and financial market conditions could adversely impact our business. Furthermore, our stock price may decline due in part to the volatility of the stock market and any general economic downturn.

We, or our third party service providers, face risks related to health epidemics and other outbreaks, which could significantly disrupt our operations.

Our business could be adversely impacted by the effects of COVID-19 or other epidemics. A public health epidemic, including COVID-19, poses the risk that we or our employees, contractors, suppliers, and other partners may be prevented from conducting business activities for an indefinite period of time, including due to shutdowns that may be requested or mandated by governmental authorities. We currently rely, and may continue to rely, on third-party service providers that are located in locals significantly impacted by COVID-19 and/or who source raw materials, samples, components, or other materials and reports from countries significantly impacted by COVID-19. Consequently, supply of research materials and early research activities are susceptible to factors adversely affecting one or more of our third-party service providers who are located in and/or who source from locations significantly impacted by COVID-19. We may also experience impacts to certain of our suppliers as a result of COVID-19 or other health epidemic or outbreak occurring in one or more of these locations, which may materially and adversely affect our business, financial condition and results of operations. In addition, hospitals or other clinical trial sites could also become overwhelmed by COVID-19 and shift resources or attention away from our clinical trials or limit key clinical trial activities, such as clinical trial site monitoring and in-person follow-ups, which may cause delays in our trials or negatively affect enrollment. COVID-19 and mitigation measures may also have an adverse impact on global economic conditions which could have an adverse effect on our business and financial condition. The extent to which COVID-19 impacts our results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of the virus and the actions to contain its impact.

We or the third parties upon whom we depend may be adversely affected by natural disasters and our business continuity and disaster recovery plans may not adequately protect us from a serious disaster.

Natural disasters could severely disrupt our operations and have a material adverse effect on our business, results of operations, financial condition and prospects. If a natural disaster, fire, hurricane, power outage or other event occurred that prevented us from using all or a significant portion of our headquarters, that damaged critical infrastructure, such as our suppliers' manufacturing facilities, or that otherwise disrupted operations, it may be difficult or, in certain cases, impossible for us to continue our business for a substantial period of time.

The disaster recovery and business continuity plans we have in place may prove inadequate in the event of a serious disaster or similar event. We may incur substantial expenses as a result of the limited nature of our disaster recovery and business continuity plans, which could have a material adverse effect on our business.

Our internal computer and information systems, or those used by our CROs, CMOs or other contractors or consultants, may fail or suffer security breaches, which could result in a material disruption of our development programs.

Despite the implementation of appropriate security measures, our internal computer and information systems and those of our current and any future CROs, CMOs and other contractors or consultants may become vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failures. While we have not experienced any such material system failure, or accident, and are unaware of any security breach to date, if such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our development programs and our business operations, whether due to a loss of our trade secrets or other proprietary information or other similar disruptions. For example, the loss of data from completed or future preclinical studies or clinical trials could result in significant delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. To the extent that any disruption or security breach were to result in a loss of, or damage to, our data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability, our competitive position could be harmed and the further development and commercialization of our product candidates could be significantly delayed.

A breakdown or breach of our technology systems could subject us to liability or interrupt the operation of our business.

We are increasingly dependent upon technology systems and data to operate our business. In particular, the COVID-19 pandemic has caused us to modify our business practices, including our office-based employees having been primarily working from home since early March 2020. As a result, we are increasingly dependent upon our technology systems to operate our business and our ability to effectively manage our business depends on the security, reliability and adequacy of our technology systems and data, which includes use of cloud technologies, including Software as a Service (SaaS), Platform as a Service (PaaS) and Infrastructure as a Service (IaaS). A breakdown, invasion, corruption, destruction or breach of our technology systems, including the cloud technologies that we utilize, and/or unauthorized access to our data and information could subject us to liability or negatively impact the operation of our business. Our technology systems, including the cloud technologies that we utilize, continue to increase in multitude and complexity, making them potentially vulnerable to breakdown, malicious intrusion and random attack. Likewise, data privacy or security breaches by individuals authorized to access our technology systems, including the cloud technologies that we utilize, may pose a risk that sensitive data, including intellectual property, trade secrets or personal information belonging to us, our patients or other business partners, may be exposed to unauthorized persons or to the public.

Cyberattacks are increasing in their frequency, sophistication and intensity, and have become increasingly difficult to detect. They are often carried out by motivated, well-resourced, skilled and persistent actors, including nation states, organized crime groups, “hacktivists” and employees or contractors acting with malicious intent. Cyber-attacks could include the deployment of harmful malware and key loggers, ransomware, a denial-of-service attack, a malicious website, the use of social engineering and other means to affect the confidentiality, integrity and availability of our technology systems and data. Cyber-attacks could also include supply chain attacks, which could cause a delay in the manufacturing of our products or products produced for contract manufacturing. Our key business partners face similar risks and any security breach of their systems could adversely affect our security posture. Cyberattacks could include wrongful conduct by hostile foreign governments, industrial espionage, wire fraud and other forms of cyber fraud, the deployment of harmful malware, denial-of-service, social engineering fraud or other means to threaten data confidentiality, integrity and availability. A successful cyberattack could cause serious negative consequences for us, including, without limitation, the disruption of operations, the misappropriation of confidential business information, including financial information, trade secrets, financial loss and the disclosure of corporate strategic plans. To date, we have not experienced a material compromise of our data or information systems. However, although we devote resources to protect our information systems, we realize that cyberattacks are a threat, and there can be no assurance that our efforts will prevent information security breaches that would result in business, legal, financial or reputational harm to us, or would have a material adverse effect on our results of operations and financial condition.

In addition, the computer systems of various third parties on which we rely, including our CROs, CMOs and other contractors, consultants and law and accounting firms, may sustain damage from computer viruses, unauthorized access, data breaches, phishing attacks, cybercriminals, natural disasters (including hurricanes and earthquakes), terrorism, war and telecommunication and electrical failures. We rely on our third-party providers to implement effective security measures and identify and correct for any such failures, deficiencies or breaches.

Moreover, our increased use of cloud technologies and remote working arrangements could heighten these and other operational risks, and any failure by cloud technology service providers to adequately safeguard their systems and prevent cyber-attacks could disrupt our operations and result in misappropriation, corruption or loss of confidential or propriety information. Despite the implementation of appropriate security measures, our internal computer and information systems and those of our current and any future CROs, CMOs and other contractors or consultants may become vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failures. While we have not experienced any such material system failure, or accident, and are unaware of any security breach to date, if such an event were to occur and cause interruptions in our operations, it

could result in a material disruption of our development programs and our business operations, whether due to a loss of our trade secrets or other proprietary information or other similar disruptions. For example, the loss of data from completed or future preclinical studies or clinical trials could result in significant delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. To the extent that any disruption or security breach were to result in a loss of, or damage to, our data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability, our competitive position could be harmed and the further development and commercialization of our product candidates could be significantly delayed. While we continue to build and improve our systems and infrastructure, including our business continuity plans, there can be no assurance that our efforts will prevent breakdowns or breaches in our systems that could adversely affect our business and operations and/or result in the loss of critical or sensitive information, which could result in financial, legal, business, operational or reputational harm to us, or loss of competitive advantage. In addition, our liability insurance may not be sufficient in type or amount to cover us against claims related to security breaches, cyber-attacks and other related breaches.

Our employees, principal investigators, CROs, CMOs and consultants may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements and insider trading.

We are exposed to the risk of fraud or other misconduct by our employees, principal investigators, consultants and commercial partners. Misconduct by these parties could include intentional failures to comply with the regulations of FDA and non-U.S. regulators, provide accurate information to the FDA and non-U.S. regulators, comply with healthcare fraud and abuse laws and regulations in the United States and abroad, report financial information or data accurately or disclose unauthorized activities to us. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Such misconduct could also involve the improper use of information obtained in the course of clinical studies, which could result in regulatory sanctions and cause serious harm to our reputation. We have adopted a code of conduct applicable to all of our employees, but it is not always possible to identify and deter employee misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of significant fines or other sanctions.

Our business entails a significant risk of product liability and our ability to obtain sufficient insurance coverage could have a material and adverse effect on our business, financial condition, results of operations and prospects.

We will face an inherent risk of product liability exposure related to the testing of STK-001 and our future product candidates in clinical trials and will face an even greater risk if we commercialize any of our product candidates. If we cannot successfully defend ourselves against claims that our product candidates caused injuries, we could incur substantial liabilities. Regardless of merit or eventual outcome, liability claims may result in:

- decreased demand for any product candidates that we may develop;
- injury to our reputation and significant negative media attention;
- withdrawal of clinical trial participants;
- significant time and costs to defend the related litigation;
- substantial monetary awards to trial participants or patients;
- loss of revenue; and
- the inability to commercialize any product candidates that we may develop.

While we currently have product liability insurance that we believe is appropriate for our stage of development, we may need to obtain higher levels prior to clinical development or marketing STK-001 or any of our future product candidates. Any insurance we have or may obtain may not provide sufficient coverage against potential liabilities. Furthermore, clinical trial and product liability insurance is becoming increasingly expensive. As a result, we may be unable to obtain sufficient insurance at a reasonable cost to protect us against losses caused by product liability claims that could have a material and adverse effect on our business, financial condition, results of operations and prospects.

Risks related to ownership of our common stock

The market price of our stock may be volatile, and you could lose all or part of your investment.

The trading price of our common stock may be highly volatile and subject to wide fluctuations in response to various factors, some of which we cannot control. The market price for our common stock may be influenced by many factors, including the other risks described in this section and elsewhere in this report and the following:

- results of preclinical studies and clinical trials of our product candidates, or those of our competitors or our existing or future collaborators;
- the impact of the COVID-19 pandemic on our employees, trials, collaboration partners, suppliers, our results of operations, liquidity and financial condition;
- regulatory or legal developments in the United States and other countries, especially changes in laws or regulations applicable to our product candidates;
- the success of competitive products or technologies;
- introductions and announcements of new products by us, our future commercialization partners, or our competitors, and the timing of these introductions or announcements;
- actions taken by regulatory agencies with respect to our product candidates, clinical studies, manufacturing process or sales and marketing terms;
- actual or anticipated variations in our financial results or those of companies that are perceived to be similar to us;
- the success of our efforts to acquire or in-license additional technologies, products or product candidates;
- developments concerning any future collaborations, including but not limited to those with our sources of manufacturing supply and our commercialization partners;
- market conditions in the pharmaceutical and biotechnology sectors;
- announcements by us or our competitors of significant acquisitions, strategic collaborations, joint ventures or capital commitments;
- developments or disputes concerning patents or other proprietary rights, including patents, litigation matters and our ability to obtain patent protection for our product candidates and products;
- our ability or inability to raise additional capital and the terms on which we raise it;
- the recruitment or departure of key personnel;
- changes in the structure of healthcare payment systems;
- actual or anticipated changes in earnings estimates or changes in stock market analyst recommendations regarding our common stock, other comparable companies or our industry generally;
- our failure or the failure of our competitors to meet analysts' projections or guidance that we or our competitors may give to the market;
- fluctuations in the valuation of companies perceived by investors to be comparable to us;
- announcement and expectation of additional financing efforts;
- speculation in the press or investment community;
- trading volume of our common stock;
- sales of our common stock by us or our stockholders;
- the concentrated ownership of our common stock;
- changes in accounting principles;
- terrorist acts, acts of war or periods of widespread civil unrest;
- natural disasters and other calamities; and
- general economic, industry and market conditions.

In addition, the stock market in general, and the markets for pharmaceutical, biopharmaceutical and biotechnology stocks in particular, have experienced extreme price and volume fluctuations that have been often unrelated or disproportionate to the operating performance of the issuer. These broad market and industry factors may seriously harm the market price of our common stock, regardless of our actual operating performance. The realization of any of the above risks or any of a broad range of other risks, including those described in this "Risk factors" section, could have a dramatic and adverse impact on the market price of our common stock.

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

As of June 21, 2021, entities affiliated with Skorpios Trust beneficially owned 39.3% of the voting power of all outstanding shares of our common stock. As a result, these entities will have considerable influence over the outcome of corporate actions requiring stockholder approval, including the election of directors, amendment of our organizational documents, any merger, consolidation or sale of all or substantially all of our assets and any other significant corporate transaction. The interests of such entities may not be the same as or may even conflict with your interests. For example, these entities could potentially delay or prevent a change of control of our company, even if such a change of control would benefit our other stockholders, which could deprive our stockholders of an opportunity to receive a premium for their common stock as part of a sale of our company or our assets and might affect the prevailing market price of our common stock.

In addition, Skorpios Trust received its shares from Apple Tree Partners, which previously controlled a majority of the voting power of our common stock. Seth L. Harrison, the chairman of our board of directors, serves as Managing Partner of Apple Tree Partners.

If securities or industry analysts do not publish research or reports about our business, or if they issue an adverse or misleading opinion regarding our stock, our stock price and trading volume could decline.

The trading market for our common stock will be influenced by the research and reports that industry or securities analysts publish about us or our business. We do not have any control over the analysts, or the content and opinions included in their reports. If any of the analysts who cover us issue an adverse or misleading opinion regarding us, our business model, our intellectual property or our stock performance, or if our preclinical studies and clinical trials and results of operations fail to meet the expectations of analysts, our stock price would likely decline. If one or more of such analysts cease coverage of us or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause a decline in our stock price or trading volume.

We are an "emerging growth company" and a "smaller reporting company" and we cannot be certain if the reduced reporting requirements applicable to emerging growth companies or smaller reporting companies will make our common stock less attractive to investors.

We are an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including (i) not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended (the "Sarbanes-Oxley Act"), (ii) reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and (iii) exemptions from the requirements of holding nonbinding advisory stockholder votes on executive compensation and stockholder approval of any golden parachute payments not approved previously.

We will remain an emerging growth company until the earlier of (i) the last day of the fiscal year (a) in which we have total annual gross revenue of at least $1.07 billion or (b) in which we are deemed to be a large accelerated filer, which requires the market value of our common stock that is held by non-affiliates to exceed $700 million as of the prior June 30th, (ii) the date on which we have issued more than $1.0 billion in non-convertible debt during the prior three-year period and (iii) December 31, 2024.

Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to take advantage of the benefits of this extended transition period. Our consolidated financial statements may therefore not be comparable to those of companies that comply with such new or revised accounting standards. Until the date that we are no longer an "emerging growth company" or affirmatively and irrevocably opt out of the exemption provided by Section 7(a)(2)(B) of the Securities Act, upon issuance of a new or revised accounting standard that applies to our consolidated financial statements and that has a different effective date for public and private companies, we will disclose the date on which adoption is required for non-emerging growth companies and the date on which we will adopt the recently issued accounting standard.

We are also a "smaller reporting company," meaning that the market value of our stock held by non-affiliates was less than $700 million and our annual revenue was less than $100 million during the most recently completed fiscal year. We may continue to be a smaller reporting company as long as either (i) the market value of our stock held by non-affiliates is less than $250 million or (ii) our annual revenue is less than $100 million during the most recently completed fiscal year and the market value of our stock held by non-affiliates is less than $700 million. If we are a smaller reporting company at the time we cease to be an emerging growth company, we

may continue to rely on exemptions from certain disclosure requirements that are available to smaller reporting companies. Specifically, as a smaller reporting company we may choose to present only the two most recent fiscal years of audited financial statements in our Annual Report on Form 10-K and, similar to emerging growth companies, smaller reporting companies have reduced disclosure obligations regarding executive compensation. We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our share price may be more volatile.

Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of us, which may be beneficial to our stockholders, more difficult and may prevent attempts by our stockholders to replace or remove our current management.

Our restated certificate of incorporation and our restated bylaws contain provisions that could delay or prevent a change in control of our company. These provisions could also make it difficult for stockholders to elect directors who are not nominated by current members of our board of directors or take other corporate actions, including effecting changes in our management. These provisions:

- establish a classified board of directors so that not all members of our board are elected at one time;
- permit only the board of directors to establish the number of directors and fill vacancies on the board;
- provide that directors may only be removed "for cause" and only with the approval of two-thirds of our stockholders;
- require super-majority voting to amend some provisions in our restated certificate of incorporation and restated bylaws;
- authorize the issuance of "blank check" preferred stock that our board could use to implement a stockholder rights plan;
- eliminate the ability of our stockholders to call special meetings of stockholders;
- prohibit stockholder action by written consent, which requires all stockholder actions to be taken at a meeting of our stockholders;
- prohibit cumulative voting; and
- establish advance notice requirements for nominations for election to our board or for proposing matters that can be acted upon by stockholders at annual stockholder meetings.

The exclusive forum provision in our restated certificate of incorporation may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, or other employees, which may discourage lawsuits with respect to such claims.

Our restated certificate of incorporation, to the fullest extent permitted by law, provides that the Court of Chancery of the State of Delaware is the exclusive forum for: any derivative action or proceeding brought on our behalf; any action asserting a breach of fiduciary duty; any action asserting a claim against us arising pursuant to the Delaware General Corporation Law (the "DGCL"), our restated certificate of incorporation, or our restated bylaws; or any action asserting a claim against us that is governed by the internal affairs doctrine. This exclusive forum provision does not apply to suits brought to enforce a duty or liability created by the Exchange Act. It could apply, however, to a suit that falls within one or more of the categories enumerated in the exclusive forum provision and asserts claims under the Securities Act, inasmuch as Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rule and regulations thereunder. There is uncertainty as to whether a court would enforce such provision with respect to claims under the Securities Act, and our stockholders will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder.

This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, or other employees, which may discourage lawsuits with respect to such claims. Alternatively, if a court were to find the choice of forum provisions contained in our restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, results of operations and financial condition.

In addition, Section 203 of the DGCL may discourage, delay or prevent a change in control of our company. Section 203 imposes certain restrictions on mergers, business combinations and other transactions between us and holders of 15% or more of our common stock.

Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all claims brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. In April 2020, we amended and restated our restated bylaws to provide that the federal district courts of the United States will, to the fullest extent permitted by law, be the exclusive forum

for resolving any complaint asserting a cause of action arising under the Securities Act (such provision, a "Federal Forum Provision"). Our decision to adopt a Federal Forum Provision followed a decision by the Supreme Court of the State of Delaware holding that such provisions are facially valid under Delaware law. While there can be no assurance that federal or state courts will follow the holding of the Delaware Supreme Court or determine that the Federal Forum Provision should be enforced in a particular case, application of the Federal Forum Provision means that suits brought by our stockholders to enforce any duty or liability created by the Securities Act must be brought in federal court and cannot be brought in state court.

Section 27 of the Exchange Act creates exclusive federal jurisdiction over all claims brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. In addition, neither the exclusive forum provision nor the Federal Forum Provision applies to suits brought to enforce any duty or liability created by the Exchange Act. Accordingly, actions by our stockholders to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder must be brought in federal court.

Our stockholders will not be deemed to have waived our compliance with the federal securities laws and the regulations promulgated thereunder.

Any person or entity purchasing or otherwise acquiring or holding any interest in any of our securities shall be deemed to have notice of and consented to our exclusive forum provisions, including the Federal Forum Provision. These provisions may limit a stockholder's ability to bring a claim in a judicial forum of their choosing for disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers, and other employees.

We will incur increased costs as a result of operating as a public company, and our management will be required to devote substantial time to new compliance initiatives and corporate governance practices.

As a public company, and particularly after we are no longer an emerging growth company, we will incur significant legal, accounting and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of the Nasdaq Global Select Market, or Nasdaq, and other applicable securities rules and regulations impose various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. Our management and other personnel will need to devote a substantial amount of time to these compliance initiatives. Moreover, we expect these rules and regulations to substantially increase our legal and financial compliance costs and to make some activities more time consuming and costly. We cannot predict or estimate the amount or timing of additional costs we may incur to respond to these requirements. The impact of these requirements could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees or as executive officers. Moreover, these rules and regulations are often subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

If we fail to maintain proper and effective internal control over financial reporting in the future, our ability to produce accurate and timely financial statements could be impaired, which could harm our operating results, investors' views of us and, as a result, the value of our common stock.

We previously were not required to independently comply with Section 404(a) of the Sarbanes-Oxley Act. Section 404(a) of the Sarbanes-Oxley Act requires annual management assessments of the effectiveness of our internal control over financial reporting, starting with the second annual report that we file with the SEC. We were required to meet these standards in the course of preparing our financial statements as of and for the year ended December 31, 2020, and our management is required to report on the effectiveness of our internal control over financial reporting for such year and annually thereafter. Additionally, once we are no longer an "emerging growth company," our independent registered public accounting firm will be required pursuant to Section 404(b) of the Sarbanes-Oxley Act to attest to the effectiveness of our internal control over financial reporting on an annual basis. The rules governing the standards that must be met for our management to assess our internal control over financial reporting are complex and require significant documentation, testing, and possible remediation.

To achieve compliance with Section 404(b) within the prescribed period, we will be engaged in a process to document and evaluate our internal control over financial reporting, which is both costly and challenging. In this regard, we will need to continue to dedicate internal resources, potentially engage outside consultants and adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are functioning as documented and implement a continuous reporting and improvement process for internal control over financial reporting. Despite our efforts, there is a risk that we will not be able to conclude, within the prescribed timeframe or at all, that our internal control over financial reporting is effective as required by Section 404. If we identify one or more material weaknesses, it could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our

consolidated financial statements. In addition, if we are not able to continue to meet these requirements, we may not be able to remain listed on Nasdaq.

As we grow, we expect to hire additional personnel and may utilize external temporary resources to implement, document and modify policies and procedures to maintain effective internal controls. However, it is possible that we may identify deficiencies and weaknesses in our internal controls. If material weaknesses or deficiencies in our internal controls exist and go undetected or unremediated, our consolidated financial statements could contain material misstatements that, when discovered in the future, could cause us to fail to meet our future reporting obligations and cause the price of our common stock to decline.

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

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

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

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

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

Unregistered Sales of Equity Securities

None.

Use of Proceeds

On November 24, 2020, we completed an underwritten public offering (the "Follow-On Offering"), of our common stock and issued and sold 2,875,000 shares of common stock at a public offering price of $39.00 per share, which included 375,000 shares sold upon full exercise of the underwriters' option to purchase additional shares of common stock resulting in net proceeds of $104.9 million after deducting underwriting discounts and commissions and estimated offering expenses. J.P. Morgan Securities LLC, Cowen and Company, LLC and Credit Suisse Securities (USA) LLC acted as joint book-running managers of the offering and as representatives of the underwriters. None of the expenses associated with the Follow-On Offering were paid to directors, officers, persons owning 10% or more of any class of equity securities, or to their associates, or to our affiliates.

On June 21, 2019, we completed our IPO and sold 9,074,776 shares of common stock at an IPO price of $18.00 per share. The offer and sale of all of the shares in the IPO were registered under the Securities Act pursuant to registration statements on Form S-1 (File Nos. 333-231700 and 333-232192), which was declared effective by the SEC on June 18, 2019. No additional shares were registered.

We received net proceeds from the IPO of approximately $149.4 million, after deducting underwriting discounts and commissions of approximately $11.4 million and estimated offering expenses of approximately $2.5 million. J.P. Morgan Securities LLC, Cowen and Company, LLC and Credit Suisse Securities (USA) LLC acted as joint book-running managers of the offering and as representatives of the underwriters. None of the expenses associated with the IPO were paid to directors, officers, persons owning 10% or more of any class of equity securities, or to their associates, or to our affiliates.

There has been no material change in the planned use of proceeds from our IPO as described in the Prospectus filed with the SEC pursuant to Rule 424(b)(4) under the Securities Act on June 19, 2019.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not Applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

The exhibits filed or furnished as part of this Quarterly Report on Form 10-Q are set forth on the Exhibit Index below.

Exhibit Number	Description	Form	File No.	Exhibit Filing Date	Exhibit No.	Filed/Furnished Herewith
10.1	Lease Agreement, by and between MIT 139 Main Street Leasehold LLC, and the Registrant, as amended to date.					X
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1*	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
32.2*	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document).					X
101.SCH	Inline XBRL Taxonomy Extension Schema Document.					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.					X
104	Inline Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).					X

* This certification is deemed not filed for purposes of section 18 of the Exchange Act or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of the Exchange Act.

SIGNATURES

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

STOKE THERAPEUTICS, INC.

Date: August 10, 2021

By: /s/ Edward M. Kaye, M.D.

Edward M. Kaye, M.D.
Chief Executive Officer
(Principal Executive Officer)

Date: August 10, 2021

By: /s/ Stephen J. Tulipano

Stephen J. Tulipano
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

EXHIBIT 10.1

139 MAIN STREET
CAMBRIDGE, MASSACHUSETTS

LEASE SUMMARY SHEET

Execution Date:	January 2, 2019
Tenant:	Stoke Therapeutics, Inc. a Delaware corporation
Tenant's Mailing Address Prior to Occupancy:	3 Preston Court Suite 102 Bedford, MA 01730
Landlord:	MIT 139 Main Street Leasehold LLC, a Massachusetts limited liability company
Building:	139 Main Street, Cambridge, Massachusetts. The Building consists of approximately 37,575 rentable square feet. The land on which the Building is located (the "**Land**") is more particularly described in Exhibit 1 attached hereto and made a part hereof. The Building and the Land are collectively hereinafter referred to as the "**Property**").
Premises:	Approximately 2,485 rentable square feet of space on the 4th (fourth) floor of the Building, as more particularly shown as hatched, highlighted or outlined on the plan attached hereto as Exhibit 2 and made a part hereof (the "**Lease Plan**"). The Premises shall be measured according to the BOMA Standard Method for Measuring Floor Area in Office Buildings.
Commencement Date:	The earlier of (a) the date on which the Premises are delivered to Tenant with Landlord's Work Substantially Complete (as such terms are defined in the Work Letter attached hereto as Exhibit 5) (targeted to occur on or about March 15, 2019, and (b) the date on which Tenant occupies the Premises for the Permitted Uses.
Expiration Date:	The last day of the third (3rd) Rent Year.[1]
Extension Term(s):	Subject to Section 1.2 below, one (1) extension term of two (2) years.

11 For the purposes of this Lease, the first "**Rent Year**" shall be defined as the period commencing as of the Commencement Date and ending on the last day of the month in which the first (1st) anniversary of the Commencement Date occurs; provided, however, if the Commencement Date occurs on the first day of a calendar month, then the first Rent Year shall expire on the day immediately preceding the first (1st) anniversary of the Commencement Date. Thereafter, "Rent Year" shall be defined as any subsequent twelve (12) month period during the term of this Lease.

Permitted Uses: Subject to the Legal Requirements (hereinafter defined), general office use and accessory uses in proportions consistent with the design of the Building.

Base Rent: RENT YEARANNUAL BASE RENTMONTHLY PAYMENT$/RSF1$231,105.00$19,258.75$93.002$236,882.63$19,740.22$95.333$242,804.69$20,233.72$97.71

Operating Costs and Taxes: See Sections 5.2 and 5.3

Tenant's Share: A fraction, the numerator of which is the number of rentable square feet in the Premises and the denominator of which is the number of rentable square feet in the Building. As of the Execution Date, Tenant's Share is 6.61%.

Tenant's Tax Share: A fraction, the numerator of which is the number of rentable square feet in the Premises and the denominator of which is the number of rentable square feet in the Building recognized by the City of Cambridge as being used for purposes which are not exempt from real estate taxation as of the date on which the assessment is made for the tax year in question. As of the Execution Date, Tenant's Tax Share is 6.61%.

Security Deposit/ Letter of Credit: $57,776.25

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THIS INDENTURE OF LEASE (this "**Lease**") is hereby made and entered into on the Execution Date by and between Landlord and Tenant.

This Lease and all of its terms, covenants, representations, warranties, agreements and conditions are in all respects subject and subordinate to that certain Master Lease Agreement dated as of September 29, 2017 by and between MIT 139 Main Street Fee Owner LLC, as landlord, and Landlord, as tenant (as it may be amended from time to time, the "**Master Lease**"), a redacted copy of which has been delivered to Tenant. Tenant acknowledges notice and full knowledge of all of the terms, covenants and conditions of the Master Lease.

Each reference in this Lease to any of the terms and titles contained in any Exhibit attached to this Lease shall be deemed and construed to incorporate the data stated under that term or title in such Exhibit. All capitalized terms not otherwise defined herein shall have the meanings ascribed to them as set forth in the Lease Summary Sheet which is attached hereto and incorporated herein by reference.

1. LEASE GRANT; TERM; APPURTENANT RIGHTS; EXCLUSIONS

1.1 Lease Grant. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Premises upon and subject to terms and conditions of this Lease, for a term of years commencing on the Commencement Date and, unless earlier terminated or extended pursuant to the terms hereof, ending on the Expiration Date (the "**Initial Term**"; the Initial Term and the Extension Term, if duly exercised, are hereinafter collectively referred to as the "**Term**"). Once the Commencement Date is determined, Landlord and Tenant shall execute an agreement confirming the Commencement Date and the Expiration Date, in substantially the form attached hereto as Exhibit 3. Tenant's failure to execute and return any such agreement proposed by Landlord, or to provide written objection to the statements contained therein, within ten (10) business days after the date of Tenant's receipt thereof, shall be deemed an approval by Tenant of Landlord's determination of such dates as set forth therein. If Landlord for any reason does not Substantially Complete Landlord's Work and deliver the Premises to Tenant by July 15, 2019 (subject to Landlord's Force Majeure (as hereinafter defined) and any delays caused by Tenant), then Tenant may, at any time thereafter but prior to the date on which Landlord's Work is Substantially Complete, cancel this Lease by giving written notice of such cancellation to Landlord.

1.2 Extension Term.

(a) Provided that the following conditions (the "**Extension Conditions**"), any or all of which may be waived by Landlord in its sole discretion, are satisfied: (i) Tenant, an Affiliate (hereinafter defined) and/or a Successor (hereinafter defined) is/are then occupying one hundred percent (100%) of the Premises; and (ii) there is no Event of Default (hereinafter defined) (1) as of the date of the Extension Notice (hereinafter defined), and (2) at the commencement of the applicable Extension Term (hereinafter defined), Tenant shall have the option to extend the Initial Term for one (1) additional term of two (2) years (the "**Extension Term**"), commencing as of the expiration of the Initial Term. Tenant must exercise such option to extend, if at all, by giving Landlord written notice (the "**Extension Notice**") not earlier than twelve (12) months and no later than nine (9) months prior to the expiration of the then-current term of this Lease, time being of the essence. Notwithstanding the foregoing, Landlord may nullify Tenant's exercise of its option to extend the Term by written notice to Tenant (the "**Nullification Notice**") if (A) on the date Landlord receives the applicable Extension Notice, there is an event which, with the passage of time and/or the giving of notice, would constitute an Event of Default hereunder and (B) Tenant fails to cure such default within the applicable cure period set forth in Section 18.1 after receipt of the Nullification Notice. Upon the satisfaction of the Extension Conditions and the timely giving of the Extension Notice without a subsequent nullification by Landlord, the Initial Term shall be deemed extended upon all of the terms and conditions of this Lease, except that Base Rent during the Extension Term shall be calculated in accordance

with this Section 1.2. If Tenant fails to give a timely Extension Notice, as aforesaid, Tenant shall have no further right to extend the Initial Term. Notwithstanding the fact that Tenant's proper and timely exercise of such option to extend the Initial Term shall be self-executing, the parties shall promptly execute a lease amendment reflecting such Extension Term after Tenant validly exercises its option. The execution of such lease amendment shall not be deemed to waive any of the conditions to Tenant's exercise of its rights under this Section 1.2.

(b) The Base Rent during the first Rent Year of the Extension Term (the "**Extension Term RY1 Base Rent**") shall be determined in accordance with the process described hereafter. Extension Term RY1 Base Rent shall be the greater of (i) one hundred two-and-one-half percent (102.5%) of Base Rent for the last Rent Year of the Initial Term, or (ii) the fair market rental value of the Premises then demised to Tenant as of the commencement of the Extension Term, as determined in accordance with the process described below, for renewals of office space in the East Cambridge/ Kendall Square area of equivalent quality, size, utility and location, with the length of the Extension Term, the credit standing of Tenant and all other relevant factors to be taken into account. Within thirty (30) days after receipt of the Extension Notice, Landlord shall deliver to Tenant written notice of its determination of the Extension Term RY1 Base Rent for the Extension Term. Tenant shall, within fifteen (15) days after receipt of such notice, notify Landlord in writing whether Tenant accepts or rejects Landlord's determination of the Extension Term RY1 Base Rent ("**Tenant's Response Notice**"). If Tenant fails timely to deliver Tenant's Response Notice, Landlord's determination of the Extension Term RY1 Base Rent shall be binding on Tenant.

(c) If and only if Tenant's Response Notice is timely delivered to Landlord and indicates both that Tenant rejects Landlord's determination of the Extension Term RY1 Base Rent and desires to submit the matter to the determination process described in this Section 1.2(c) (the "**Determination Process**"), then the Extension Term RY1 Base Rent shall be determined in accordance with the procedure set forth in this Section 1.2(c). In such event, within ten (10) days after receipt by Landlord of Tenant's Response Notice indicating Tenant's desire to submit the determination of the Extension Term RY1 Base Rent to the Determination Process, Tenant and Landlord shall each notify the other, in writing, of their respective selections of an appraiser (respectively, "**Landlord's Appraiser**" and "**Tenant's Appraiser**"). Landlord's Appraiser and Tenant's Appraiser shall then jointly select a third appraiser (the "**Third Appraiser**") within ten (10) days of their appointment. All of the appraisers selected shall be individuals with at least ten (10) consecutive years' commercial appraisal experience in the area in which the Premises are located, shall be members of the Appraisal Institute (M.A.I.), and, in the case of the Third Appraiser, shall not have acted in any capacity for either Landlord or Tenant within five (5) years of his or her selection. The three appraisers shall determine the Extension Term RY1 Base Rent in accordance with the requirements and criteria set forth in Section 1.2(b) above, employing the method commonly known as *Baseball Arbitration*, whereby Landlord's Appraiser and Tenant's Appraiser each sets forth its determination of the Extension Term RY1 Base Rent as defined above, and the Third Appraiser must select one or the other (it being understood that the Third Appraiser shall be expressly prohibited from selecting a compromise figure). Landlord's Appraiser and Tenant's Appraiser shall deliver their determinations of the Extension Term RY1 Base Rent to the Third Appraiser within five (5) days of the appointment of the Third Appraiser and the Third Appraiser shall render his or her decision within ten (10) days after receipt of both of the other two determinations of the Extension Term RY1 Base Rent. The Third Appraiser's decision shall be binding on both Landlord and Tenant. Each party shall bear the cost of its own appraiser and the cost of the Third Appraiser shall be paid by the party whose determination is not selected.

(d) Commencing on the first day of the second Rent Year of the Extension Term, Base Rent shall increase annually by three percent (3%), effective as of the first day of each Rent Year.

1.3 [Intentionally Omitted]

1.4 Appurtenant Rights.

(a) Common Areas. Subject to the terms of this Lease and the Rules and Regulations (hereinafter defined), Tenant shall have, as appurtenant to the Premises, rights to use in common with others entitled thereto the areas designated from time to time for the common use of tenants of the Property (such areas are hereinafter referred to as the "**Common Areas**"). The Common Areas include: (i) the common lobby(ies), loading docks, hallways, elevators and stairways of the Building, (ii) common walkways necessary for access to the Building, (iii) if the Premises include less than the entire rentable area of any floor, the common restrooms and other common facilities of such floor; (iv) roof terrace located on the fifth (5th) floor of the Building; and (v) other areas designated by Landlord from time to time for the common use of tenants of the Property, including any conference, fitness or kitchenette facilities; and no other appurtenant rights or easements.

(b) Parking. During the Term, commencing on the Commencement Date, Landlord shall, subject to the terms hereof, provide to Tenant one (1) parking pass (the "**Parking Pass**") for the parking area serving the Building (the "**Parking Area**") for the parking of passenger vehicles in unreserved stalls in the Parking Area by Tenant's employees and the employees of any transferee pursuant to a Transfer permitted by Article 11 of this Lease ("**Permitted Pass Holders**"). Tenant shall not sublet, assign, encumber, pledge or otherwise transfer the Parking Pass except in connection with a Transfer permitted by Article 11 of this Lease. During the Term, commencing on the Commencement Date, Tenant shall pay Landlord (or at Landlord's election, directly to the parking operator, if any) for the Parking Pass at the then-current prevailing rate, as such rate may vary from time to time. As of the Execution Date, the monthly charge for parking is Three Hundred Fifty Dollars ($350) per Parking Pass per month. If, for any reason, Tenant shall fail timely to pay the charge for said Parking Pass under this Section 1.4(b), upon the second (2nd) occurrence of such default continuing for five (5) days after written notice therefor, Landlord shall have the right to revoke Tenant's right to the Parking Pass, and Landlord may allocate such Parking Pass for use by others free and clear of Tenant's rights under this Section 1.4(b). Use of the Parking Area and the Parking Pass will be subject to such reasonable rules and regulations as may be in effect from time to time (including Landlord's right, without additional charge to Tenant above the prevailing rate for the Parking Pass, to institute a valet or attendant-managed parking system). Tenant shall provide Landlord and/or the operator of the Parking Area with such information as may be reasonably requested, for the Parking Pass. Except to the extent prohibited by Legal Requirements, neither Landlord nor the operator of the Parking Areas assumes any responsibility whatsoever for loss or damage due to casualty or theft or otherwise to any automobile or to any personal property therein accessing or using the Parking Area, howsoever caused, and Tenant agrees to notify each Permitted Pass Holder of such limitation of liability. No bailment is intended or shall be created by the provision of, or use of, the parking privileges described herein. Notwithstanding anything to the contrary contained herein, Landlord shall have the right to relocate the parking privileges from time to time to parking areas at other properties owned, leased or controlled by Landlord or its affiliates so long as such relocated parking areas are no more than 1,000 feet from the Building. Any such relocated parking area(s) shall be deemed the "Parking Area" for purposes of this Lease

1.5 Tenant's Access.

(a) From and after the Commencement Date and until the end of the Term, Tenant shall have access to the Premises (and Permitted Pass Holders shall have access to the Parking Area) twenty-four (24) hours a day, seven (7) days a week, subject to Legal Requirements, the Rules and Regulations, the terms of this Lease, Landlord's Force Majeure (hereinafter defined) and matters of record. As used in this Lease, the term **"Landlord's Force Majeure"** shall mean delays due to riots, acts of God, war, acts of terrorism, governmental regulation, unusual scarcity of or inability to obtain labor or materials, labor difficulties, casualty or any other causes reasonably beyond Landlord's control.

(b) Subject to Article 9 below, Tenant shall have the right to access the Premises, at Tenant's sole risk, at times reasonably approved by Landlord prior to the Commencement Date for purposes reasonably related to the installation of Tenant's wiring and cabling and the installation of Tenant's furniture, personal property and equipment, provided such access does not interfere with the preparation for or performance of Landlord's Work (as defined in Exhibit 5). Tenant shall, prior to the first entry to the Premises pursuant to this Section 1.5(b), provide Landlord with certificates of insurance evidencing that the insurance required in Article 12 hereof is in full force and effect and covering any person or entity entering the Building. Tenant shall defend, indemnify and hold the Landlord Parties (hereinafter defined) harmless from and against any and all Claims (hereinafter defined) for injury to persons or property resulting from or relating to Tenant's access to and use of the Premises prior to the Commencement Date as provided under this Section 1.5(b). Tenant shall coordinate any access to the Premises prior to the Commencement Date with Landlord's property manager.

1.6 Exclusions. The following are expressly excluded from the Premises and reserved to Landlord: all the perimeter walls of the Premises (except the inner surfaces thereof), the Common Areas, and any space in or adjacent to the Premises used for shafts, stacks, pipes, conduits, wires and appurtenant fixtures, fan rooms, ducts, electric or other utilities, sinks or other Building facilities, and the use of all of the foregoing, except as expressly permitted pursuant to Section 1.4(a) above.

2. RIGHTS RESERVED TO LANDLORD

2.1 Additions and Alterations. Landlord reserves the right, at any time and from time to time, to make such changes, alterations, additions, improvements, repairs, replacements or testing in or to the Property (including the Premises but, with respect to the Premises, only for purposes of repairs, maintenance, replacements and the exercise of any other rights reserved to Landlord herein) and the fixtures and equipment therein, as well as in or to the street entrances and/or the Common Areas and/or the Parking Areas, as it may deem necessary or desirable. Landlord expressly reserves the right to temporarily close all, or any portion, of the Common Areas or the Parking Areas for the purpose of testing or making repairs or changes thereto. Notwithstanding the immediately foregoing sentence, Landlord further expressly reserves the right, at any time and from time to time, to alter, modify or close (temporarily or permanently) those Common Areas that consist of any conference, fitness or kitchenette facilities, including converting any such Common Areas to rentable premises. Landlord shall use reasonable efforts to minimize interference with Tenant's use or occupancy of the Premises in connection with any such temporary closure of the Common Areas or Parking Areas by Landlord.

2.2 Additions to the Property.

(a) Landlord may, at any time and from time to time, (i) construct additional improvements and related site improvements (collectively, "**Future Development**") in all or any part of the Property, (ii) change the location or arrangement of (A) any improvement outside the Building in or on the Property and/or (B) all or any part of the Common Areas, and/or (iii) add or deduct any land to or from the Property; provided that there shall be no material increase in Tenant's obligations under this Lease in connection with the exercise of the foregoing reserved rights.

2.3 Landlord's Access. Subject to the terms hereof, Tenant shall (a) upon reasonable advance notice, which may be oral (except that no notice shall be required in emergency situations), permit Landlord and any holder of a Mortgage (hereinafter defined) (each such holder, a "**Mortgagee**"), and their respective agents, representatives, employees and contractors, to have access to the Premises at all reasonable hours for the purposes of inspection, making repairs, replacements or improvements in or to the Premises or the Building or equipment therein (including sanitary, electrical, heating, air conditioning or other systems), complying with all applicable laws, ordinances, rules, regulations, statutes, by-laws, court decisions and

orders and requirements of all public authorities (collectively, "**Legal Requirements**"), or exercising any right reserved to Landlord under this Lease (including the right to take upon or through, or to keep and store within the Premises all necessary materials, tools and equipment); (b) permit Landlord and its agents and employees, at reasonable times, upon reasonable advance notice, to show the Premises during normal business hours (i.e., Monday - Friday 8:00 AM – 6:00 PM, Saturday 9:00 AM – 1:00 PM, excluding holidays) to any prospective Mortgagee or purchaser of the Building and/or the Property or of the interest of Landlord therein, and, during the last twelve (12) months of the Term, or at any time after the occurrence of an Event of Default, prospective tenants; (c) upon reasonable prior written notice from Landlord, permit Landlord and its agents, at Landlord's sole cost and expense, to perform environmental audits, environmental site investigations and environmental site assessments ("**Site Assessments**") in, on, under and at the Premises and the Land, it being understood that Landlord shall repair any damage arising as a result of the Site Assessments, and such Site Assessments may include both above and below the ground testing and such other tests as may be necessary or appropriate to conduct the Site Assessments; and (d) in case any excavation shall be made for building or improvements or for any other purpose upon the land adjacent to or near the Premises, afford without charge to Landlord, or the persons or entities causing or making such excavation, license to enter upon the Premises for the purpose of doing such work as Landlord or such persons or entities shall deem necessary to preserve the Building from injury, and to protect the Building by proper securing of foundations. In addition, to the extent that it is necessary to enter the Premises in order to access any area that serves any portion of the Building outside the Premises, then Tenant shall, upon as much advance notice as is practical under the circumstances, and in any event at least twenty-four (24) hours' prior written notice (except that no notice shall be required in emergency situations), permit contractors engaged by other occupants of the Building to pass through the Premises in order to access such areas but only if accompanied by a representative of Landlord. The parties agree and acknowledge that, despite reasonable and customary precautions (which Landlord agrees it shall exercise), any property or equipment in the Premises may nevertheless be damaged in the course of performing Landlord's obligations. Accordingly, Tenant shall take reasonable protective precautions with its property and equipment.

2.4 Pipes, Ducts and Conduits. Tenant shall permit Landlord to erect, use, maintain and relocate pipes, ducts and conduits in and through the Premises, provided the same do not materially reduce the floor area or materially adversely affect the appearance thereof.

2.5 Minimize Interference. Except in the event of an emergency, Landlord shall use commercially reasonable efforts, consistent with accepted construction practice when applicable, to minimize any materially adverse interference with Tenant's use and occupancy of, the Premises as a result of the exercise of Landlord's rights under Sections 2.1-2.4 above. Tenant agrees to cooperate with Landlord as reasonably necessary in connection with the exercise of Landlord's rights under this Article 2. Subject to Landlord's obligations under this Section 2.5, Tenant further agrees that dust, noise, vibration, closures of Common Areas, or other inconvenience or annoyance resulting from the exercise of Landlord's rights under this Article 2 shall not be deemed to be a breach of Landlord's obligations under the Lease.

2.6 Construction in Vicinity. Tenant acknowledges that (a) Landlord and/or its affiliates ("**Neighboring Owners**") own several properties in the vicinity of the Building, (b) during the Term, the Neighboring Owners may undertake various construction projects, which may include the construction of new and/or additional buildings (each, a "**Project**," and collectively, the "**Projects**"), and (c) customary construction impacts (taking into account the urban nature of the Property, the proximity of the Building to the Project site and other relevant factors) may result therefrom. In no event shall Landlord be liable to Tenant for any compensation or reduction of rent or any other damages arising from the Projects and Tenant shall not have the right to terminate the Lease due to the construction of the Projects, nor shall the same give rise to a claim in Tenant's favor that such construction constitutes actual or constructive, total or partial, eviction from the Premises. Notwithstanding any provision in this Lease to the contrary, in no event shall

Tenant seek injunctive or any similar relief to stop, delay or modify any Project. Tenant acknowledges and agrees that Landlord has informed Tenant that a Neighboring Owner is currently undertaking a Project at One Broadway, Cambridge, Massachusetts, which is adjacent to the Property, and Tenant has elected to proceed with entering into this Lease with full knowledge of the existence of such Project.

3. CONDITION OF PREMISES; CONSTRUCTION. On the Commencement Date, Landlord shall deliver the Premises to Tenant with the Variable Air Volume HVAC system and fire alarm and fire protection systems serving the Premises in good working order and with Landlord's Work Substantially Complete. Subject to the immediately foregoing sentence, Tenant acknowledges and agrees that Tenant is leasing the Premises in their "**AS IS**," "**WHERE IS**" condition and with all faults on the Commencement Date, without representations or warranties, express or implied, in fact or by law, of any kind, and without recourse to Landlord.

4. USE OF PREMISES

4.1 Permitted Uses. During the Term, Tenant shall use the Premises only for the Permitted Uses and for no other purposes. Service and utility areas (whether or not a part of the Premises) shall be used only for the particular purpose for which they are designed.

4.2 Prohibited Uses.

(a) Notwithstanding any other provision of this Lease, Tenant shall not use the Premises or the Building, or any part thereof, or suffer or permit the use or occupancy of the Premises or the Building or any part thereof by any of the Tenant Parties (hereinafter defined) (i) in a manner which would violate any of the covenants, agreements, terms, provisions and conditions of this Lease or otherwise applicable to or binding upon the Premises; (ii) in a manner which, in the reasonable judgment of Landlord (taking into account the Building for office use and the Permitted Uses) shall (a) impair the appearance or reputation of the Building; (b) impair, interfere with or otherwise diminish the quality of any of the Building services or the proper and economic heating, cleaning, ventilating, air conditioning or other servicing of the Building or Premises, or the use of any of the Common Areas; (c) occasion discomfort, inconvenience or annoyance in any material respect, or cause any injury or damage to any occupants of the Premises or other tenants or occupants of the Building or their property; or (d) cause harmful air emissions or any unusual or other objectionable odors, noises or emissions to emanate from the Premises; (iii) in a manner which shall increase such insurance rates on the Building or on property located therein over that applicable when Tenant first took occupancy of the Premises hereunder; or (vii) in violation of any exclusive use granted to any other tenant in the Building.

(b) With respect to the use and occupancy of the Premises and the Common Areas, Tenant will not: (i) place or maintain any signage (except as may be permitted by Article 10 below), Trash (hereinafter defined) or other articles in any vestibule or entry of the Premises, on the footwalks or corridors adjacent thereto or elsewhere on the exterior of the Premises, nor obstruct any driveway, corridor, footwalk, parking area, mall or any other Common Areas; (ii) permit undue accumulations of or burn garbage, trash, rubbish or other refuse (collectively, "**Trash**") within or outside of the Premises; (iii) permit the parking of vehicles so as to interfere with the use of any driveway, corridor, footwalk, parking area, or other Common Areas; (iv) receive or ship articles of any kind outside of those areas reasonably designated by Landlord; (v) conduct or permit to be conducted any auction, going out of business sale, bankruptcy sale (unless directed by court order), or other similar type sale in or connected with the Premises; (vi) use the name of Landlord, or any of Landlord's affiliates or subsidiaries in any publicity, promotion, press release, advertising, printed, electronic or display materials without Landlord's prior written consent (which may be withheld in Landlord's sole discretion); (vii) permit any animals other than service animals in the

Building; or (viii) except in connection with Alterations (hereinafter defined) approved by Landlord, cause or permit any hole to be drilled or made in any part of the Building.

5. RENT; ADDITIONAL RENT

5.1 Base Rent. During the Term, Tenant shall pay to Landlord Base Rent in equal monthly installments, in advance and without demand on the first day of each month for and with respect to such month. Unless otherwise expressly provided herein, the payment of Base Rent and additional rent and other charges reserved and covenanted to be paid under this Lease with respect to the Premises (collectively, "**Rent**") shall commence on the Commencement Date and shall be prorated for any partial months. Base Rent for the first (1st) month of the Term shall be due simultaneously with Tenant's execution and delivery of this Lease to Landlord. Rent shall be payable to Landlord or, if Landlord shall so direct in writing, to Landlord's agent or nominee, in lawful money of the United States.

5.2 Operating Costs.

(a) **Payment of Operating Costs**. Tenant shall pay to Landlord, as additional rent, Tenant's Share of Operating Costs (as defined in Exhibit 6 attached hereto). Landlord may make a good faith estimate of the Operating Costs for any fiscal year (wholly or partially) occurring during the Term, and Tenant shall pay to Landlord, on the first (1st) day of each calendar month, an amount equal to Tenant's Share of the Operating Costs for such fiscal year and/or part thereof divided by the number of months therein. Landlord may estimate and re-estimate Tenant's Share of the Operating Costs and deliver a copy of the estimate or re-estimate to Tenant. Thereafter, the monthly installments of Tenant's Share of the Operating Costs shall be appropriately adjusted in accordance with the estimations so that, by the end of the fiscal year in question, Tenant shall have paid all of Tenant's Share of the Operating Costs as estimated by Landlord. Any amounts paid based on such an estimate shall be subject to adjustment as herein provided when the actual Operating Costs are available for each fiscal year.

(b) **Annual Reconciliation**. Landlord shall, within one hundred twenty (120) days after the end of each fiscal year, deliver to Tenant a reasonably detailed statement of the actual amount of Operating Costs for such fiscal year ("**Year End Statement**"). Failure of Landlord to provide the Year End Statement within the time prescribed shall not relieve Tenant from its obligations hereunder. If the total of such monthly remittances on account of any fiscal year is greater than Tenant's Share of the Operating Costs actually incurred for such fiscal year, then, provided there is no Event of Default nor any event which, with the passage of time and/or the giving of notice would constitute an Event of Default, Tenant may credit the difference against the next installment of additional rent on account of Operating Costs due hereunder, except that if such difference is determined after the end of the Term, Landlord shall refund such difference to Tenant within thirty (30) days after such determination to the extent that such difference exceeds any amounts then due from Tenant to Landlord (it being understood and agreed that if Tenant cures any default prior to the expiration of the notice and/or cure periods set forth in Section 18.1 below, Tenant shall then be entitled to take such credit). If the total of such remittances is less than Tenant's Share of the Operating Costs actually incurred for such fiscal year, Tenant shall pay the difference to Landlord, as additional rent hereunder, within ten (10) days of Tenant's receipt of an invoice therefor. Landlord's estimate of the Operating Costs for the next fiscal year shall be based upon the Operating Costs actually incurred for the prior fiscal year as reflected in the Year-End Statement plus a reasonable adjustment based upon estimated increases in Operating Costs.

(c) **Part Years**. If the Commencement Date or the Expiration Date occurs in the middle of a fiscal year, Tenant shall be liable for only that portion of the Operating Costs with respect to such fiscal year within the Term.

(d) **Gross-Up**. If, during any fiscal year, less than 95% of the Building is occupied by tenants or if Landlord was not supplying at least 95% of tenants with the services being supplied to Tenant hereunder, actual Operating Costs incurred shall be reasonably extrapolated by Landlord on an item-by-item basis to the reasonable Operating Costs that would have been incurred if the Building was 95% occupied and such services were being supplied to 95% of tenants, and such extrapolated Operating Costs shall, for all purposes hereof, be deemed to be the Operating Costs for such fiscal year.

5.3 Taxes.

(a) **Payment of Taxes**. Tenant shall pay to Landlord, as additional rent, Tenant's Tax Share of Taxes (as defined in Exhibit 7 attached hereto). Landlord may make a good faith estimate of the Taxes to be due by Tenant for any Tax Period (as defined in Exhibit 7 attached hereto) or part thereof during the Term, and Tenant shall pay to Landlord, on the Commencement Date and on the first (1st) day of each calendar month thereafter, an amount equal to Tenant's Tax Share of Taxes for such Tax Period or part thereof divided by the number of months therein. Landlord may estimate and re-estimate Tenant's Tax Share of Taxes and deliver a copy of the estimate or re-estimate to Tenant. Thereafter, the monthly installments of Tenant's Tax Share of the Taxes shall be appropriately adjusted in accordance with the estimations so that, by the end of the Tax Period in question, Tenant shall have paid all of Tenant's Tax Share of the Taxes as estimated by Landlord. Any amounts paid based on such an estimate shall be subject to adjustment as herein provided when actual Taxes are available for each Tax Period. If the total of such monthly remittances is greater than Tenant's Tax Share of Taxes actually due for such Tax Period, then, provided no Event of Default has occurred nor any event which, with the passage of time and/or the giving of notice would constitute an Event of Default, Tenant may credit the difference against the next installment of additional rent on account of Taxes due hereunder, except that if such difference is determined after the end of the Term, Landlord shall refund such difference to Tenant within thirty (30) days after such determination to the extent that such difference exceeds any amounts then due from Tenant to Landlord (it being understood and agreed that if Tenant cures any default prior to the expiration of the notice and/or cure periods set forth in Section 18.1 below, Tenant shall then be entitled to take such credit). If the total of such remittances is less than Tenant's Tax Share of Taxes actually due for such Tax Period, Tenant shall pay the difference to Landlord, as additional rent hereunder, within thirty (30) days of Tenant's receipt of an invoice therefor. Landlord's estimate for the next Tax Period shall be based upon the actual Taxes to the Property for the prior Tax Period plus a reasonable adjustment based upon estimated increases in Taxes. In the event that Payments in Lieu of Taxes ("**PILOT**"), instead of or in addition to Taxes, are separately assessed to certain portions of the Property including the Premises, Tenant agrees, except as otherwise expressly provided herein to the contrary, to pay to Landlord, as additional rent, Tenant's Tax Share of the portion of such PILOT attributable to the Premises in the same manner as provided above for the payment of Taxes.

(b) **Effect of Abatements**. Appropriate credit against Taxes or PILOT shall be given for any refund obtained by reason of a reduction in any Taxes by the assessors or the administrative, judicial or other governmental agency responsible therefor after deduction of Landlord's expenditures for reasonable legal fees and for other reasonable expenses incurred in obtaining the Tax or PILOT refund.

(c) **Part Years**. If the Commencement Date or the Expiration Date occurs in the middle of a Tax Period, Tenant shall be liable for only that portion of the Taxes, as the case may be, with respect to such Tax Period within the Term.

5.4 Late Payments.

(a) Any payment of Rent due hereunder not paid when due shall bear interest for each month or fraction thereof from the due date until paid in full at the annual rate of twelve percent (12%), or

at any applicable lesser maximum legally permissible rate for debts of this nature (the "**Default Rate**"). Additionally, for any payment of Rent due hereunder not paid when due, Tenant shall pay to Landlord an administrative fee of $250. Acceptance of interest or any partial payment shall not constitute a waiver of Tenant's default with respect to the overdue amount or prevent Landlord from exercising any of the other rights and remedies available to Landlord under this Lease or at law or in equity now or hereafter in effect.

(b) For each Tenant payment check to Landlord that is returned by a bank for any reason, Tenant shall pay a returned check charge equal to the amount as shall be customarily charged by Landlord's bank at the time.

(c) Money paid by Tenant to Landlord shall be applied to Tenant's account in the following order: first, to any unpaid additional rent, including late charges, returned check charges, legal fees and/or court costs chargeable to Tenant hereunder; and then to unpaid Base Rent.

5.5 No Offset; Independent Covenants; Waiver. Rent shall be paid without notice or demand, and without setoff, counterclaim, defense, abatement, suspension, deferment, reduction or deduction, except as expressly provided herein. TENANT WAIVES ALL RIGHTS (I) TO ANY ABATEMENT, SUSPENSION, DEFERMENT, REDUCTION OR DEDUCTION OF OR FROM RENT, AND (II) TO QUIT, TERMINATE OR SURRENDER THIS LEASE OR THE PREMISES OR ANY PART THEREOF, EXCEPT AS EXPRESSLY PROVIDED HEREIN. TENANT HEREBY ACKNOWLEDGES AND AGREES THAT THE OBLIGATIONS OF TENANT UNDER THIS LEASE SHALL BE SEPARATE AND INDEPENDENT COVENANTS AND AGREEMENTS, THAT RENT SHALL CONTINUE TO BE PAYABLE IN ALL EVENTS AND THAT THE OBLIGATIONS OF TENANT HEREUNDER SHALL CONTINUE UNAFFECTED, UNLESS THE REQUIREMENT TO PAY OR PERFORM THE SAME SHALL HAVE BEEN TERMINATED PURSUANT TO AN EXPRESS PROVISION OF THIS LEASE. LANDLORD AND TENANT EACH ACKNOWLEDGES AND AGREES THAT THE INDEPENDENT NATURE OF THE OBLIGATIONS OF TENANT HEREUNDER REPRESENTS FAIR, REASONABLE, AND ACCEPTED COMMERCIAL PRACTICE WITH RESPECT TO THE TYPE OF PROPERTY SUBJECT TO THIS LEASE, AND THAT THIS AGREEMENT IS THE PRODUCT OF FREE AND INFORMED NEGOTIATION DURING WHICH BOTH LANDLORD AND TENANT WERE REPRESENTED BY COUNSEL SKILLED IN NEGOTIATING AND DRAFTING COMMERCIAL LEASES IN MASSACHUSETTS, AND THAT THE ACKNOWLEDGEMENTS AND AGREEMENTS CONTAINED HEREIN ARE MADE WITH FULL KNOWLEDGE OF THE HOLDING IN WESSON V. LEONE ENTERPRISES, INC., 437 MASS. 708 (2002). SUCH ACKNOWLEDGEMENTS, AGREEMENTS AND WAIVERS BY TENANT ARE A MATERIAL INDUCEMENT TO LANDLORD ENTERING INTO THIS LEASE.

5.6 Survival. Any obligations under this Article 5 which shall not have been paid at the expiration or earlier termination of the Term shall survive such expiration or earlier termination and shall be paid when and as the amount of same shall be determined and be due.

6. SECURITY DEPOSIT/ LETTER OF CREDIT

6.1 Amount. Contemporaneously with the execution of this Lease, Tenant shall deliver to Landlord an irrevocable letter of credit which shall (a) be in the amount specified in the Lease Summary Sheet and otherwise in the form attached hereto as Exhibit 8; (b) issued by a FDIC insured financial institution reasonably acceptable to Landlord upon which presentment may be made in Boston, Massachusetts; and (c) be for a term of one (1) year, subject to extension in accordance with the terms hereof (the "**Letter of Credit**"). The Letter of Credit shall be held by Landlord, without liability for interest, as security for the faithful performance by Tenant of all of the terms, covenants and conditions of this Lease by the Tenant to be kept and performed during the Term. In no event shall the Letter of Credit be deemed

to be a prepayment of Rent nor shall it be considered a measure of liquidated damages. Unless the Letter of Credit is automatically renewing, at least thirty (30) days prior to the maturity date of the Letter of Credit (or any replacement Letter of Credit), Tenant shall deliver to Landlord a replacement Letter of Credit which shall have a maturity date no earlier than the next anniversary of the Commencement Date or one (1) year from its date of delivery to Landlord, whichever is later. In the event that the Extension Term RY1 Base Rent during any Extension Term is greater than Base Rent during the previous term, the face amount of the Letter of Credit may be proportionately increased at Landlord's discretion.

6.2 Application of Proceeds of Letter of Credit. Upon any default of Tenant under this Lease, or if any proceeding shall be instituted by or against Tenant pursuant to any of the provisions of any Act of Congress or State law relating to bankruptcy, reorganizations, arrangements, compositions or other relief from creditors (and, in the case of any proceeding instituted against it, if Tenant shall fail to have such proceedings dismissed within thirty (30) days) or if Tenant is adjudged bankrupt or insolvent as a result of any such proceeding, or upon the end of the Term if there remains any uncured default of which Tenant shall have received notice, Landlord, in its sole discretion, may draw down all or a part of the Letter of Credit. The balance of any Letter of Credit cash proceeds shall be held in accordance with Section 6.4 below. Should the entire Letter of Credit, or any portion thereof, be drawn down by Landlord, Tenant shall, upon the written demand of Landlord, deliver a replacement Letter of Credit in the amount drawn, and Tenant's failure to do so within ten (10) days after receipt of such written demand shall constitute an additional Event of Default hereunder without further notice or an opportunity to cure. The application of all or any part of the cash proceeds of the Letter of Credit to any obligation or default of Tenant under this Lease shall not deprive Landlord of any other rights or remedies Landlord may have nor shall such application by Landlord constitute a waiver by Landlord.

6.3 Transfer of Letter of Credit. In the event that Landlord transfers its interest in the Premises, Tenant shall upon notice from and at no cost to Landlord, deliver to Landlord an amendment to the Letter of Credit or a replacement Letter of Credit naming Landlord's successor as the beneficiary thereof. If Tenant fails to deliver such amendment or replacement within ten (10) days after written notice from Landlord, Landlord shall have the right to draw down the entire amount of the Letter of Credit and hold the proceeds thereof in accordance with Section 6.4 below.

6.4 Security Deposit. Landlord shall hold the balance of proceeds remaining after a draw on the Letter of Credit (each hereinafter referred to as the "**Security Deposit**") as security for Tenant's performance of all its Lease obligations. After a default of Tenant under this Lease, or upon the end of the Term if there remains any uncured default of which Tenant shall have received notice, Landlord may apply the Security Deposit, or any part thereof, to Landlord's damages without prejudice to any other Landlord remedy. Should Landlord apply all or any portion of the Security Deposit, Tenant shall, upon the written demand of Landlord, deliver cash in the amount applied, and Tenant's failure to do so within ten (10) days after receipt of such written demand shall constitute an additional Event of Default hereunder without further notice or opportunity to cure. Additionally, if Landlord applies all or any portion of the Security Deposit as aforesaid, Tenant shall have the right to deliver a replacement Letter of Credit in the form and amount required hereunder, and upon receipt of such replacement Letter of Credit, Landlord shall return the unapplied Security Deposit to Tenant. Landlord has no obligation to pay interest on the Security Deposit and may co-mingle the Security Deposit with Landlord's funds. If Landlord conveys its interest under this Lease, the Security Deposit, or any part not applied previously, may be turned over to the grantee in which case Tenant shall look solely to the grantee for the proper application and return of the Security Deposit.

6.5 Return of Security Deposit or Letter of Credit. Should Tenant comply with all of such terms, covenants and conditions and promptly pay all sums payable by Tenant to Landlord hereunder, the Security Deposit and/or Letter of Credit or the remaining proceeds therefrom, as applicable, shall be

returned to Tenant within ninety (90) days after the end of the Term, less any portion thereof which may have been utilized by Landlord to cure any default or applied to any actual damage suffered by Landlord.

7. UTILITIES, HVAC; WASTE REMOVAL

7.1 Electricity. Commencing on the Commencement Date, Tenant shall pay all charges for electricity furnished to the Premises and/or any equipment exclusively serving the Premises as additional rent, based on reasonable estimates by Landlord.

7.2 Water. Landlord shall provide hot and cold water to the kitchenette area in the Premises, if any. Notwithstanding anything set forth herein to the contrary, the costs of water and sewer for the Building are included in Operating Costs; provided, however, if Tenant uses quantities of water in excess of normal use for the Permitted Uses, Landlord may charge Tenant, as additional rent hereunder, for its share of water and sewer charges for the Building, as reasonably estimated by Landlord, and Tenant shall pay such charges within thirty (30) days of receipt of any invoice. If Landlord charges Tenant for its excessive use of water and sewer, Landlord shall provide Tenant with reasonable back-up documentation regarding the total charges and the method of allocating the charges to Tenant.

7.3 Heat, Ventilating and Air Conditioning. Landlord shall provide to the Premises during normal business hours (as set forth in Section 2.3 above) heating and cooling in accordance with the Landlord/Tenant Responsibilities Matrix attached hereto as Exhibit 5A. Whenever the air conditioning systems are in operation, Tenant agrees to lower and close the blinds or drapes when necessary because of the sun's position, and to cooperate fully with Landlord with regard to, and to abide by all the reasonable regulations and requirements which Landlord may prescribe for the proper functioning and protection of the air conditioning systems. Landlord shall use reasonable efforts, upon no less than one (1) business day's advance written notice from Tenant, to furnish, at Tenant's sole cost and expense, additional heat or air conditioning services to the Premises on days and at times other than as above provided at Landlord's standard rates from time to time. Tenant, at its sole cost and expense, shall be responsible for the installation of, and charges for, any supplemental cooling equipment Tenant may require for any computer server room or any other similar areas in excess of the cooling to be provided by Landlord pursuant to the Landlord/Tenant Responsibilities Matrix attached hereto as Exhibit 5A. The installation of any such supplemental cooling equipment shall be performed by Tenant in accordance with Article 9 of this Lease.

7.4 Other Utilities; Utility Information. Subject to Landlord's reasonable rules and regulations governing the same, Tenant shall obtain and pay, as and when due, for all other utilities and services consumed in and/or furnished to the Premises, together with all taxes, penalties, surcharges and maintenance charges pertaining thereto. Within ten (10) business days after Landlord's request from time to time, Tenant shall provide Landlord with reasonably detailed information regarding Tenant's utility usage in the Premises.

7.5 Interruption or Curtailment of Utilities. When necessary by reason of accident or emergency, or for repairs, alterations, replacements or improvements which in the reasonable judgment of Landlord are desirable or necessary to be made, Landlord reserves the right, upon no less than twenty-four (24) hours' notice except in the event of an emergency, to interrupt, curtail, or stop (i) the furnishing of hot and/or cold water, (ii) the operation of the plumbing and electric systems, and/or (iii) HVAC services. Landlord shall exercise reasonable diligence to eliminate the cause of any such interruption, curtailment, stoppage or suspension, but there shall be no diminution or abatement of Rent or other compensation due from Landlord to Tenant hereunder, nor shall this Lease be affected or any of Tenant's obligations hereunder reduced, and Landlord shall have no responsibility or liability for any such interruption, curtailment, stoppage, or suspension of services or systems.

7.6 Telecommunications Providers. Notwithstanding anything to the contrary herein or in this Lease contained, Landlord has no obligation to allow any particular telecommunications service provider to have access to the Building or to Premises; provided, however, that Landlord agrees that as of the Commencement Date Landlord will have permitted access to the Building to at least one (1) telecommunications service provider. Landlord may permit access to the Building to additional telecommunications service providers, in Landlord's sole discretion. Tenant is solely responsible for contracting for telecommunications services to the Premises with the telecommunications service provider(s) that serve the Building as aforesaid, and Landlord shall have no liability to Tenant whatsoever for any disruption to, or interference with, telecommunications services to the Premises.

7.7 Trash Removal. Throughout the Term, Tenant shall, at its sole cost and expense keep any Trash in vermin-proof containers within the interior of the Premises until removed. Subject to reimbursement pursuant to Section 5.2, and subject further to Landlord's Force Majeure, Landlord shall furnish a service for the removal of Trash from the Premises. If any Legal Requirements or the trash removal company requires that any substances in the Premises be disposed of separately from ordinary trash, Tenant shall make arrangements at Tenant's expense for such disposal directly with a qualified and licensed disposal company at a lawful disposal site.

7.8 Additional Landlord's Services. Subject to reimbursement pursuant to Section 5.2 above, and subject further to Landlord's Force Majeure, Landlord shall provide the services described in Exhibit 9 attached hereto and made a part hereof, the costs of which shall be included in Operating Costs.

8. MAINTENANCE AND REPAIRS

8.1 Maintenance and Repairs by Tenant. Tenant shall keep the Premises (including all electronic, phone and data cabling and related equipment exclusively serving the Premises (other than building service equipment), fixtures, lighting, electrical equipment and wiring, non-structural walls, interior windows, floor coverings, doors and door frames and plate glass (provided that Landlord shall have the right to repair plate glass at Tenant's cost)) neat and clean and free of insects, rodents, vermin and other pests and, subject to Section 7.7 above, Trash, and in such good repair, order and condition as the same are in on the Commencement Date or in such better condition as the Premises may be put in during the Term, reasonable wear and tear and damage by insured Casualty excepted. Tenant shall be solely responsible, at Tenant's sole cost and expense, for the proper maintenance and repair of all building systems, sanitary, electrical, heating, air conditioning, plumbing, security or other systems and of all equipment and appliances to the extent installed and/or operated by Tenant and/or exclusively serving the Premises (provided that Landlord shall have the right to repair the same at Tenant's cost). Tenant agrees to provide regular maintenance by contract with a reputable qualified service contractor designated by Landlord for the heating and air conditioning, electrical, plumbing and life-safety equipment servicing the Premises, and any repairs to such heating and air conditioning, electrical, plumbing and life-safety equipment servicing the Premises shall be performed only by contractors approved by Landlord and only after Tenant first notifies Landlord in writing of the need for any such repairs and Landlord approves the same (or Landlord exercises its foregoing right to make such repairs at Tenant's cost). Tenant, at Landlord's request, shall at reasonable intervals provide Landlord with copies of such contracts and maintenance and repair records and/or reports. At least one (1) time a year, and other times as reasonably requested by Landlord, Tenant shall provide Landlord with an annual report (the "M&R Annual Report") summarizing all maintenance and repairs projects conducted by Tenant since the prior M&R Annual Report. The M&R Annual Report shall be certified by an officer of Tenant, certifying to Landlord that such work has been, or is being, completed as described in the report.

8.2 Maintenance and Repairs by Landlord. Except as otherwise provided in Article 13, and subject to Tenant's obligations in Section 8.1 above, Landlord shall maintain the roof, Building structure

(including the foundation, structural floor slabs and columns) and Building core (including the common restroom facilities), exterior window frames, and except to the extent exclusively serving the Premises, the base building systems and equipment (including sanitary, electrical, heating, air conditioning, plumbing and security systems) in reasonable repair, order and condition and in compliance with Legal Requirements. In addition, Landlord shall maintain the Common Areas in compliance with Legal Requirements and otherwise in substantially the same manner as comparable office buildings in the East Cambridge/Kendall Square area. All costs incurred by Landlord under this Section 8.2 shall be included in Operating Costs as provided in Section 5.2.

8.3 Accidents to Sanitary and Other Systems. Tenant shall give to Landlord prompt notice of any fire or accident in the Premises or in the Building and of any damage to, or defective condition in, any part or appurtenance of the Building including the sanitary, electrical, ventilation, heating and air conditioning or other systems located in, or serving, the Premises. Except as otherwise provided in Article 13, and subject to Tenant's obligations in Section 8.1 above, such damage or defective condition shall be remedied by Landlord with reasonable diligence, but, subject to Section 12.5 below, if such damage or defective condition was directly caused by any of the Tenant Parties, the cost to remedy the same shall be paid by Tenant.

8.4 Floor Load--Heavy Equipment. Tenant shall not place a load upon any floor of the Premises exceeding the floor load per square foot of area which such floor was designed to carry and which is allowed by Legal Requirements. Landlord reserves the right to prescribe the weight and position of all safes, heavy machinery, heavy equipment, freight, bulky matter or fixtures (collectively, "**Heavy Equipment**"), which shall be placed so as to distribute the weight. Heavy Equipment shall be placed and maintained by Tenant at Tenant's expense in settings sufficient in Landlord's reasonable judgment to absorb and prevent vibration, noise and annoyance. Tenant shall not move any Heavy Equipment into or out of the Building without giving Landlord prior written notice thereof and observing all of Landlord's Rules and Regulations with respect to the same. If such Heavy Equipment requires special handling, Tenant agrees to employ only persons holding a Master Rigger's License to do said work, and that all work in connection therewith shall comply with Legal Requirements. Any such moving shall be at the sole risk and hazard of Tenant and Tenant will defend, indemnify and save Landlord and Landlord's agents (including its property manager), contractors and employees (collectively with Landlord, the "**Landlord Parties**") harmless from and against any and all claims, damages, judgments, losses, penalties, costs, expenses and fees (including reasonable legal fees) (collectively, "**Claims**") resulting directly or indirectly from such moving. Proper placement of all Heavy Equipment in the Premises shall be Tenant's responsibility.

9. ALTERATIONS AND IMPROVEMENTS BY TENANT

9.1 Landlord's Consent Required. Tenant shall not make any alterations, decorations, installations, removals, additions or improvements (collectively, "**Alterations**") in or to the Premises without Landlord's prior written consent, in Landlord's sole discretion.

9.2 Harmonious Relations. Tenant agrees that it will not, either directly or indirectly, use any contractors and/or materials if their use will create any difficulty, whether in the nature of a labor dispute or otherwise, with other contractors and/or labor engaged by Tenant or Landlord or others in the construction, maintenance and/or operation of the Property or any part thereof. In the event of any such difficulty, upon Landlord's request, Tenant shall cause all contractors, mechanics or laborers causing such difficulty to leave the Property immediately.

9.3 Liens. Any mechanic's lien filed against the Premises or the Building for work claimed to have been done for, or materials claimed to have been furnished to, Tenant shall be discharged by Tenant within ten (10) days thereafter, at Tenant's expense by filing the bond required by law or otherwise.

10. SIGNAGE

10.1 Rights and Restrictions. Tenant shall have the right to install Building standard signage identifying Tenant's business at the entrance to the Premises, which signage shall be (a) at Tenant's sole cost and expense, and (b) subject to Landlord's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed) and (c) consistent with the signage design requirements set forth on Exhibit 12 attached hereto. Subject to the foregoing, Tenant shall not place or suffer to be placed or maintained on the exterior of the Premises, or any part of the interior visible from the exterior thereof, any sign, banner, advertising matter or any other thing of any kind, and shall not place or maintain any decoration, letter or advertising matter on the glass of any window or door of the Premises without first obtaining Landlord's written approval. As part of Landlord's Work, Landlord has provided Tenant with building standard window blinds, and Tenant may not remove such building standard blinds without Landlord's prior written consent.

10.2 Building Directory. Landlord shall list Tenant within the directory in the Building lobby at Landlord's sole cost and expense.

11. ASSIGNMENT, MORTGAGING AND SUBLETTING

11.1 Landlord's Consent Required. Tenant shall not, without Landlord's prior written consent, which consent may be withheld in Landlord's sole discretion, mortgage or otherwise encumber this Lease or the Premises in whole or in part. Tenant shall not, without Landlord's prior written consent, assign, sublet, license or transfer this Lease or the Premises in whole or in part whether by changes in the ownership or control of Tenant, or any direct or indirect owner of Tenant, whether at one time or at intervals, by sale or transfer of stock, partnership or beneficial interests, operation of law or otherwise, or permit the occupancy of all or any portion of the Premises by any person or entity other than Tenant's employees (each of the foregoing, a "**Transfer**"). Any purported Transfer made without Landlord's consent, if required hereunder, shall be void and confer no rights upon any third person, provided that if there is a Transfer, Landlord may collect rent from the transferee without waiving the prohibition against Transfers, accepting the transferee, or releasing Tenant from full performance under this Lease. In the event of any Transfer in violation of this Article 11, it shall be an Event of Default for which there is no notice or opportunity to cure. No Transfer shall relieve Tenant of its primary obligation as party Tenant hereunder, nor shall it reduce or increase Landlord's obligations under this Lease.

11.2 Landlord's Recapture Right

(a) Subject to Section 11.6 below, Tenant shall, prior to offering or advertising the Premises thereof for a Transfer or accepting an offer for a Transfer, give a written notice (the "**Recapture Notice**") to Landlord which: (i) states that Tenant desires to make a Transfer, (ii) identifies the affected portion of the Premises, which may not be less than the whole of the Premises (the "**Recapture Premises**"), (iii) identifies the period of time (the "**Recapture Period**") during which Tenant proposes to sublet the Recapture Premises, or indicates that Tenant proposes to assign its interest in this Lease, and (iv) offers to Landlord to terminate this Lease with respect to the Recapture Premises (in the case of a proposed assignment of Tenant's interest in this Lease or a subletting for the remainder of the term of this Lease) or to suspend the Term for the Recapture Period (i.e. the Term with respect to the Recapture Premises shall be terminated during the Recapture Period and Tenant's rental obligations shall be proportionately reduced). Landlord shall have fifteen (15) business days within which to respond to the Recapture Notice.

(b) If Tenant does not enter into a Transfer on the terms and conditions contained in the Recapture Notice on or before the date which is seventy-five (75) days after the earlier of: (x) the expiration of the 15-business day period specified in Section 11.2(a) above, or (y) the date that Landlord

notifies Tenant that Landlord elects not recapture the Recapture Premises, time being of the essence, then prior to entering into any Transfer after such 75-day period, Tenant must deliver to Landlord a new Recapture Notice in accordance with Section 11.2(a) above

11.3 Standard of Consent to Transfer. Subject to Landlord's rights set forth in Section 11.2 to terminate the Lease or suspend the Term, Landlord agrees that, subject to the provisions of this Article 11, Landlord shall not unreasonably withhold, condition or delay its consent to a Transfer of the Premises in whole but not in part, at fair market rent and otherwise on the terms contained in the Recapture Notice. It shall be reasonable for Landlord to withhold its consent to a Transfer (a) if the proposed assignee or sublessee, as the case may be (a "**Transferee**") will not use the Premises for the Permitted Uses, or (b) if, in Landlord's reasonable opinion: the Transferee (i) does not have a tangible net worth and other financial indicators sufficient to meet the Transferee's obligations under the Transfer instrument in question; (ii) does not have a business reputation compatible with the operation of a first-class office building or the tenant mix Landlord desires for the Building; and/or (c) intends to use the space subject to the Transfer for a use that violates any exclusive or restrictive use provisions then in effect with respect to any portion of the Property.

11.4 Profits In Connection with Transfers. Tenant shall, within thirty (30) days of receipt thereof, pay to Landlord fifty percent (50%) of any rent, sum or other consideration paid or given in connection with any Transfer, either initially or over time, after amortization of all reasonable out-of-pocket attorney fees, brokerage commissions and the cost of any improvements required by such Transfer, in excess of Rent hereunder as if such amount were originally called for by the terms of this Lease as additional rent.

11.5 Prohibited Transfers.

Notwithstanding any contrary provision of this Lease, excepting only a Transfer permitted under Section 11.6, Tenant shall have no right to make a Transfer unless on both (i) the date on which Tenant notifies Landlord of its intention to enter into a Transfer and (ii) the date on which such Transfer is to take effect, there is not a Tenant default. Notwithstanding anything to the contrary contained herein, Tenant agrees that in no event shall Tenant make a Transfer to (a) any government agency; (b) any tenant, subtenant or occupant of other space in the Property; or (c) any entity with whom Landlord, or any affiliate of Landlord shall have negotiated for space in the Property, or in any of such affiliate's properties, in the six (6) months immediately preceding such proposed Transfer.

11.6 Permitted Transfers. Provided no monetary default or uncured Event of Default then-exists, Tenant shall have the right to make a Transfer without Landlord's consent, but with prior written notice to Landlord, to (a) an Affiliate so long as such entity remains in such relationship to Tenant, and (b) a Successor, provided that (i) prior to or simultaneously with any assignment pursuant to this Section 11.6, such Affiliate or Successor, as the case may be, and Tenant execute and deliver to Landlord an assignment and assumption agreement in form and substance reasonably acceptable to Landlord whereby such Affiliate or Successor, as the case may be, shall agree to be independently bound by and upon all the covenants, agreements, terms, provisions and conditions set forth in the Lease on the part of Tenant to be performed, and whereby such Affiliate or Successor, as the case may be, shall expressly agree that the provisions of this Article 11 shall, notwithstanding such Transfer, continue to be binding upon it with respect to all future Transfers, and (ii) such Affiliate or Successor, as the case may be, has a net worth, computed in accordance with generally accepted accounting principles consistently applied, at least equal to the greater of (1) the Tangible Net Worth of Tenant immediately prior to such Transfer, or (1) the Tangible Net Worth of Tenant herein named on the date of this Lease. For the purposes hereof, an "**Affiliate**" shall be defined as any entity (xx) that has the financial wherewithal to meet its obligations under the Transfer instrument; and (yy) which is controlled by, is under common control with, or which controls Tenant. As used herein, "**control**"

means direct or, either together with others acting as a group or otherwise, indirect ownership or possession of the right or power, by vote of stockholders or directors, or by contract, agreement or other arrangements, or otherwise, to direct, determine, prevent or otherwise dictate managerial, operational or other actions or activities of any such person, firm or corporation. For the purposes hereof, "**Successor**" shall mean any entity into or with which Tenant is merged or with which Tenant is consolidated or which acquires all or substantially all of Tenant's stock or assets, provided that the surviving entity shall have a net worth and other financial indicators sufficient to meet Tenant's obligations hereunder. For the purposes hereof, "**Tangible Net Worth**" shall mean the excess of total assets over total liabilities (in each case, determined in accordance with GAAP) excluding from the determination of total assets all assets which would be classified as intangible assets under GAAP, including, without limitation, goodwill, licenses, patents, trademarks, trade names, copyrights, and franchises. Notwithstanding the provisions of this Section 11.6, no transaction or series of transactions which are effected solely for the purpose of qualifying as a transaction which does not require Landlord's consent (i.e. and thereby avoiding the operation of the provisions of this Article 11) shall be permitted pursuant to this Section 11.6.

11.7 Investment Policies. Notwithstanding anything to the contrary contained herein, Tenant may not enter into any Transfer with any person or entity if the identity of such person or entity is inconsistent with the written investment policies of Landlord and/or Landlord's parent (as the same may change from time to time) as provided to Tenant by Landlord prior to Landlord's receipt of Tenant's notice of such proposed Transfer, and any such Transfer shall be void ab initio. The provisions of this Section 11.7 shall apply to all Transferees, including Affiliates and Successors. Notwithstanding the foregoing, the provisions of this Section 11.7 shall be of no further force and effect if Landlord and/or Fee Owner are no longer affiliates of Massachusetts Institute of Technology.

12. INSURANCE; INDEMNIFICATION; EXCULPATION

12.1 Tenant's Insurance.

(a) Tenant shall procure, pay for and keep in force throughout the Term (and for so long thereafter as Tenant remains in occupancy of the Premises) commercial general liability insurance and such other insurance specified on Exhibit 10 attached hereto.

12.2 Indemnification. Tenant shall defend, indemnify and save the Landlord Parties harmless from and against any and all Claims asserted by or on behalf of any person, firm, corporation or public authority arising from:

(a) Tenant's breach of any covenant or obligation under this Lease;

(b) Any injury to or death of any person, or loss of or damage to property, sustained or occurring in, upon, at or about the Premises;

(c) Any injury to or death of any person, or loss of or damage to property (A) arising out of the use or occupancy of the Premises by or (B) caused by or arising from the negligence or willful misconduct of any of the Tenant Parties; and

(d) On account of or based upon any work or thing whatsoever done (other than by Landlord or any of the Landlord Parties) at the Premises during the Term and during the period of time, if any, prior to the Commencement Date that any of the Tenant Parties may have been given access to the Premises.

This Section 12.2 (as well as any other provisions of this Lease dealing with indemnification of Landlord by Tenant) shall be deemed to be modified in each case by the insertion in the appropriate place of the following: "except as otherwise provided in Section 15 of Chapter 186 of the Massachusetts General Laws, as the same may be amended".

12.3 Property of Tenant. Tenant covenants and agrees that, to the maximum extent permitted by Legal Requirements, all of Tenant's Property at the Premises shall be at the sole risk and hazard of Tenant, and that if the whole or any part thereof shall be damaged, destroyed, stolen or removed from any cause or reason whatsoever, no part of said damage or loss shall be charged to, or borne by, Landlord, except, subject to Section 12.5 hereof, to the extent such damage or loss is due to the negligence or willful misconduct of any of the Landlord Parties.

12.4 Limitation of Landlord's Liability for Damage or Injury. Landlord shall not be liable for any injury or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, air contaminants or emissions, electricity, electrical or electronic emanations or disturbance, water, rain or snow or leaks from any part of the Building or from the pipes, appliances, equipment or plumbing works or from the roof, street or sub-surface or from any other place or caused by dampness, vandalism, malicious mischief or by any other cause of whatever nature, except to the extent caused by or due to the negligence or willful misconduct of any of the Landlord Parties, and then, where notice and an opportunity to cure are appropriate (i.e., where Tenant has an opportunity to know or should have known of such condition sufficiently in advance of the occurrence of any such injury or damage resulting therefrom as would have enabled Landlord to prevent such damage or loss had Tenant notified Landlord of such condition) only after (i) notice to Landlord of the condition claimed to constitute negligence or willful misconduct, and (ii) the expiration of a reasonable time after such notice has been received by Landlord without Landlord having commenced to take all reasonable and practicable means to cure or correct such condition; and pending such cure or correction by Landlord, Tenant shall take all reasonably prudent temporary measures and safeguards to prevent any injury, loss or damage to persons or property. Notwithstanding the foregoing, in no event shall any of the Landlord Parties be liable for any loss which is covered by insurance policies actually carried or required to be so carried by this Lease; nor shall any of the Landlord Parties be liable for any such damage caused by other tenants or persons in the Building or caused by operations in construction of any private, public, or quasi-public work; nor shall any of the Landlord Parties be liable for any latent defect in the Premises or in the Building.

12.5 Waiver of Subrogation; Mutual Release. Landlord and Tenant each hereby waives on behalf of itself and its property insurers (none of which shall ever be assigned any such claim or be entitled thereto due to subrogation or otherwise) any and all rights of recovery, claim, action, or cause of action against the other and its agents, officers, servants, partners, shareholders, or employees (collectively, the "**Related Parties**") for any loss or damage (excluding rights of recovery, claims, actions, and causes of action relating to damage to the roof of the Building caused by Tenant but including rights of recovery, claims, actions, and causes of action relating to damage to the roof of the Building caused by any Casualty (hereinafter defined)) that may occur to or within the Premises or the Building or any improvements thereto, or any personal property of such party therein which is insured against under any property insurance policy actually being maintained by the waiving party from time to time, even if not required hereunder, or which would be insured against under the terms of any insurance policy required to be carried or maintained by the waiving party hereunder, whether or not such insurance coverage is actually being maintained, including, in every instance, such loss or damage that may be caused by the negligence of the other party hereto and/or its Related Parties. Landlord and Tenant each agrees to cause appropriate clauses to be included in its property insurance policies necessary to implement the foregoing provisions.

12.6 Tenant's Acts--Effect on Insurance. Tenant shall not do or permit any Tenant Party to do any act or thing upon the Premises or elsewhere in the Building which will invalidate or be in conflict

with any insurance policies or warranties covering the Building and the fixtures and property therein; and shall not do, or permit to be done, any act or thing upon the Premises which shall subject Landlord to any liability or responsibility for injury to any person or persons or to property by reason of any business or operation being carried on upon said Premises or for any other reason. If by reason of Tenant's use of the Premises or the failure of Tenant to comply with the provisions of this Lease the insurance rate applicable to any policy of insurance shall at any time thereafter be higher than it otherwise would be, Tenant shall reimburse Landlord upon demand for that part of any insurance premiums which shall have been charged because of such use or failure by Tenant, together with interest at the Default Rate until paid in full, within ten (10) days after receipt of an invoice therefor.

13. CASUALTY; TAKING

13.1 Damage. If the Premises are damaged in whole or part because of fire or other insured casualty ("**Casualty**"), or if the Premises are subject to a taking in connection with the exercise of any power of eminent domain, condemnation, or purchase under threat or in lieu thereof (any of the foregoing, a "**Taking**"), then unless this Lease is terminated in accordance with Section 13.2 below, Landlord shall restore the Building and/or the Premises to substantially the same condition as existed prior to the Casualty, or in the event of a partial Taking which affects the Building and the Premises, restore the remainder of the Building and the Premises not so Taken to substantially the same condition as is reasonably feasible. If, in Landlord's reasonable judgment, any element of the Tenant-Insured Improvements can more effectively be restored as an integral part of Landlord's restoration of the Building or the Premises, such restoration shall also be made by Landlord, but at Tenant's sole cost and expense. Subject to rights of Mortgagees, any act or omission by Tenant and/or Tenant's agents, servants, employees, contractors, subcontractors, licensees and/or subtenants (collectively with Tenant, the "**Tenant Parties**") which causes an actual delay in the performance of Landlord's restoration work, Legal Requirements then in existence and to delays for adjustment of insurance proceeds or Taking awards, as the case may be, and instances of Landlord's Force Majeure, Landlord shall substantially complete such restoration within one (1) year after Landlord's receipt of all required permits therefor. Upon substantial completion of such restoration by Landlord, Tenant shall use diligent efforts to complete restoration of the Premises to substantially the same condition as existed immediately prior to such Casualty or Taking, as the case may be, as soon as reasonably possible. Tenant agrees to cooperate with Landlord in such manner as Landlord may reasonably request to assist Landlord in collecting insurance proceeds due in connection with any Casualty which affects the Premises or the Building. In no event shall Landlord be required to expend more than the Net (hereinafter defined) insurance proceeds Landlord receives for damage to the Premises and/or the Building or the Net Taking award attributable to the Premises and/or the Building. "**Net**" means the insurance proceeds or Taking award actually paid to Landlord (and not paid over to a Mortgagee) less all costs and expenses, including adjusters and attorneys' fees, of obtaining the same. In the fiscal year in which a Casualty occurs, there shall be included in Operating Costs Landlord's deductible under its property insurance policy. Except as Landlord may elect pursuant to this Section 13.1, under no circumstances shall Landlord be required to repair any damage to, or make any repairs to or replacements of, any Tenant-Insured Improvements.

13.2 Termination Rights.

(a) Landlord's Termination Rights. Landlord may terminate this Lease upon thirty (30) days' prior written notice to Tenant if:

(i) any material portion of the Building or any material means of access thereto is taken;

(ii) more than thirty-five percent (35%) of the Building is damaged by Casualty; or

(iii) if the estimated time to complete restoration exceeds one (1) year from the date on which Landlord receives all required permits for such restoration.

(b) Tenant's Termination Right. If Landlord is so required but fails to complete restoration of the Premises within the time frames and subject to the conditions set forth in Section 13.1 above, then Tenant may terminate this Lease upon sixty (60) days' written notice to Landlord; provided, however, that if Landlord completes such restoration within sixty (60) days after receipt of any such termination notice, such termination notice shall be null and void and this Lease shall continue in full force and effect. The remedies set forth in this Section 13.2(b) and in Section 13.2(c) below are Tenant's sole and exclusive rights and remedies based upon Landlord's failure to complete the restoration of the Premises as set forth herein.

(c) Either Party May Terminate. In the case of any Casualty or Taking affecting the Premises and occurring during the last twelve (12) months of the Term, then (i) if such Casualty or Taking results in more than twenty-five percent (25%) of the floor area of the Premises being unsuitable for the Permitted Uses, or (ii) the damage to the Premises costs more than $250,000 to restore, then either Landlord or Tenant shall have the option to terminate this Lease upon thirty (30) days' written notice to the other. In addition, if any Mortgagee does not release sufficient insurance proceeds to cover the cost of Landlord's restoration work, Landlord shall notify Tenant thereof. In such event, unless Landlord agrees in writing to cover the difference, Landlord or Tenant may terminate this Lease by written notice to the other within thirty (30) days after such notice from Landlord.

(d) Automatic Termination. In the case of a Taking of the entire Premises, then this Lease shall automatically terminate as of the date of possession by the Taking authority.

(e) Tenant shall assign to Landlord all of its right, title and interest in and to the insurance proceeds for any Alterations (a) if the Term shall expire prior to the completion of Tenant's restoration pursuant to Section 13.1 above, or (ii) if this Lease is terminated pursuant to any provision of this Lease prior to the completion of Tenant's restoration pursuant to Section 13.1 above, in each case equal to the sum of the unamortized costs of any portion of any Alterations that were not designated for removal pursuant to Article 9.

(f) Notwithstanding anything to the contrary contained herein, Tenant may not terminate this Lease pursuant to this Article 13 if the Casualty in question was caused by the negligence or willful misconduct of any of the Tenant Parties.

13.3 Taking for Temporary Use. If the Premises are Taken for temporary use, this Lease and Tenant's obligations, including the payment of Rent, shall continue. For purposes hereof, "**Taken for temporary use**" shall mean a Taking of ninety (90) days or less.

13.4 Disposition of Awards. Except for any separate award for Tenant's movable trade fixtures, relocation expenses, and unamortized leasehold improvements paid for by Tenant (provided that the same may not reduce Landlord's award), all Taking awards to Landlord or Tenant shall be Landlord's property without Tenant's participation, and Tenant hereby assigns to Landlord Tenant's interest, if any, in such award. Tenant may pursue its own claim against the Taking authority.

14. ESTOPPEL CERTIFICATE. Tenant shall at any time and from time to time upon not less than ten (10) days' prior notice from Landlord, execute, acknowledge and deliver to Landlord a statement in writing certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications), and the dates to which Rent has been paid in advance, if any, stating whether or not Landlord is in default in

performance of any covenant, agreement, term, provision or condition contained in this Lease and, if so, specifying each such default, and such other facts as Landlord may reasonably request, it being intended that any such statement delivered pursuant hereto may be relied upon by Landlord, any prospective purchaser of the Building or of any interest of Landlord therein, any Mortgagee or prospective Mortgagee thereof, any lessor or prospective lessor thereof, any lessee or prospective lessee thereof, or any prospective assignee of any Mortgagee. Time is of the essence with respect to any such requested certificate, Tenant hereby acknowledging the importance of such certificates in mortgage financing arrangements, prospective sales and the like. If Tenant shall fail to execute and deliver to Landlord any such statement within such ten-day period, Tenant hereby appoints Landlord as Tenant's attorney-in-fact in its name and behalf to execute such statement, such appointment being coupled with an interest.

15. HAZARDOUS MATERIALS

15.1 Prohibition. Except for de minimis quantities of standard office supplies and cleaning materials stored in compliance with Environmental Laws (hereinafter defined) and in proper containers, Tenant shall not, without the prior written consent of Landlord, which may be withheld in Landlord's sole discretion, bring or permit to be brought or kept in or on the Premises or elsewhere in the Building (i) any inflammable, combustible or explosive fluid, material, chemical or substance; or (ii) any Hazardous Material (hereinafter defined). Upon at least forty-eight (48) hours' notice, except that no notice shall be required in an emergency, Landlord shall have the right, from time to time, to inspect the Premises for compliance with the terms of this Section 15.1 at Tenant's sole cost and expense.

15.2 Environmental Laws. For purposes hereof, "**Environmental Laws**" shall mean all laws, statutes, ordinances, rules and regulations of any local, state or federal governmental authority having jurisdiction concerning environmental, health and safety matters, including but not limited to any discharge by any of the Tenant Parties into the air (including indoor air and outdoor air), surface water, sewers, soil or groundwater of any Hazardous Material (hereinafter defined) whether within or outside the Premises, including (a) the Federal Water Pollution Control Act, 33 U.S.C. Section 1251 et seq., (b) the Federal Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq., (c) the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq., (d) the Toxic Substances Control Act of 1976, 15 U.S.C. Section 2601 et seq., (e) Chapter 21C of the General Laws of Massachusetts; and (f) Chapter 21E of the General Laws of Massachusetts. Tenant, at its sole cost and expense, shall comply with (i) all Environmental Laws, and (ii) any rules, requirements and safety procedures of the Massachusetts Department of Environmental Protection, the City of Cambridge and any insurer of the Building or the Premises with respect to Tenant's use, storage and disposal of any Hazardous Materials.

15.3 Hazardous Material Defined. As used herein, the term "**Hazardous Material**" means asbestos, oil or any hazardous, radioactive or toxic substance, material or waste or petroleum derivative which is or becomes regulated by any Environmental Law, including live organisms, viruses and fungi, medical waste and any so-called "**biohazard**" materials, and any material on the right to know list of the Occupational Safety and Health Administration. The term "**Hazardous Material**" includes oil and/or any material or substance which is (i) designated as a "**hazardous substance**," "**hazardous material**," "**oil**," "**hazardous waste**" or toxic substance under any Environmental Law or (ii) contains any component now or hereafter designated as such.

15.4 Pre-Existing Hazardous Materials. Tenant acknowledges that asbestos is present in the Building. Landlord shall, at its sole cost and expense, comply with all Environmental Laws with respect to the existence of Hazardous Materials in, on or at the Property as of the Execution Date.

16. RULES AND REGULATIONS

16.1 Rules and Regulations. Tenant will faithfully observe and comply with all rules and regulations promulgated from time to time with respect to the Building, the Property and construction within the Property (collectively, the "**Rules and Regulations**"). The current version of the Rules and Regulations is attached hereto as Exhibit 11. In the case of any conflict between the provisions of this Lease and any future rules and regulations, the provisions of this Lease shall control. Nothing contained in this Lease shall be construed to impose upon Landlord any duty or obligation to enforce the Rules and Regulations or the terms, covenants or conditions in any other lease as against any other tenant and Landlord shall not be liable to Tenant for violation of the same by any other tenant, its servants, employees, agents, contractors, visitors, invitees or licensees.

16.2 Energy Conservation. Notwithstanding anything to the contrary contained herein, Landlord may institute upon written notice to Tenant such policies, programs and measures as may be necessary, required, or expedient for the conservation and/or preservation of energy or energy services (collectively, the "**Conservation Program**"), provided, however, that the Conservation Program does not, by reason of such policies, programs and measures, reduce the level of energy or energy services being provided to the Premises below the level of energy or energy services then being provided in comparable office buildings in the East Cambridge/Kendall Square area, or as may be necessary or required to comply with Legal Requirements or standards or the other provisions of this Lease. Upon receipt of such notice, Tenant shall comply with the Conservation Program at Tenant's sole cost and expense. Without limiting the foregoing, Tenant acknowledges that the Building intends to obtain Leadership in Energy and Environmental Design ("LEED") certification as established by the U.S. Green Building Council ("USGBC"). Any reasonable costs incurred by Landlord in connection with maintaining such certification shall be considered Operating Costs. Tenant shall cooperate as reasonably requested by Landlord in the maintenance of such certification to the extent required to maintain the same.

16.3 Recycling. Landlord may establish policies, programs and measures for the recycling of paper, products, plastic, and other materials (a "**Recycling Program**"). Upon receipt of such notice, Tenant will comply with the Recycling Program at Tenant's sole cost and expense.

17. LEGAL REQUIREMENTS

17.1 Legal Requirements. Tenant shall be responsible at its sole cost and expense for complying with (and keeping the Premises in compliance with) all Legal Requirements that are applicable to Tenant's manner of use or occupancy of, or Alterations made by or on behalf of Tenant to, the Premises. Tenant shall furnish all data and information to governmental authorities, with a copy to Landlord, as required in accordance with Legal Requirements as they relate to Tenant's use or occupancy of the Premises or the Building. If Tenant receives notice of any violation of Legal Requirements applicable to the Premises or the Building, it shall give prompt notice thereof to Landlord. Nothing contained in this Section 17.1 shall be construed to expand the uses permitted hereunder beyond the Permitted Uses.

18. DEFAULT

18.1 Events of Default. The occurrence of any one or more of the following events shall constitute an "**Event of Default**" hereunder by Tenant:

(a) If Tenant fails to make any payment of Rent or any other payment required hereunder, as and when due, and such failure shall continue for a period of three (3) days after notice thereof from Landlord to Tenant; provided, however, an Event of Default shall occur hereunder without any obligation of Landlord to give any notice if (i) Tenant fails to make any payment on or before the due date

therefor, and (ii) Landlord has given Tenant written notice under this Section 18.1(a) on more than one (1) occasion during the twelve (12) month interval preceding such failure by Tenant;

(b) If Tenant shall vacate or abandon the Premises (whether or not the keys shall have been surrendered or the Rent shall have been paid);

(c) If Tenant shall fail to execute and deliver to Landlord an estoppel certificate pursuant to Article 14 above or a subordination and attornment agreement pursuant to Article 20 below, within the timeframes set forth therein and such failure continues for five (5) days after notice thereof;

(d) If Tenant shall fail to maintain any insurance required hereunder;

(e) If Tenant shall fail to restore the Security Deposit to its original amount or deliver a replacement Letter of Credit as required under Article 6 above;

(f) If Tenant causes or suffers any release of Hazardous Materials in, on or near the Property;

(g) If Tenant shall make a Transfer in violation of the provisions of Article 11 above, or if any event shall occur or any contingency shall arise whereby this Lease, or the term and estate thereby created, would (by operation of law or otherwise) devolve upon or pass to any person, firm or corporation other than Tenant, except as expressly permitted under Article 11 hereof;

(h) If Tenant fails to comply with the provisions of Article 2 and/or Section 4.2 above, and such failure shall continue for a period of three (3) days after notice thereof from Landlord to Tenant; provided, however, an Event of Default shall occur hereunder without any obligation of Landlord to give any notice if (i) Tenant fails to comply with the provisions of Article 2 or Section 4.2 above, and (ii) Landlord has given Tenant written notice under this Section 18.1(h) on more than one (1) occasion during the twelve (12) month interval preceding such failure by Tenant;

(i) The failure by Tenant to observe or perform any of the covenants or provisions of this Lease to be observed or performed by Tenant, other than as specified above, and such failure continues for more than thirty (30) days after notice thereof from Landlord; provided, further, that if the nature of Tenant's default is such that more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant shall commence such cure within said thirty (30) day period and thereafter diligently prosecute such cure to completion, which completion shall occur not later than ninety (90) days from the date of such notice from Landlord regardless of the reason for lack of completion;

(j) Tenant makes an assignment for the benefit of creditors, or a receiver, trustee or custodian is appointed to or does take title, possession or control of all or substantially all of Tenant's assets;

(k) Tenant files a voluntary petition under the United States Bankruptcy Code or any successor statute (as the same may be amended from time to time, the "Bankruptcy Code") or an order for relief is entered against Tenant pursuant to a voluntary or involuntary proceeding commenced under any chapter of the Bankruptcy Code, or any involuntary petition is filed against Tenant under any chapter of the Bankruptcy Code and is not dismissed within one hundred twenty (120) days;

(l) Any judgment, attachment or the like in excess of $100,000 shall be entered, recorded or filed against Tenant in any court, registry, etc. and Tenant shall fail to pay such judgment within thirty (30) days after the judgment shall have become final beyond appeal or to discharge or secure by

surety bond such lien, attachment, etc. within thirty (30) days of such entry, recording or filing, as the case may be; or

(m) The leasehold hereby created shall be taken on execution or by other process of law and shall not be revested in Tenant within thirty (30) days thereafter.

Tenant shall reimburse Landlord, within thirty (30) days after demand, for Landlord's reasonable out-of-pocket costs and expenses (including legal fees and costs) incurred in connection with the preparation and delivery of each notice of default delivered pursuant to this Section 18.1 (which notice of default may include such demand for payment).

18.2 Remedies. Upon an Event of Default, Landlord may, by notice to Tenant, elect to terminate this Lease; and thereupon (and without prejudice to any remedies which might otherwise be available to Landlord, including for arrears of Rent or preceding breach of covenant or agreement and without prejudice to Tenant's liability for damages as hereinafter stated), upon the giving of such notice, this Lease shall terminate as of the date specified therein as though that were the Expiration Date. Upon such termination, Landlord shall have the right to utilize the Security Deposit or draw down the entire Letter of Credit, as applicable, and apply the proceeds thereof to its damages hereunder. Without being taken or deemed to be guilty of any manner of trespass or conversion, and without being liable to indictment, prosecution or damages therefor, Landlord may, by lawful process, enter into and upon the Premises (or any part thereof in the name of the whole); repossess the same, as of its former estate; and expel Tenant and those claiming under Tenant. The words "**re-entry**" and "**re-enter**" as used in this Lease are not restricted to their technical legal meanings.

18.3 Damages - Termination.

(a) Upon the termination of this Lease under the provisions of this Article 18, Tenant shall pay to Landlord Rent up to the time of such termination, shall continue to be liable for any breach or default preceding such termination, and in addition, shall pay to Landlord as damages, at the election of Landlord, either:

(i) the amount (discounted to present value at the rate of five percent (5%) per annum) by which, at the time of the termination of this Lease (or at any time thereafter if Landlord shall have initially elected damages under Section 18.3(a)(ii) below), (x) the aggregate of Rent projected over the period commencing with such termination and ending on the Expiration Date, exceeds (y) the aggregate projected rental value of the Premises for such period, taking into account a reasonable time period during which the Premises shall be unoccupied, plus all Reletting Costs (hereinafter defined); or

(ii) amounts equal to Rent which would have been payable by Tenant had this Lease not been so terminated, payable upon the due dates therefor specified herein following such termination and until the Expiration Date, provided, however, if Landlord shall re-let the Premises during such period, then Landlord shall credit Tenant with the net rents received by Landlord from such re-letting, such net rents to be determined by first deducting from the gross rents as and when received by Landlord from such re-letting the expenses incurred or paid by Landlord in terminating this Lease, as well as the expenses of re-letting, including altering and preparing the Premises for new tenants, brokers' commissions, and all other similar and dissimilar expenses properly chargeable against the Premises and the rental therefrom (collectively, "**Reletting Costs**"), it being understood that any such re-letting may be for a period equal to or shorter or longer than the remaining Term at Landlord's sole and absolute discretion without otherwise affecting this remedy; and provided, further, that (x) in no event shall Tenant be entitled to receive any excess of such net rents over the sums payable by Tenant to Landlord hereunder and (y) in no event shall Tenant be entitled in any suit for the collection of damages pursuant to this Section 18.3(a)(ii) to a

credit in respect of any net rents from a re-letting except to the extent that such net rents are actually received by Landlord prior to the commencement of such suit. If the Premises or any part thereof should be re-let in combination with other space, then proper apportionment on a square foot area basis shall be made of the rent received from such re-letting and of the expenses of re-letting.

(b) In calculating the amount due under Section 18.3(a)(i), above, there shall be included, in addition to the Base Rent, all other considerations agreed to be paid or performed by Tenant, including Tenant's Share of Operating Costs and Tenant's Tax Share of Taxes, on the assumption that all such amounts and considerations would have increased at the rate of five percent (5%) per annum for the balance of the full term hereby granted.

(c) Suit or suits for the recovery of such damages, or any installments thereof, may be brought by Landlord from time to time at its election, and nothing contained herein shall be deemed to require Landlord to postpone suit until the date when the Term would have expired if it had not been terminated hereunder.

(d) Nothing herein contained shall be construed as limiting or precluding the recovery by Landlord against Tenant of any sums or damages to which, in addition to the damages particularly provided above, Landlord may lawfully be entitled by reason of any Event of Default hereunder.

(e) In lieu of any other damages or indemnity and in lieu of full recovery by Landlord of all sums payable under all the foregoing provisions of this Section 18.3, Landlord may, by written notice to Tenant, at any time after this Lease is terminated under any of the provisions herein contained or is otherwise terminated for breach of any obligation of Tenant and before such full recovery, elect to recover, and Tenant shall thereupon pay, as liquidated damages, an amount equal to the aggregate of (x) an amount equal to the lesser of (1) Rent accrued under this Lease in the twelve (12) months immediately prior to such termination, or (2) Rent payable during the remaining months of the Term if this Lease had not been terminated, plus (y) the amount of Rent accrued and unpaid at the time of termination, less (z) the amount of any recovery by Landlord under the foregoing provisions of this Section 18.3 up to the time of payment of such liquidated damages; Tenant hereby acknowledging that the damages which Landlord may suffer as the result of the termination of this Lease as a result of an Event of Default over cannot be determined as of the Execution Date. The terms and provisions of Section 18.3 shall survive the expiration or termination of this Lease.

18.4 Landlord's Self-Help; Fees and Expenses. If Tenant shall default in the performance of any covenant on Tenant's part to be performed in this Lease contained, including the obligation to maintain the Premises in the required condition pursuant to Section 8.1 above, Landlord may, upon reasonable advance notice, except that no notice shall be required in an emergency, immediately, or at any time thereafter, perform the same for the account of Tenant. Tenant shall pay to Landlord upon demand therefor any costs incurred by Landlord in connection therewith, together with interest at the Default Rate until paid in full. In addition, Tenant shall pay all of Landlord's costs and expenses, including reasonable attorneys' fees, incurred (i) in enforcing any obligation of Tenant under this Lease or (ii) as a result of Landlord or any of the Landlord Parties being made party to any litigation pending by or against any of the Tenant Parties.

18.5 Waiver of Redemption, Statutory Notice and Grace Periods. Tenant does hereby waive and surrender all rights and privileges which it might have under or by reason of any present or future Legal Requirements to redeem the Premises or to have a continuance of this Lease for the Term hereby demised after being dispossessed or ejected therefrom by process of law or under the terms of this Lease or after the termination of this Lease as herein provided. Except to the extent prohibited by Legal Requirements, any statutory notice and grace periods provided to Tenant by law are hereby expressly waived by Tenant.

18.6 Landlord's Remedies Not Exclusive. The specified remedies to which Landlord may resort hereunder are cumulative and are not intended to be exclusive of any remedies or means of redress to which Landlord may at any time be lawfully entitled, and Landlord may invoke any remedy (including the remedy of specific performance) allowed at law or in equity as if specific remedies were not herein provided for; Tenant hereby acknowledging that the damages which Landlord may suffer as the result of the termination of this Lease as a result of an Event of Default over cannot be determined as of the Execution Date.

18.7 No Waiver. Landlord's failure to seek redress for violation, or to insist upon the strict performance, of any covenant or condition of this Lease, or any of the Rules and Regulations promulgated hereunder, shall not prevent a subsequent act, which would have originally constituted a violation, from having all the force and effect of an original violation. The receipt by Landlord of Rent with knowledge of the breach of any covenant of this Lease shall not be deemed a waiver of such breach. The failure of Landlord to enforce any of such Rules and Regulations against Tenant and/or any other tenant in the Building shall not be deemed a waiver of any such Rules and Regulations. No provisions of this Lease shall be deemed to have been waived by either party unless such waiver shall be in writing signed by such party against whom a waiver is claimed. No payment by Tenant or receipt by Landlord of a lesser amount than the Rent herein stipulated shall be deemed to be other than on account of the stipulated 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 in this Lease provided.

18.8 Restrictions on Tenant's Rights. During the continuation of any Event of Default, (a) Landlord shall not be obligated to provide Tenant with any notice pursuant to Sections 2.3 above; and (b) Tenant shall not have the right to make, nor to request Landlord's consent or approval with respect to, any Alterations.

18.9 Landlord Default. Notwithstanding anything to the contrary contained in the Lease, Landlord shall in no event be in default in the performance of any of Landlord's obligations under this Lease unless Landlord shall have failed to perform such obligations within thirty (30) days (or such additional time as is reasonably required to correct any such default, provided Landlord commences cure within 30 days) after written notice by Tenant to Landlord properly specifying wherein Landlord has failed to perform any such obligation. Except as expressly set forth in this Lease, Tenant shall not have the right to terminate or cancel this Lease or to withhold Rent or to set-off or deduct any claim or damages against Rent as a result of any default by Landlord or breach by Landlord of its covenants or any warranties or promises hereunder. In addition, Tenant shall not assert any right to deduct the cost of repairs or any monetary claim against Landlord from Rent due and payable under this Lease.

19. SURRENDER; ABANDONED PROPERTY; HOLD-OVER

19.1 Surrender

(a) Upon the expiration or earlier termination of the Term, Tenant shall (i) peaceably quit and surrender to Landlord the Premises broom clean, in good order, repair and condition excepting only ordinary wear and tear and damage by fire or other insured Casualty; (ii) remove all of Tenant's Property (including all cabling, trade fixtures, furniture and equipment) and, to the extent specified by Landlord, Alterations made by Tenant, and (iii) repair any damages to the Premises or the Building caused by the installation or removal of Tenant's Property and/or such Alterations. Tenant's obligations under this Section 19.1(a) shall survive the expiration or earlier termination of this Lease.

(b) No act or thing done by Landlord during the Term shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept such surrender shall be valid, unless in writing signed by Landlord. Unless otherwise agreed by the parties in writing, no employee of Landlord or of Landlord's agents shall have any power to accept the keys of the Premises prior to the expiration or earlier termination of this Lease. The delivery of keys to any employee of Landlord or of Landlord's agents shall not operate as a termination of this Lease or a surrender of the Premises.

(c) Notwithstanding anything to the contrary contained herein, Tenant shall, at its sole cost and expense, remove from the Premises, prior to the end of the Term, any item installed by or for Tenant and which, pursuant to Legal Requirements, must be removed therefrom before the Premises may be used by a subsequent tenant.

(d) Tenant hereby assigns to Landlord any warranties in effect on the last day of the Term with respect to any fixtures and Alterations remaining in the Premises. Tenant shall provide Landlord with copies of any such warranties prior to the expiration of the Term (or, if the Lease is earlier terminated, within five (5) days thereafter).

19.2 Abandoned Property. After the expiration or earlier termination of this Lease, if Tenant fails to remove any property from the Building or the Premises that Tenant is obligated by the terms of this Lease to remove within five (5) business days after written notice from Landlord, such property (the "**Abandoned Property**") shall be conclusively deemed to have been abandoned, and may either be retained by Landlord as its property or sold or otherwise disposed of in such manner as Landlord may see fit. If any item of Abandoned Property shall be sold, Tenant hereby agrees that Landlord may receive and retain the proceeds of such sale and apply the same, at its option, to the expenses of the sale, the cost of moving and storage, any damages to which Landlord may be entitled under Article 18 hereof or pursuant to law, and to any arrears of Rent.

19.3 Holdover. If any of the Tenant Parties holds over after the end of the Term, Tenant shall be deemed a tenant-at-sufferance subject to the provisions of this Lease; provided that whether or not Landlord has previously accepted payments of Rent from Tenant, (i) Tenant shall, for the first thirty (30) days after the Expiration Date, pay Base Rent at 150% of the highest rate of Base Rent payable during the Term, and thereafter pay Base Rent at 200% of the highest rate of Base Rent payable during the Term, (ii) Tenant shall continue to pay to Landlord all additional rent, and (iii) Tenant shall be liable for all damages, including lost business and consequential damages, incurred by Landlord as a result of such holding over, Tenant hereby acknowledging that Landlord may need the Premises after the end of the Term for other tenants and that the damages which Landlord may suffer as the result of Tenant's holding over cannot be determined as of the Execution Date. Nothing contained herein shall grant Tenant the right to holdover after the expiration or earlier termination of the Term or affect Tenant's status as a tenant-at-sufferance during any holdover period.

20. MORTGAGEE RIGHTS

20.1 Subordination. Tenant's rights and interests under this Lease shall be (i) subject and subordinate to any existing or future (a) ground lease (including without the Master Lease), (b) subleases or other instruments pursuant to any sale and leaseback transaction of the Master Lease or the Property, and (c) any mortgages, deeds of trust, overleases, or similar instruments covering the Premises, the Building and/or the Land and to all advances, modifications, renewals, replacements, and extensions thereof (each of the foregoing, a "**Mortgage**"), or (ii) if any Mortgagee elects, prior to the lien of any present or future Mortgage. Tenant further shall attorn to and recognize any successor landlord, whether through foreclosure or otherwise, as if the successor landlord were the originally named landlord. The provisions of this Section 20.1 shall be self-operative and no further instrument shall be required to effect such subordination or

attornment; however, Tenant agrees to execute, acknowledge and deliver such instruments, confirming such subordination and attornment in such form as shall be requested by any such holder within ten (10) business days of request therefor. If Tenant shall fail to execute and deliver to Landlord any such statement within such ten-day period, Tenant hereby appoints Landlord as Tenant's attorney-in-fact in its name and behalf to execute such statement, such appointment being coupled with an interest. With respect to the Master Lease, Tenant shall execute and deliver to Landlord simultaneously with its execution and delivery of this Lease, the Subordination, Non-Disturbance and Attornment Agreement (the "**Master Lease SNDA**") in the form attached hereto as Exhibit 13. Landlord may record the Master Lease SNDA in the Registry at its sole cost and expense.

20.2 Mortgagee Notices. Tenant shall give each Mortgagee the same notices given to Landlord concurrently with the notice to Landlord, and each Mortgagee shall have a reasonable opportunity to cure a Landlord default after the expiration of Landlord's applicable notice and/or cure periods if Landlord fails to do so, and Mortgagee's curing of any of Landlord's default shall be treated as performance by Landlord.

20.3 Mortgagee Liability. Tenant acknowledges and agrees that if any Mortgage shall be foreclosed, (a) the liability of the Mortgagee and its successors and assigns shall exist only so long as such Mortgagee or purchaser is the owner of the Premises, and such liability shall not continue or survive after further transfer of ownership; and (b) such Mortgagee and its successors or assigns shall not be (i) liable for any act or omission of any prior lessor under this Lease; (ii) liable for the performance of Landlord's covenants pursuant to the provisions of this Lease which arise and accrue prior to such entity succeeding to the interest of Landlord under this Lease or acquiring such right to possession; (iii) subject to any offsets or defense which Tenant may have at any time against Landlord; (iv) bound by any Rent or other amounts which Tenant may have paid previously for more than one (1) month; or (v) liable for the performance of any covenant of Landlord under this Lease which is capable of performance only by the original Landlord.

21. QUIET ENJOYMENT. Landlord covenants that so long as Tenant keeps and performs each and every covenant, agreement, term, provision and condition herein contained on the part and on behalf of Tenant to be kept and performed, Tenant shall peaceably and quietly hold, occupy and enjoy the Premises during the Term from and against the claims of all persons lawfully claiming by, through or under Landlord subject, nevertheless, to the covenants, agreements, terms, provisions and conditions of this Lease, any matters of record or of which Tenant has knowledge and to any Mortgage to which this Lease is subject and subordinate, as hereinabove set forth.

22. NOTICES. Any notice, consent, request, bill, demand or statement hereunder by either party to the other party shall be in writing and shall be deemed to have been duly given when either delivered by hand or by nationally recognized overnight courier or refused, as the case may be (in either case with evidence of delivery or refusal thereof) and addressed as follows:

If to Landlord:	MIT 139 Main Street Leasehold LLC c/o MIT Cambridge Real Estate LLC One Broadway, Suite 09-200 Cambridge, MA 02142 Attention: President
With copies to:	MIT Investment Management Company One Broadway, Suite 09-200 Cambridge, MA 02142 Attention: Director of Real Estate Legal Services

and:	Jones Lang LaSalle Americas, Inc. One Broadway, 6th Floor Cambridge, MA 02142 Attention: Group Manager
With a copy by email to:	
If to Tenant:	Prior to the Commencement Date: At the address set forth in the Lease Summary Sheet. After the Commencement Date: At the Premises Email address:
With a copy to:	_____ _____ _____

Notwithstanding the foregoing, and except in those instances where oral notices are permitted under this Lease, any notice from Landlord to Tenant regarding ordinary business operations (e.g., exercise of a right of access to the Premises, maintenance activities, invoices, etc.) may also be given by written notice delivered by electronic mail to any person at the Premises whom Landlord reasonably believes is authorized to receive such notice on behalf of Tenant without copies as specified above. Either party may at any time change the address or specify an additional address for such notices by delivering or mailing, as aforesaid, to the other party a notice stating the change and setting forth the changed or additional address, provided such changed or additional address is within the United States and is not a post office box. Notices shall be effective upon the date of receipt or refusal thereof. Any notice given by an attorney on behalf of Landlord shall be considered as given by Landlord and shall be fully effective. Any notice given by an attorney on behalf of Tenant shall be considered as given by Tenant and shall be fully effective.

23. MISCELLANEOUS

23.1 Separability. If any provision of this Lease or portion of such provision or the application thereof to any person or circumstance is for any reason held invalid or unenforceable, the remainder of this Lease (or the remainder of such provision) and the application thereof to other persons or circumstances shall not be affected thereby.

23.2 Captions; Interpretation. The captions are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Lease nor the intent of any provisions thereof. The normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Lease or any exhibits or amendments hereto. Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires. Unless expressly stated otherwise, the use of the word "**including**" or "**include"** in this Lease shall be deemed to mean "**including without limitation**" or "**include without limitation**" in each instance.

23.3 Broker. Tenant and Landlord each warrants and represents that it has dealt with no broker in connection with the consummation of this Lease other than CBRE and Jones Lang LaSalle (collectively, "**Broker**"). Tenant and Landlord each agrees to defend, indemnify and save the other harmless from and against any Claims arising in breach of its representation and warranty set forth in the immediately preceding sentence. Landlord shall be solely responsible for the payment of any brokerage commissions to Broker in connection with this Lease.

23.4 Entire Agreement. This Lease, Lease Summary Sheet and the Exhibits attached hereto and incorporated herein contain the entire and only agreement between the parties and any and all statements and representations, written and oral, including previous correspondence and agreements between the parties hereto, are merged herein. Tenant acknowledges that all representations and statements upon which it relied in executing this Lease are contained herein and that Tenant in no way relied upon any other statements or representations, written or oral. This Lease may not be modified orally or in any manner other than by written agreement signed by the parties hereto, provided that no amendment or modification may be effected by text message, electronic mail or similar communication.

23.5 Governing Law; Personal Jurisdiction. This Lease is made pursuant to, and shall be governed by, and construed in accordance with, the laws of the Commonwealth of Massachusetts and any applicable local municipal rules, regulations, by-laws, ordinances and the like. Any litigation relating to this Lease shall be brought in the state or federal courts in the Commonwealth of Massachusetts, and each party consents to personal jurisdiction in such courts.

23.6 Tenant Representations. Tenant hereby guarantees, warrants and represents to Landlord that (i) Tenant is duly incorporated or otherwise established or formed and validly existing under the laws of its state of incorporation, establishment or formation, (ii) Tenant has and is duly qualified to do business in the state in which the Property is located, (iii) Tenant has full corporate, partnership, trust, limited liability company or other appropriate power and authority to enter into this Lease and to perform all of Tenant's obligations hereunder, (iv) 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; and (v) neither the execution, delivery or performance of this Lease, nor the consummation of the transactions contemplated hereby, will violate or conflict with any provision of documents or instruments under which Tenant is constituted or to which Tenant is a party.

23.7 Expenses Incurred by Landlord Upon Tenant Requests. Tenant shall, upon demand, reimburse Landlord for all reasonable expenses, including legal fees, incurred by Landlord in connection with all requests by Tenant for consents, approvals or execution of collateral documentation related to this Lease, including costs incurred by Landlord in the review and approval of Tenant's plans and specifications in connection with proposed Alterations to be made by Tenant to the Premises or in connection with requests by Tenant for Landlord's consent to make a Transfer. Such costs shall be deemed to be additional rent under this Lease.

23.8 Survival. Without limiting any other obligation of Tenant which may survive the expiration or prior termination of the Term, all obligations on the part of Tenant to indemnify, defend, or hold Landlord harmless, as set forth in this Lease (including Section 12.2) shall survive the expiration or prior termination of the Term.

23.9 Limitation of Liability. Tenant shall neither assert nor seek to enforce any claim against Landlord or any of the Landlord Parties, or the assets of any of the Landlord Parties, for breach of this Lease or otherwise, other than against Landlord's interest in the Property, and Tenant agrees to look solely to such interest for the satisfaction of any liability of Landlord under this Lease. This Section 23.9 shall not limit any right that Tenant might otherwise have to obtain injunctive relief against Landlord. Landlord and

Tenant specifically agree that in no event shall any officer, director, manager, member, trustee, employee or representative of Landlord or any of the other Landlord Parties ever be personally liable for any obligation under this Lease, nor shall Landlord or any of the other Landlord Parties be liable for consequential, incidental or punitive damages or for lost profits whatsoever in connection with this Lease.

23.10 Binding Effect. The covenants, agreements, terms, provisions and conditions of this Lease shall bind and benefit the successors and assigns of the parties hereto with the same effect as if mentioned in each instance where a party hereto is named or referred to, except that no violation of the provisions of Article 11 hereof shall operate to vest any rights in any successor or assignee of Tenant. A facsimile, PDF or other electronic signature on this Lease shall be equivalent to, and have the same force and effect as, an original signature.

23.11 Landlord Obligations upon Transfer. Upon any sale, transfer or other disposition of the Building, Landlord shall be entirely relieved from the performance and observance accruing thereafter of all covenants and obligations hereunder on the part of Landlord to be performed and observed, it being understood and agreed in such event (and it shall be deemed and construed as a covenant running with the land) that the person succeeding to Landlord's ownership of said reversionary interest shall thereupon and thereafter assume, and perform and observe, any and all of such covenants and obligations of Landlord, except as otherwise agreed in writing.

23.12 Grants of Interest. Tenant shall not grant any security interest whatsoever in any fixtures within the Premises without the consent of Landlord. Tenant shall notify Landlord within ten (10) business days after the filing of any UCC statement relating to Tenant's Property.

23.13 No Air Rights. No rights to any view or to light or air over any property, whether belonging to Landlord or any other person, are granted to Tenant by this Lease. If at any time any windows of the Premises are temporarily darkened or the light therefrom is obstructed by reason of any repairs, improvements, maintenance or cleaning in or about the Property, the same shall be without liability to Landlord and without any reduction or diminution of Tenant's obligations under this Lease.

23.14 Relocation. Landlord, at its expense, at any time after the completion of the Initial Term, may cause Tenant to relocate from the Premises to space of reasonably comparable size and utility ("**Relocation Space**") within the Building upon sixty (60) days' prior written notice to Tenant, which notice shall set forth the date by which Tenant must complete such relocation and surrender the prior Premises, as well as a reasonable description of the Relocation Space. From and after the date of the relocation, Base Rent, Tenant's Share and Tenant's Tax Share shall be adjusted based on the rentable square footage of the Relocation Space. If the Relocation Space is on a lower floor in the Building, Landlord shall reduce the then-applicable Base Rent by an amount that Landlord reasonably and in good faith determines is appropriate to account for the lower floor location of the Relocation Space. Provided there is no Event of Default nor any event which, with the passage of time and/or the giving of notice would constitute an Event of Default, Landlord shall, within thirty (30) days after receipt of a reasonably detailed invoice, reimburse Tenant for Tenant's reasonable costs of relocation, including all costs for moving Tenant's furniture, equipment, supplies and other personal property, as well as the cost of printing and distributing change of address notices to Tenant's customers and one month's supply of stationery showing the new address so long as such invoice is delivered to Landlord within sixty (60) days after the effective date of such relocation.

23.15 Counterparts. This Lease may be executed in two or more counterparts, and by each or either of the parties in separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

23.16 **Financial Information**. Tenant shall deliver to Landlord, within one hundred twenty days (120) days after the end of each fiscal year of Tenant as well as anytime within thirty (30) days after Landlord's reasonable request, Tenant's most recently completed balance sheet and related statements of income, shareholder's equity and cash flows statements (audited if available) reviewed by an independent certified public accountant and certified by an officer of Tenant as being true and correct in all material respects. Any such financial information may be relied upon by any actual or potential lessor, purchaser, or mortgagee of the Property or any portion thereof. Tenant's fiscal year is January 1 to December 31. Tenant may change its fiscal year upon written notice to Landlord.

23.17 **Measurements**. Landlord shall have the right, from time to time, to measure the Building and the Premises in accordance with the then-current Standard Method of Measurement for Office Buildings (ANSI/BOMA) (or if such standard is no longer in use, using an industry-standard method of measurement reasonably selected by Landlord) and to make an appropriate adjustment to Base Rent, Tenant's Share and Tenant's Tax Share. Tenant shall execute an agreement confirming such measurements and adjustments within ten (10) business days after Landlord's request therefor. Tenant's failure to execute and return any such agreement proposed by Landlord, or to provide written objection to the statements contained therein, within ten (10) business days after the date of Tenant's receipt thereof, shall be deemed an approval by Tenant of Landlord's determination of such dates as set forth therein.

23.18 **OFAC**. Tenant warrants and represents to Landlord as of the date hereof and throughout the Term that it is not owned or controlled, directly or indirectly, by any person or government from countries or other areas that are subject to economic, trade, sectoral, or transactional sanctions imposed by the United States Government, and that neither Tenant nor any of its owners, directors, officers or group companies appears on any lists of known or suspected terrorists, terrorist organizations or other prohibited persons made publicly available or published by any agency of the government of the United States or any other jurisdiction in which Tenant is doing business, including but not limited to the List of Specially Designated Nationals and Blocked Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury. Tenant shall notify Landlord immediately if these circumstances change.

23.19 **Confidentiality**. Tenant acknowledges and agrees that the terms of this Lease are confidential. Disclosure of the terms hereof could adversely affect the ability of Landlord to negotiate other leases with respect to the Building and may impair Landlord's relationship with other tenants of the Building. Tenant agrees that it and its partners, officers, directors, employees, brokers, and attorneys, if any, shall not disclose the terms and conditions of this Lease to any other person or entity without the prior written consent of Landlord, which may be given or withheld by Landlord, in Landlord's sole discretion, except as required for financial disclosures or securities filings, as required by the order of any court or public body with authority over Tenant, or in connection with any litigation between Landlord and Tenant with respect to this Lease. It is understood and agreed that damages alone would be an inadequate remedy for the breach of this provision by Tenant, and Landlord shall also have the right to seek specific performance of this provision and to seek injunctive relief to prevent its breach or continued breach.

23.20 **Security**. Landlord reserves the right, but not the obligation, to install security and other monitoring devices in and around the Building, including devices that monitor the usage of the Common Areas. 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. Tenant's security programs and equipment for the Premises shall be coordinated with Landlord and subject to Landlord's reasonable approval.

23.21 **Time**. Time is of the essence as to the performance of Tenant's obligations under this Lease. Except as expressly set forth herein, any time period which ends on a non-business day shall be extended to the first subsequent business day.

23.22 **WAIVER OF JURY TRIAL**. TENANT AND LANDLORD WAIVE ANY RIGHT TO TRIAL BY JURY OR TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER IN CONTRACT, TORT, OR OTHERWISE, BETWEEN LANDLORD AND TENANT ARISING OUT OF THIS LEASE OR ANY OTHER INSTRUMENT, DOCUMENT, OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS RELATED HERETO.

23.23 **Bankruptcy**. In the event a debtor, trustee or debtor in possession under the Bankruptcy Code, or another person with similar rights, duties and powers under any other Legal Requirements, proposes to cure any Tenant default under this Lease or to assume or assign Tenant's interest under 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: (i) those acts specified in the Bankruptcy Code or other Legal Requirements as included within the meaning of "**adequate assurance**," even of this Lease does not concern a shopping center or other facility described in such Legal Requirements; (ii) a prompt cash payment to compensate Landlord for any monetary defaults or actual damages arising directly from a breach of this Lease; (iii) a cash deposit in an amount at least equal to the then-current amount of the Letter of Credit; or (iv) the assumption or assignment of all of Tenant's interest and obligations under this Lease.

23.24 **Not Binding Until Executed**. This Lease shall have no binding force or effect, shall not constitute an offer or an option for the leasing of the Premises, nor confer any right or impose any obligations upon either party until execution and delivery of this Lease by both parties.

[SIGNATURES ON FOLLOWING PAGE]

EXECUTED under seal as of the Execution Date.

LANDLORD: MIT 139 MAIN STREET LEASEHOLD LLC, a Massachusetts limited liability company

By: MIT CAMBRIDGE REAL ESTATE LLC, its manager

By: /s/ Seth D. Alexander
Name: Seth D. Alexander
Title: President, and not individually

TENANT: STOKE THERAPEUTICS, INC., a Delaware corporation

By: /s/ Edward M. Kaye MD
Name: Edward M. Kaye MD
Title: CEO

EXHIBIT 1

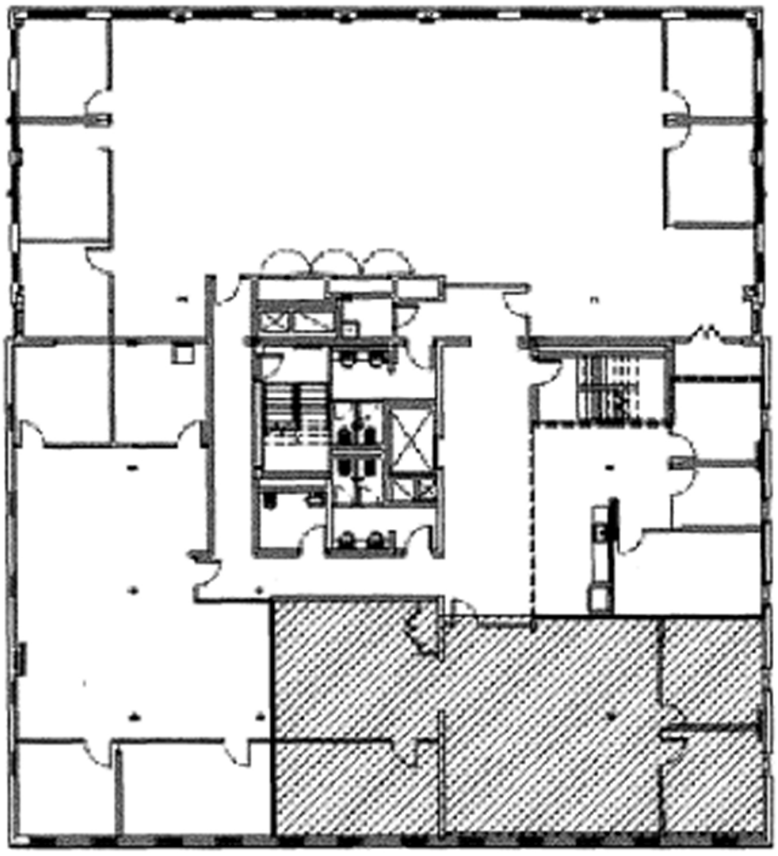
LEGAL DESCRIPTION

A certain parcel of land situated and now numbered 137 to 145 Main Street in Cambridge, Middlesex County, Massachusetts, being the premises shown as Lot A on a plan entitled "Plan of Premises in Cambridge, Massachusetts, W.A. Mason & Son Co., Surveyors, September 13, 1926, Changes October 30, 1926", recorded in Plan Book 385, Plan 49, said premises being bounded and described according to said plan as follows:

SOUTHERLY	on the Northerly side of said Main Street, ninety (90) feet;
WESTERLY	on land now or formerly of W.R. Mason et al, one hundred four and 07/100 (104.07) feet;
NORTHERLY	by Lot B as shown on said plan, ninety and 01/100 (90.01) feet; and
EASTERLY	on land now or formerly of heirs of Mrs. Brooks, one hundred five and 66/100 (105.66) feet.

EXHIBIT 2

LEASE PLAN



LEGEND

Tenant Premises - Tenant 403, Fourth Floor

Shared Floor Common Amenity Area

Note: Shared Floor Common Amenity Area is shown for reference only and is not part of tenant premises.

MITIMCo

EXHIBIT 3

MEMORIALIZATION OF DATES AGREEMENT

[_____]

Stoke Therapeutics, Inc.
3 Preston Court
Suite 102
[Attn: _____]

Re: Lease dated _____ ([as amended,] the "Lease") by and between MIT 139 Main Street Leasehold LLC ("Landlord"), and Stoke Therapeutics, Inc. ("Tenant") with respect to 2,485 rentable square feet on the fourth (4th) floor of the Building located at 139 Main Street, Cambridge, Massachusetts

Dear _____:

In accordance with the terms and conditions of the Lease, Tenant accepts possession of the Premises and acknowledges:

1. The Commencement Date is _____.

2. The Expiration Date is _____.

This letter is binding upon and shall inure to the benefit of Landlord and Tenant and their respective successors and assigns.

Please acknowledge the foregoing and your acceptance of possession by signing a copy of this letter in the space provided and returning it to _____. Tenant's failure to execute and return this letter, or to provide written objection to the statements contained in this letter, within ten (10) business days after the date of this letter, shall be deemed an approval by Tenant of the statements contained herein.

Sincerely,

MIT 139 MAIN STREET LEASEHOLD LLC, a Massachusetts limited liability company

By: MIT CAMBRIDGE REAL ESTATE LLC, its manager

By: _____
Name:
Title:

Acknowledged and Accepted:

STOKE THERAPEUTICS, INC., a Delaware corporation

By: _____
Name:
Title:

DATE: _____, 20___

EXHIBIT 4

[INTENTIONALLY OMITTED]

EXHIBIT 5

WORK LETTER

Landlord's Work consists of (i) the work described as Landlord's responsibilities on the Landlord/Tenant Responsibilities Matrix attached hereto as Exhibit 5A and (ii) the work identified on the Landlord's Work Plans attached hereto as Exhibit 5B. Landlord's Work shall be deemed "**Substantially Complete**" on the date (A) that Landlord's Work is substantially completed (as certified in writing by Landlord's architect) in accordance with (i) the Landlord/Tenant Responsibilities Matrix and (ii) the Landlord's Work Plans, except for punchlist items, the incompleteness of which does not materially interfere with Tenant's ability to use or occupy the Premises for the Permitted Uses, and (B) Landlord has obtained either a completed or "signed off" building permit or temporary or permanent certificate of occupancy for the Premises from the Inspectional Services Department of the City of Cambridge; provided, however, to the extent Landlord is delayed in performing Landlord's Work and/or obtaining such building permit sign off or certificate of occupancy because of the acts or omissions of Tenant or any employee, contractor, agent or representative of Tenant (which omissions may include Tenant's failure to install its furniture and/or perform any Alterations not included in Landlord's Work), then for purposes only of calculating the Commencement Date, Landlord's Work will be deemed to have been substantially complete on the date on which the building permit sign off or certificate of occupancy (temporary or permanent) would have been issued but for such delays.

Tenant, at its sole cost and expense, shall be responsible for all items on the Landlord/Tenant Responsibilities Matrix identified as Tenant's responsibility, including procuring and installing all trade fixtures, furniture and equipment Tenant may require to operate its business in the Premises and all telecommunications cabling and wiring. Tenant may select Premises' paint color from Landlord's building standard selection.

Upon Landlord's Work being Substantially Complete, and without limiting Landlord's rights under Section 23.18, Landlord may ask its architect to re-measure the Premises and/or the Building in accordance with Section 23.18 and make the appropriate adjustments to Base Rent, Tenant's Share and Tenant's Tax Share, and Tenant shall execute and deliver to Landlord the agreement required thereby confirming such adjustments.

EXHIBIT 5A

LANDLORD/TENANT RESPONSIBILITIES MATRIX

October 15, 2018

MIT IMCo

139 Main Street, Cambridge MA

Allocation of Responsibility between Landlord and Tenant

ORD	TI Work BY LANDLORD	TENANT COST / RESPONSIBILIY
		X
		X
		X
		X
		X

DESCRIPTION	BY LANDLORD	TI Work BY LANDLORD	TENANT COST / RESPONSIBILIY
GENERAL			
Newly renovated Cambridge Historic Landmark building	X		
All construction for core & shell building upgrades compliant with Massachusetts State Building Code, 9th Edition and International Energy Code 2015	X		
Core & shell improvements to be LEED Version 4 Certified project	X		
On site covered parking area	X		
SITE WORK			
Sidewalks, landscaping, parking	X		
BUILDING ENVELOPE			
Brick facade with cementitious stucco at the Floor 5.	X		
Existing windows to replaced with new energy efficient operable windows.	X		
ROOFING			
EPDM roofing system	X		
Any rooftop tenant equipment and associated dunnage, penetrations and walkway pads, subject to Landlord approval			X
STRUCTURE			
Ground floor Office Tenants: Wood framed floor with allowable live load of 50 psf plus 20 psf partition load.	X		
Lvl 2 - 5 Office Tenants: Steel girders and wood-framed floor with allowable live load of 50 psf plus 20 psf partition load	X		
Structural upgrades, openings, bearing wall modifications, or other structural changes to the Base Building to accommodate specific tenant requirements, subject to Landlord approval			X
Floor-to-floor height: Varies by floor from 11'-3" ft to 12'-3"	X		
Fire ratings per building code	X		
Fire ratings per building code for all work associated with standard tenant fit outs		X	

DESCRIPTION	BY LANDL
Fire ratings per building code for all work associated with specific tenant modifications beyond standard tenant fit out, subject to Landlord approval	
COMMON AREAS	
Main lobby including common area signage/directory, finishes, and accent lighting	X
Main electrical service room, main tele/data room and fire pump room, including finishes	X
Ground level trash and recycling areas	X
Ground floor shower rooms with new building standard finishes similar to upper floor toilet rooms (see below)	X
Ground floor toilet rooms with new building standard finishes similar to upper floor toilet rooms (see below)	X
Toilet rooms on upper floors, complete with tile finishes, plumbing fixtures, toilet partitions, toilet accessories, sinks with mirror above, ceiling, lighting and paint. A separate accessible toilet room on each upper floor with similar finishes.	X
Electric closet and tel/data closet serving each upper floor.	X
Janitor closet serving each upper floor.	X
Elevator lobbies and common corridors finished to building standards.	X
Shared meeting spaces / conference rooms at all floors fit out with AV provisions on each floor finished to building standard	
Open kitchenette on each floor with sink, refridgerator, microwave, filtered water station, dishwasher, coffee maker	
Finished exit stairs	X
Roof Terrace	X
TENANT AREAS	
Glazed tenant entry with card access security	
Exposed brick feature walls. Painted drywall finish at other walls.	
Insulation and painted drywall finish at exterior walls.	X

139 Main Street, Cambridge MA

Allocation of Responsibility between Landlord and Tenant

DESCRIPTION	BY LANDLORD	TI Work BY LANDLORD	TENANT COST / RESPONSIBILIY
Finished building standard interior window sills	X		
Carpet tile throughout with accent, wood flooring at main tenant entries.		X	
Acoustically treaded open ceilings with exposed MEP systems and lighting		X	
Partitions, ceilings, floorings, painting, other finishes, doors, and all other build out including office / conf room and closet within tenant spaces as indicated on the construction plans and lease documents as landlord provided.		X	
Window treatments to match building standard		X	
Configuration changes, additions or modifications to above items.			X
Additional private offices, meeting rooms, huddle rooms or other rooms.			X
Fixtures, Furnishings and Equipment (FFE)			
FFE within building common and floor common areas including shared conference rooms, meeting areas, kitchenettes and roof terrace	X		
FFE within tenant areas			X
SIGNAGE			
Building directory and wayfinding signage	X		
Tenant Entry signage / branding (only allowed on tenant entry glass, subject to Landlord approval)			X
ELEVATORS			
Newly modernized hydraulic passenger elevator serving all floors, 2,500 lb capacity	X		
FIRE PROTECTION			
Sprinkler service including fire department connections.	X		
Fire pump and related controls	X		
Primary loop with sprinkler heads spaced to meet code.	X		
Complete sprinkler system within tenant area to match standard building layout and meets code		X	
Fire extinguishers in core areas	X		
Fire extinguishers and cabinets in tenant areas		X	
Base building fire alarm system	X		

139 Main Street, Cambridge MA

Allocation of Responsibility between Landlord and Tenant

DESCRIPTION	BY LANDLORD	TI Work BY LANDLORD	TENANT COST / RESPONSIBILIY
Detection and annunciation devices in common areas	X		
Detection and annunciation devices in tenant areas		X	
Modifications to fire protection and fire alarm systems due to tenant configuration changes or modifications to tenant areas beyond LL provided scope, or due to installation of tenant equipment. All components to be consistent with and compatible with base building system.			X
PLUMBING			
Building water service from municipal water system with backflow prevention	X		
Waste and vent risers on each floor available for tenant tie-in including 3" waste and 2" waste and vent connections for tenant use.	X		
Domestic cold water supply with 1" capped cold water valve at each floor available for tenant tie-in	X		
Base building plumbing, including production and distribution of hot water to common shared toilet rooms and kitchenettes.	X		
Natural gas system to supply base building systems.	X		
Distribution of domestic water from Landlord provided riser / valve, flow meter for domestic water, production of hot water for tenant use, distribution of waste and vent for tenant use			X
HVAC			
HVAC systems infrastructure meeting design standards suitable to office use, supporting 1.2 CFM per square foot	X		
Base building medium pressure supply and low pressure return air distribution system (risers and stubouts from shafts)	X		
VAVs, piping distribution for hot water reheats and supply / return air distribution within building common areas	X		
Hot water riser loop with capped and valved connections at each floor with a total hot water flow of 25 gpm per typical floor	X		
VAVs and supply / return air distribution within tenant areas		X	
Piping distribution for the hot water reheats at the VAVs within tenant areas		X	

MIT IMCo

139 Main Street, Cambridge MA

Allocation of Responsibility between Landlord and Tenant

DESCRIPTION	BY LANDLORD	TI Work BY LANDLORD	TENANT COST / RESPONSIBILIY
Building management system serving base building systems	X		
Automatic temperature control system in tenant areas connected to building management system		X	
Modifications to HVAC systems due to tenant configuration changes or modifications to tenant areas beyond LL provided scope, or due to installation of tenant equipment. All components to be consistent with and compatible with base building system.			X
ELECTRICAL			
Primary electrical service to the building from Eversource	X		
Bus duct riser through building core	X		
Distribution panel	X		
Metering and panels, transformers, receptacles, and lighting in tenant areas		X	
Emergency and egress lighting in common areas	X		
Emergency and egress lighting in tenant areas		X	
Electrical feeds to systems furnishing equipment based on building standard furnishings layout. Please note that the power feed for furniture will be standard NEMA 5-15R receptacles. Therefore furniture will need to be prewired with standard NEMA 5-15P plugs		X	
Modifications to electrical systems due to tenant configuration changes or modifications to tenant area, or due to installation of tenant equipment. All components to be consistent with and compatible with base building system.			X
SECURITY			
Card Access security at exterior doors and elevator access to floors	X		
Card Access security at main tenant entry		X	
Additional security within tenant space.			X
TEL/DATA			
Conduit into building and to demarc room	X		
Grounding & bonding of all base building OSP cabling and conduit	X		
Circuit protection of any copper pairs entering the building	X		
Conduit from demarc room to base of riser closets	X		

MITIMCo

139 Main Street, Cambridge MA

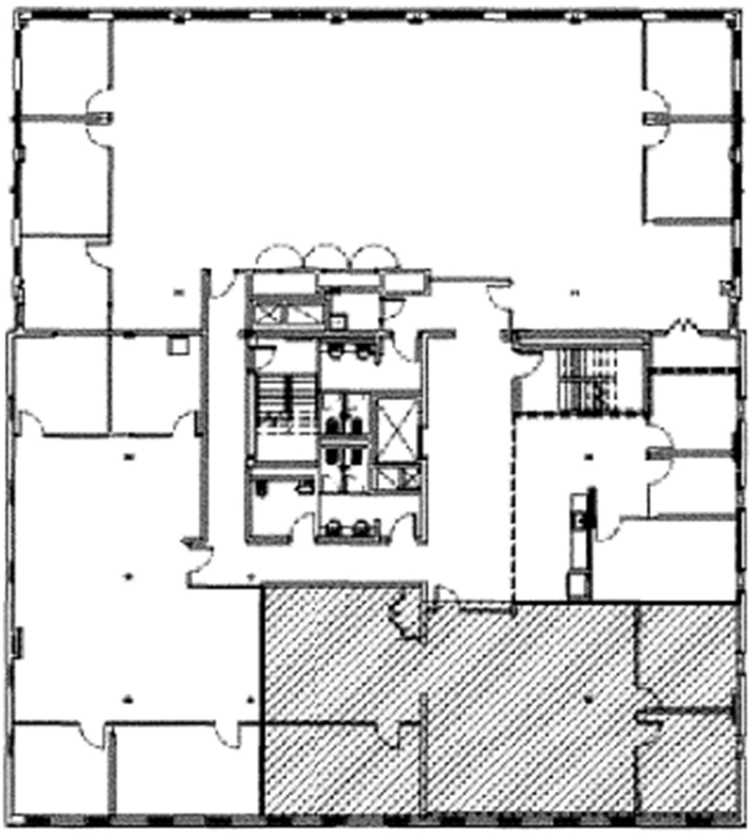
Allocation of Responsibility between Landlord and Tenant

DESCRIPTION	BY LANDLORD	TI Work BY LANDLORD	TENANT COST / RESPONSIBILIY
Cabling from demarc room to floor IDFs (tel / data closets)	X		
Building common unsecured wifi in building common areas	X		
Cabling from floor IDFs to tenant server location within tenant space		X	
CAT 6A cabling from designated server location within the tenant area: Two cables per fixed workstation / office based on building sample plans.		X	
Additional telephone and data within tenant areas beyond the building standard referenced above			X
Specialty power receptacles (ex. L5-30R) for equipment connections			X
Audio-visual systems within tenant areas			X
Racks, servers, network switches, equipment cabinets etc for within tenant areas including any tenant secure wifi			X

139 MAIN - LL TENANT MATRIX UPDATED 15OCT18.XLSX]SHEET1

EXHIBIT 5B

LANDLORD'S WORK PLAN



LEGEND

Tenant Premises - Tenant 403, Fourth Floor

Floor

Note: Shared Base Common Amenity Area is shown for reference only and is not part of tenant premises

MITIMCo

ARENDSTREET

FINISH MATERIAL SCHEDULE

CEILINGS
ACOUSTICAL CEILING PANEL (LEVEL 1 TENANT ONLY, SPACE BETWEEN JOISTS):
- TECTUM FINALE 2” WHITE TWH
ACOUSTICAL CEILING PANEL: ARMSTRON OPTIMA CONCEALED , WHITE WITH PRELUDE 15/16” SUSPENSION SYSTEMS, 48" X 48"; TENANT OFFICES
SONASPRAY: 1” WHITE (TYPICAL)

PAINT
P-5 PAINT BENJAMIN MOORE WHITE (TYPICAL)
P-6 MARKERBOARD WALL PAINT IDEAPAINT CREATE CLEAR TENANT SPACES WHERE INDICATED

ACOUSTICAL WALL PANELS
ACOUSTICAL WALL PANEL KIREI ECHOPANEL 12MM 551; TENANT PHONE BOOTHS

PLASTIC LAMINATE
PL-03 PLASTIC LAMINATE WILSONART D354-60 DESIGNER WHITE CLOSET SHELVES

WINDOWS:
WINDOW SILLS- PAINTED WOOD (WHITE)

WALL BASE
B-5 RUBBER BASE JOHNSONITE TRADITIONAL WALL BASE 20 CHARCOAL 4" HIGH CARPET AT GWB WALLS

CARPET
CPT-1 CARPET TILE SHAW CONTRACT EMBELLISH TILE INLAY METAL 71556 24” X 24” TENANT OPEN SPACES
CPT-2 CARPET TILE SHAW CONTRACT WANDER TILE AIRY 37530 24” X 24” TENANT OFFICES

WOOD FLOORING
WF-1 WOOD FLOORING NYDREE WIDE PLANK SERIES PINEAPPLE 7.5" X RANDOM 18”-72”

GLAZING:
GLAZING SYSTEM: LITESPACE BY SPACEWORKS, WITH BLACK ANODIZED FINISH

EXHIBIT 6

OPERATING COSTS

"**Operating Costs**" shall mean all costs incurred and expenditures of whatever nature made by Landlord in the operation, management, repair, replacement, maintenance and insurance (including environmental liability insurance and property insurance on Landlord-supplied leasehold improvements for tenants, but not property insurance on tenants' equipment) of the Property or allocated to the Property, including all costs of labor (wages, salaries, fringe benefits, etc.) up to and including the group or portfolio manager, however denominated, any costs for utilities supplied to exterior areas and the Common Areas, and any costs for repair and replacements, cleaning and maintenance of exterior areas and the Common Areas, related equipment, facilities and appurtenances and HVAC equipment, security services, a management fee paid to Landlord's property manager, the costs, including a commercially reasonable rental factor, of Landlord's management office for the Property (which management office may be located outside the Property and which may serve other properties in addition to the Property (in which event the costs thereof shall be equitable allocated along the properties served by such office)), the cost of operating any amenities in the Property available to all tenants of the Property and any subsidy provided by Landlord for or with respect to any such amenity, and the costs of any consultants and/or experts engaged to evaluate cost-savings measures for the Property (including tax and energy conservation consultants). To the extent that a cost included in Operating Costs is also allocable to property other than the Property, such cost shall be equitably allocated to each parcel of property which benefits from such cost. Operating Costs shall not include Excluded Costs (hereinafter defined). Landlord shall have the right but not the obligation, from time to time, to equitably allocate some or all of the Operating Costs among different tenants of the Property (for example, and without limiting the generality of the foregoing, based in whole or in part on shared or similar use of particular systems or equipment).

"**Excluded Costs**" shall mean (i) any mortgage charges (including interest, principal, points and fees); (ii) brokerage commissions; (iii) salaries of executives and owners not directly employed in the management/operation of the Property; (iv) the cost of work done by Landlord for a particular tenant; (v) the cost of items which, by generally accepted accounting principles, would be capitalized on the books of Landlord or are otherwise not properly chargeable against income, except to the extent such capital item is (A) required by any Legal Requirements, (B) reasonably projected to reduce Operating Costs, or (C) reasonably expected to improve the management, security and/or operation of the Building; (vi) the costs of any contributions made by Landlord to any tenant of the Property in connection with the build-out of its premises; (vii) franchise or income taxes imposed on Landlord; (viii) costs paid directly by individual tenants to suppliers, including tenant electricity, telephone and other utility costs; (ix) increases in premiums for insurance when such increase is caused by the use of the Property by Landlord or any other tenant of the Property; (x) maintenance and repair of capital items not a part of, or used in connection with, the Property; (xi) depreciation of the Property; (xii) costs relating to maintaining Landlord's existence as a corporation, partnership or other entity; (xiii) advertising and other fees and costs incurred in procuring tenants; (xiv) the cost of any items for which Landlord is actually reimbursed by insurance, condemnation awards, refund, rebate or otherwise, and any expenses for repairs or maintenance to the extent covered by warranties, guaranties and service contracts; and (xv) costs incurred in connection with any disputes between Landlord and its employees, between Landlord and Building management, or between Landlord and other tenants or occupants.

EXHIBIT 7

TAXES

"**Taxes**" shall mean the real estate taxes and other taxes, levies and assessments imposed upon the Property, and upon any personal property of Landlord used in the operation thereof, or on Landlord's interest therein or such personal property or reasonably allocated thereto (provided that to the extent the Property is not a separate tax parcel, such amounts shall be allocated among the buildings located on the tax parcel of which the Property is a part and shall be based on the assessor's records or, if the records do not provide a separate allocation, based on square footage of the buildings in question unless Landlord reasonably determines that such allocation should be made on another basis); charges, fees and assessments for transit, housing, police, fire or other services or purported benefits to the Property (including any community preservation assessments); service or user payments in lieu of taxes; and any and all other taxes, levies, betterments, assessments and charges arising from the ownership, leasing, operation, use or occupancy of the Property or based upon rentals derived therefrom, which are or shall be imposed by federal, state, county, municipal or other governmental authorities. If any such Tax is levied or assessed directly against Tenant, then Tenant shall be responsible for and shall pay the same at such times and in such manner as the taxing authority shall require. From and after substantial completion of any occupiable improvements constructed as part of a Future Development, if such improvements are not separately assessed, Landlord shall reasonably allocate Taxes between the Building and such improvements and the land area associated with the same. Taxes shall not include any inheritance, estate, succession, gift, franchise, rental, income or profit tax, capital stock tax, capital levy or excise, or any income taxes arising out of or related to the ownership and operation of the Property, provided, however, that any of the same and any other tax, excise, fee, levy, charge or assessment, however described, that may in the future be levied or assessed as a substitute for or in addition to, in whole or in part, any tax, levy or assessment which would otherwise constitute Taxes, whether or not now customary or in the contemplation of the parties on the Execution Date of this Lease, shall constitute Taxes, but only to the extent calculated as if the Property were the only real estate owned by Landlord. "**Taxes**" shall also include reasonable expenses (including legal and consultant fees) of tax abatement or other proceedings contesting assessments or levies. Tenant shall pay, prior to delinquency, any and all Taxes levied or assessed against any personal property or trade fixtures placed by Tenant in the Premises, whether levied or assessed against Landlord or Tenant. If any Taxes on Tenant's personal property or trade fixtures are levied against Landlord or Landlord's property, or if the assessed valuation of the Project is increased by a value attributable to improvements in or alterations to the Premises made by Tenant, whether owned by Landlord or Tenant and whether or not affixed to the real property so as to become a part thereof, higher than the base valuation on which Landlord from time-to-time allocates Taxes to all tenants in the Project, Landlord shall have the right, but not the obligation, to pay such Taxes. The amount of any such payment by Landlord shall constitute additional rent due from Tenant to Landlord within thirty (30) days of invoice therefor.

"**Tax Period**" shall be any fiscal/tax period in respect of which Taxes are due and payable to the appropriate governmental taxing authority (i.e., as mandated by the governmental taxing authority), any portion of which period occurs during the Term of this Lease.

EXHIBIT 8

FORM OF LETTER OF CREDIT

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER _____

ISSUE DATE: _____

ISSUING BANK: _____

BENEFICIARY:
[LANDLORD ENTITY]
c/o MIT CAMBRIDGE REAL ESTATE LLC
238 MAIN STREET, SUITE 200
CAMBRIDGE, MA 02142

APPLICANT:

AMOUNT: US$ (AND 00/100 U.S. DOLLARS)

EXPIRATION DATE: _____ (ONE YEAR FROM ISSUANCE)

LOCATION:

DEAR SIR/MADAM:

WE HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. SVBSF_____ IN YOUR FAVOR AVAILABLE BY YOUR DRAFTS DRAWN ON US AT SIGHT IN THE FORM OF EXHIBIT "A" ATTACHED AND ACCOMPANIED BY THE FOLLOWING DOCUMENTS: THE ORIGINAL OF THIS LETTER OF CREDIT AND ALL AMENDMENT(S), IF ANY.

PARTIAL DRAWS AND MULTIPLE PRESENTATIONS ARE ALLOWED.

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

THIS LETTER OF CREDIT IS TRANSFERABLE ONE OR MORE TIMES, BUT IN EACH INSTANCE ONLY TO A SINGLE BENEFICIARY AS TRANSFEREE AND ONLY UP TO THE THEN AVAILABLE AMOUNT, ASSUMING SUCH TRANSFER TO SUCH TRANSFEREE WOULD BE IN COMPLIANCE WITH THEN APPLICABLE LAW AND REGULATION, INCLUDING BUT NOT LIMITED TO THE REGULATIONS OF THE U. S. DEPARTMENT OF TREASURY AND U. S. DEPARTMENT OF COMMERCE. AT THE TIME OF TRANSFER, THE ORIGINAL LETTER OF

CREDIT AND ORIGINAL AMENDMENT(S), IF ANY, MUST BE SURRENDERED TO US AT OUR ADDRESS INDICATED IN THIS LETTER OF CREDIT TOGETHER WITH OUR TRANSFER FORM ATTACHED HERETO AS EXHIBIT “B” DULY EXECUTED. THE CORRECTNESS OF THE SIGNATURE AND TITLE OF THE PERSON SIGNING THE TRANSFER FORM MUST BE VERIFIED BY BENEFICIARY’S BANK. APPLICANT SHALL PAY OUR TRANSFER FEE OF ¼ OF 1% OF THE TRANSFER AMOUNT (MINIMUM US $250.00) UNDER THIS LETTER OF CREDIT.

IF THE ORIGINAL OF THIS STANDBY LETTER OF CREDIT NO. ___ IS LOST, STOLEN OR DESTROYED, WE WILL ISSUE YOU A “CERTIFIED TRUE COPY” OF THIS STANDBY LETTER OF CREDIT NO ___ UPON OUR RECEIPT OF YOUR INDEMNITY LETTER TO SILICON VALLEY BANK WHICH WILL BE SENT TO YOU UPON OUR RECEIPT OF YOUR WRITTEN REQUEST THAT THIS STANDBY LETTER OF CREDIT NO ___ IS LOST, STOLEN OR DESTROYED. IF THE OIRIGNAL OF THIS STANDBY LETTER OF CREDIT NO ___ IS MUTILATED, WE WILL ISSUE YOU A REPLACEMENT STANDBY LETTER OF CREDIT WITH THE SAME NUMBER, DATE AND TERMS AS THE ORIGINAL UPON OUR RECEIPT OF THE MUTILATED STANDY LETTER OF CIREDIT.

THIS STANDBY LETTER OF CREDIT MAY ALSO BE CANCELLED PRIOR TO ANY PRESENT OR FUTURE EXPIRATION DATE, UPON RECEIPT BY BANK BY OVERNIGHT COURIER OR REGISTERED MAIL (RETURN RECEIPT REQUESTED) OF THE ORIGINAL STANDBY LETTER OF CREDIT AND ALL AMENDMENTS, IF ANY, FROM BENEFICIARY TOGETHER WITH A STATEMENT SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE BENEFICIARY ON COMPANY LETTERHEAD STATING THAT THIS STANDBY LETTER OF CREDIT IS NO LONGER REQUIRED AND IS BEING RETURNED FOR CANCELLATION.

DRAFT(S) AND DOCUMENTS MUST INDICATE THE NUMBER AND DATE OF THIS LETTER OF CREDIT.

ALL DEMANDS FOR PAYMENT SHALL BE MADE BY PRESENTATION OF THE ORIGINAL APPROPRIATE DOCUMENTS ON A BUSINESS DAY AT OUR OFFICE (THE “BANK’S OFFICE”) AT: [ADDRESS], ATTENTION: STANDBY LETTER OF CREDIT NEGOTIATION SECTION.

FACSIMILE PRESENTATIONS ARE PERMITTED. SHOULD BENEFICIARY WISH TO MAKE PRESENTATIONS UNDER THIS LETTER OF CREDIT ENTIRELY BY FACSIMILE TRANSMISSION IT NEED NOT TRANSMIT THIS LETTER OF CREDIT AND AMENDMENT(S), IF ANY. EACH FACSIMILE TRANSMISSION SHALL BE MADE AT: [TELEPHONE CONTACT NUMBER], ATTENTION: STANDBY LETTER OF CREDIT NEGOTIATION SECTION WITH ORIGINALS TO FOLLOW BY OVERNIGHT COURIER SERVICE; PROVIDED, HOWEVER, THE BANK WILL DETERMINE HONOR OR DISHONOR ON THE BASIS OF PRESENTATION BY FACSIMILE ALONE, AND WILL NOT EXAMINE THE ORIGINALS. IN ADDITION, ABSENCE OF THE AFORESAID TELEPHONE ADVICE SHALL NOT AFFECT OUR OBLIGATION TO HONOR ANY DRAW REQUEST.

IF DEMAND FOR PAYMENT IS PRESENTED BY 10 AM [INDICATE TIME ZONE] TIME AND CONFORMS TO THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT, PAYMENT SHALL BE MADE BY BANK TO YOU OF THE AMOUNT SPECIFIED IN IMMEDIATELY AVAILABLE FUNDS NOT LATER THAN THE SECOND FOLLOWING BUSINESS DAY. IF DEMAND FOR PAYMENT IS PRESENTED BY YOU HEREUNDER AFTER THE TIME SPECIFIED ABOVE, AND CONFORMS TO THE TERMS AD CONDITIONS OF THIS LETTER OF CREDIT, PAYMENT SHALL BE MADE TO YOU OF THE AMOUNT SPECIFIED IN IMMEDIATELY AVAIALBLE FUNDS NO LATER THAN THE THIRD FOLLOWING BUSINESS DAY.

WE HEREBY AGREE WITH THE BENEFICIARY THAT DRAFTS DRAWN UNDER AND IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT WILL BE DULY HONORED UPON PRESENTATION TO US ON OR BEFORE THE EXPIRATION DATE OF THIS LETTER OF CREDIT OR ANY AUTOMATICALLY EXTENDED EXPIRATION DATE.

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

THIS LETTER OF CREDIT IS SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES (ISP98), INTERNATIONAL CHAMBER OF COMMERCE, PUBLICATION NO. 590.

_____ _____

AUTHORIZED SIGNATURE AUTHORIZED SIGNATURE

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER _____

EXHIBIT A

DATE: _____ REF. NO. _____

AT SIGHT OF THIS DRAFT

PAY TO THE ORDER OF _____ _____US$_____

US DOLLARS _____

DRAWN UNDER _____ BANK, [ADDRESS], STANDBY
LETTER OF CREDIT NUMBER NO. _____ DATED _____

TO: BANK
[ADDRESS] _____
(BENEFICIARY'S NAME)

.....
Authorized Signature

GUIDELINES TO PREPARE THE DRAFT

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

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

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER _____

EXHIBIT B
TRANSFER FORM

DATE: _____

TO: BANK RE: IRREVOCABLE STANDBY LETTER OF CREDIT
[ADDRESS]

NO. _____ ISSUED BY
ATTN: INTERNATIONAL DIVISION.
STANDBY LETTERS OF CREDIT L/C AMOUNT: _____

GENTLEMEN:

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

_____
(NAME OF TRANSFEREE)

_____
(ADDRESS)

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

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

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

SINCERELY,

_____
(BENEFICIARY'S NAME)

_____
(SIGNATURE OF BENEFICIARY)

_____
(NAME AND TITLE)

SIGNATURE AUTHENTICATED

The name(s), title(s), and signature(s) conform to that/those on file with us for the company and the signature(s) is/are authorized to execute this instrument.

_____
(Name of Bank)

(Address of Bank)

(City, State, ZIP Code)

_____
(Authorized Name and Title)

_____
(Authorized Signature)

_____
(Telephone number)

EXHIBIT 9

LANDLORD'S SERVICES

1. Landlord shall provide cleaning of the Premises and the Common Areas in a manner substantially comparable to other comparable buildings in the East Cambridge/Kendall Square area.

2. Extermination of all public and tenanted areas of the Building as reasonably necessary.

3. Trash removal in accordance with Section 7.7 of the Lease. Such trash removal shall not include removal of excessive trash generated when an occupant moves in or out of the Building, when equipment is discarded, when files are purged, or construction related trash and debris. If Landlord's trash removal company or any applicable Legal Requirement requires that any substances in the Premises be disposed of separately from ordinary trash, Tenant shall make arrangements at Tenant's expense for such disposal directly with a qualified and licensed disposal company approved by Landlord at a lawful disposal site.

4. Snow and ice removal from the sidewalks and driveways appurtenant to the Building as reasonably necessary for the normal operation of the Building.

5. Staff the Building's front desk during certain hours as reasonably determined by Landlord.

6. Reasonable passenger and freight elevator service.

7. With respect to those Common Areas that consist of conference, fitness or kitchenette facilities, Landlord's sole obligation with respect to such Common Areas is to provide only the cleaning of such Common Areas, as identified above, and hot and cold water to those areas served by plumbing, and electricity and HVAC service in accordance with and subject to Article 7 of this Lease. Notwithstanding anything set forth herein to the contrary, Tenant agrees that Landlord is not providing any scheduling or other services related to the programming or use of such Common Areas.

EXHIBIT 10

TENANT'S INSURANCE

Tenant shall procure, pay for and keep in force throughout the Term (and for so long thereafter as Tenant remains in occupancy of the Premises, the following insurance:

(a) Commercial general liability insurance, on a primary and non-contributory basis, insuring Tenant on an occurrence basis against all claims and demands for bodily injury (including sickness, disease, and death) or damage to property (including products and completed operations and contractual liability coverage) which may be claimed to have occurred from and after the time any of the Tenant Parties shall first enter the Premises, of not less than One Million Dollars ($1,000,000) per occurrence, Three Million Dollars ($3,000,000) aggregate, and from time to time thereafter shall be not less than such higher amounts, if procurable, as may be reasonably required by Landlord. Tenant shall also carry umbrella liability coverage on a follow form basis in an amount of no less than Five Million Dollars ($5,000,000). Such policy shall also include contractual liability coverage covering Tenant's liability assumed under this Lease, including Tenant's indemnification obligations. Such insurance policy(ies) shall name Landlord, Landlord's managing agent and persons claiming by, through or under them, if any, as additional insureds.

(b) A policy of fire, vandalism, malicious mischief, and extended coverage (so-called special cause of loss property insurance or its equivalent), on a primary and non-contributory basis, in an amount equal to one hundred percent (100%) of the replacement cost insuring (i) all items or components of Alterations (collectively, the "**Tenant-Insured Improvements**"), and (ii) Tenant's furniture, equipment, fixtures and property of every kind, nature and description related or arising out of Tenant's leasehold estate hereunder, which may be in or upon the Premises or the Building (collectively, "**Tenant's Property**"). Such insurance shall insure the interests of both Landlord and Tenant as their respective interests may appear from time to time.

(c) A policy of business interruption insurance throughout the Term sufficient to cover at least twelve (12) months of Rent due hereunder and Tenant's business losses during such 12-month period.

(d) Such additional insurance as may be necessary to comply with any Legal Requirements or as may be reasonably required by Landlord.

(e) During periods when any Alterations are being performed, Tenant shall maintain or cause to be maintained so-called special cause of loss property insurance or its equivalent and/or Builders Risk Insurance on 100% replacement cost coverage basis, including hard and soft costs coverages. Such insurance shall protect and insure Landlord, other Landlord Parties, Tenant and Tenant's contractors, as their interests may appear, against loss or damage by fire, water damage, vandalism and malicious mischief, and such other risks as are customarily covered by so-called special cause of loss property/ builders risk coverage or its equivalent, and shall otherwise include no less than the coverage terms required for property insurance described above.

The insurance required pursuant to this Exhibit 10 (collectively, "**Tenant's Insurance Policies**") shall be effected with insurers approved by Landlord, with a rating of not less than "**A-VII**" in the current Best's Insurance Reports, and authorized to do business in the Commonwealth of Massachusetts under valid and enforceable policies. Tenant's Insurance Policies shall each provide that it shall not be canceled or modified without at least thirty (30) days' prior written notice to each insured named therein. Tenant's Insurance Policies may include deductibles in an amount no greater than the greater of $25,000. On or before the date on which any of the Tenant Parties shall first enter the Premises and thereafter not less than

fifteen (15) days prior to the expiration date of each expiring policy, Tenant shall deliver to Landlord binders of Tenant's Insurance Policies issued by the respective insurers setting forth in full the provisions thereof together with evidence satisfactory to Landlord of the payment of all premiums for such policies. In the event of any claim, and upon Landlord's request, Tenant shall deliver to Landlord complete copies of Tenant's Insurance Policies. Upon request of Landlord, Tenant shall deliver to any Mortgagee copies of the foregoing documents.

EXHIBIT 11

RULES AND REGULATIONS

1. Tenants and their employees, shall not in any way obstruct the sidewalks, halls, stairways, or elevators of the Building, and shall use the same only as a means of passage to and from their respective offices. Tenants will not place or allow to be placed in the Building corridors or public stairways any waste paper, dust, refuse, or anything whatever. At no time shall tenants permit their employees to loiter in Common Areas or elsewhere in and about the Building or the Land.

2. No signs, advertisements or notices shall be inscribed, painted or affixed where they can be seen from the outside the leased premises without prior written consent of Building management. Management reserves the right to prohibit the posting of any sign which it finds reasonably objectionable and to remove any which has already been placed, at the tenant's expense.

3. All contractors, contractor's representatives, and installation technicians performing work in the Building shall be subject to Landlord's prior approval which shall not be unreasonably withheld or delayed and shall be required to comply with Landlord's standard rules, regulations, policies and procedures, as the same may be revised from time to time. Tenants shall be solely responsible for complying with all applicable laws, codes and ordinances pursuant to which said work shall be performed.

4. All electric and telephone wiring shall be installed as directed by Landlord. No boring or cutting for wires shall be executed and no new pipes or wires shall be introduced without the prior written consent of Landlord.

5. Tenants shall not install or use any machinery in the demised premises which may cause any noise, jar, or tremor to the floors or walls, or which by its weight might damage the floors of the Building.

6. The roof terrace may only be used during normal business hours. No music, entertainment or loud noise shall be permitted on the roof terrace without Landlord's approval. Tenant may not place any furniture or landscaping on the roof terrace. Tenant shall not cause any projectile to be thrown or dropped from the roof terrace. Landlord may prescribe additional rules and regulations with respect to the roof terrace in its sole discretion.

7. All furniture, safes, equipment and freight shall be moved into and out of the Building only at certain hours approved by and under the supervision of Landlord and according to these rules and regulations. All damage to the Building caused by installing or removing any safe, furniture; equipment or other property shall be repaired at the expense of the Tenant. Landlord will not be responsible for loss or damage to any furniture, equipment or freight from any cause.

8. Corridor doors, when not in use, shall be kept closed.

9. Tenant, Tenant's agents and employees shall not: play any musical instruments, other than radio and television; make or permit any improper noises in the Building; interfere with other lessees or those having business with them.

10. No animals, except service animals, shall be brought into or kept in, on or about the Premises.

11. The restroom fixtures shall be used only for the purpose for which they were constructed and no rubbish, ashes, or other substances of any kind shall be thrown into them. Tenant will bear the expense of any damage resulting from misuse.

12. Tenant shall not place any additional lock or locks on any exterior door in the Premises or Building or on any door in the Building core within the Premises, including doors providing access to the telephone and electric closets and the slop sink, without Landlord's prior written consent. A reasonable number of keys to the locks on the doors in the Premises shall be furnished by Landlord to Tenant at the cost of Tenant, and Tenant shall not have any duplicate keys made. All keys shall be returned to Landlord at the expiration or earlier termination of this Lease.

13. The directory board in the entrance lobby of the Building is provided for the exclusive display of the name and location of each tenant at the tenant's expense. Landlord reserves the right to allocate space in the directory and to design style of such identification.

14. Landlord reserves the right to exclude or expel from the Building any persons who, in the judgment of Landlord, is intoxicated under the influence of liquor or drugs, or shall do any act in violation of the rules and regulations of the Building.

15. Rooms used in common by tenants shall be subject to such regulations as are posted therein.

16. Landlord reserves the right to close and keep locked all entrance and exit doors of the Building during the hours Landlord may deem advisable for the adequate protection of the property. Use of the Building and the leased premises before 8 AM or after 6 PM, or any time during Sundays or legal holidays shall be allowed only to persons with a key/card key to the premises or guests accompanied by such persons. At these times, all occupants and their guests must sign in at the concierge when entering and exiting the building. Any persons found in the Building after hours without such keys/card keys are subject to the surveillance of building staff.

17. Landlord shall have the right to prohibit any advertising by any tenant which, in Landlord's commercially reasonable opinion, tends to impair the reputation of the Building or its desirability as a Building for offices, and upon written notice from Landlord, such tenant shall refrain from or discontinue such advertising.

18. No tenant will install blinds, shades, awnings, or other form of inside or outside window covering, or window ventilators or similar devices without the prior consent of Landlord. Tenant will not interfere with or obstruct any perimeter heating, air conditioning or ventilating units.

19. Tenants shall give Landlord prompt notice of any accidents to or defects in water pipes, gas pipes, electric lights and fixtures, heating apparatus, or any other service equipment.

20. Tenants shall not perform improvements or alterations within the Building or their premises, if the work has the potential of disturbing the fireproofing which has been applied on the surfaces of structural steel members, without the prior written consent of Landlord.

21. Tenants shall not take any action which would violate Landlord's labor contracts affecting the Building or which would cause any work stoppage, picketing, labor disruption or dispute, or any interference with the business of Landlord or any other tenant or occupant of the Building or with the right and privileges of any person lawfully in the Building. Tenants shall take any actions necessary to resolve any such work stoppage, picketing, labor disruption, dispute or interference and shall have pickets removed and, at the request of Landlord, immediately terminate at any time any construction work being performed in the Premises giving rise to such labor problems, until such time as Landlord shall have given its written consent for such work to resume. Tenants shall have no claim for damages of any nature against Landlord in connection therewith, nor shall the date of the commencement of the Term be extended as a result thereof.

22. The work of cleaning personnel shall not be hindered by tenants after 5:30 PM, and such cleaning work may be done at any time when the offices are vacant. Windows, doors and fixtures may be cleaned at any time. Tenants shall provide adequate waste and rubbish receptacles necessary to prevent unreasonable hardship to Landlord regarding cleaning service.

23. Tenants shall not install, operate or maintain in the Premises or in any other area of the Building, any electrical equipment which does not bear the U/L (Underwriters Laboratories) seal of approval, or which would overload the electrical system or any part thereof beyond its capacity for proper, efficient and safe operation as determined by Landlord, taking into consideration the overall electrical system and the present and future requirements therefore in the Building. Tenants shall not furnish any cooling or heating to the Premises, including the use of any electronic or gas heating devices, without Landlord's prior written consent. Tenants shall not use more than its proportionate share of telephone lines available to service the Building.

24. Tenants shall not operate or permit to be operated on the Premises any coin or token operated vending machine or similar device (including telephones, lockers, toilets, scales, amusement devices and machines for sale of beverages food, candy, cigarettes or other goods), except for those vending machines or similar devices which are for the sole and exclusive use of tenant's employees, and then only if such operation does not violate the lease of any other lessee of the Building.

25. Bicycles and other vehicles are not permitted inside or on the walkways outside the Building, except in those areas specifically designated by Landlord for such purposes. Landlord shall provide bicycle racks in the garage.

26. Landlord may from time to time adopt appropriate systems and procedures for the security or safety of the Building, its occupants, entry and use, or its contents. Tenant, Tenant's agents, employees, contractors, guests and invitees shall comply with Landlord's reasonable requirements relative thereto.

27. Tenants shall carry out Tenant's permitted repair, maintenance, alterations, and improvements in the Premises only during times agreed to in advance by Landlord and in a manner which will not interfere with the rights of other lessees in the Building.

28. Canvassing, soliciting, and peddling in or about the Building is prohibited. Tenants shall cooperate and use best efforts to prevent the same.

29. At no time shall Tenants permit or shall Tenant's agents, employees, contractors, guests, or invitees smoke in any Common Area of the Building, unless such Common Area has been declared a designated smoking area by Landlord.

30. Tenant shall keep neat and clean, and not leave papers or other personal property, in any shared conference, kitchen or fitness facilities.

31. All deliveries to or from the Premises shall be made only at such times, in the areas and through the entrances and exits designated for such purposes by Landlord. Tenant shall not permit the process of receiving deliveries to or from the Premises outside of said areas or in a manner which may interfere with the use by any other lessee of its premises or of any Common Areas, any pedestrian use of such area, or any use which is inconsistent with good business practice.

EXHIBIT 12

TENANT'S SIGNAGE

Tenant shall have the right to building standard signage on the lobby directory on the first floor of the Building, directional signage on its floor (both at Landlord cost), and at the main entrance to the Premises (at Tenant's cost), all subject to Landlord's prior written approval.

EXHIBIT 13

FORM OF SNDA FOR MASTER LEASE

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT (this "**Agreement**") is made and entered into as of the ____ day of _____, 201__ by and between **STOKE THERAPEUTICS**, **INC.,** a Delaware corporation with an address of 3 Preston Court, Suite 102, Bedford, MA 01730 ("**Subtenant**"), **MIT 139 MAIN STREET FEE OWNER LLC**, a Massachusetts limited liability company with an address c/o MIT Investment Management Company, One Broadway, Suite 09-200, Cambridge, MA 02142 ("**Master Lessor**") and **MIT 139 MAIN STREET LEASEHOLD LLC**, a Massachusetts limited liability company with an address c/o MIT Investment Management Company, One Broadway, Suite 09-200, Cambridge, MA 02142 ("**Master Tenant**").

W I T N E S S E T H

REFERENCE is hereby made to that certain Master Lease Agreement dated September 29, 2017 by and between Master Lessor, as landlord, and Master Tenant, as tenant (the "**Master Lease**") with respect to the land and improvements thereon commonly known as 139 Main Street, Cambridge, Massachusetts (the "**Property**"). A notice of lease with respect to the Master Lease (the "**Notice of Master Lease**") was recorded with the Middlesex South Registry of Deeds in Book _____, Page ___.

REFERENCE is also hereby made to that certain lease dated _____ by and between Master Tenant, as landlord, and Subtenant, as tenant (the "**Sublease**"), with respect to a portion of the Property consisting of approximately 2,485 rentable square feet on the fourth (4th) floor (the "**Subleased Premises**") of the building located on the Property;

WHEREAS, Master Tenant and Subtenant have agreed to subordinate the Sublease to the Master Lease; and

WHEREAS, subject to the terms and conditions hereinafter set forth, Master Lessor has agreed (a) to recognize the rights of Subtenant under the Sublease, and (b) not to disturb Subtenant's use and enjoyment of the Subleased Premises.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1.Incorporation of Recitals; Capitalized Terms. The foregoing recitals are hereby incorporated by reference. All capitalized terms not otherwise defined herein shall have the meanings ascribed to them as set forth in the Master Lease.

2.Subordination. The Sublease is and at all times shall be subject and subordinate to the Master Lease and all amendments and modifications thereof, with the same force and effect as if the Sublease had been executed and delivered subsequent to the execution and delivery of the Master Lease and the recording of the Notice of Master Lease.

3.Subtenant Not To Be Disturbed. So long as Subtenant is not in default (beyond any period given Subtenant by the terms of the Sublease to cure such default) in the payment of rent or additional rent or of any of the terms, covenants or conditions of the Sublease on Subtenant's part to be performed, (a)

Subtenant’s possession of the Subleased Premises, and its rights and privileges under the Sublease,

including but not limited to any extension or renewal rights, if any, shall not be diminished or interfered with by Master Lessor, and (b) Master Lessor will not join Subtenant as a party defendant in any action or proceeding terminating Master Tenant’s possession of the Property unless such joinder is necessary to terminate such possession and then only for such purpose and not for the purpose of terminating the Sublease (and Master Tenant will hold Subtenant harmless from any costs including legal fees associated with such joinder).

4.Tenant to Attorn to Master Lessor. If the Master Lease is terminated pursuant to the terms thereof, or if Master Tenant rejects the Sublease in the course of a bankruptcy proceeding, or if Master Lessor shall succeed to the interest of Master Tenant in and to the Sublease in any other manner, then (a) the Sublease shall continue in full force and effect as a direct lease between Master Lessor and Subtenant (subject to Section 8 below); provided, however, that Master Lessor and its assigns shall not be (i) liable for any misrepresentation, act or omission of Master Tenant, provided, however, that the foregoing shall not release Master Lessor from liability for any default of its obligations under the Sublease continuing after the date on which Master Lessor succeeds to Master Tenant’s interest thereunder, including without limitation any maintenance obligations, (ii) subject to any counterclaim, demand or offset which Subtenant may have against Master Tenant; (iii) liable for the return of any security deposit or letter of credit not actually received by Master Lessor and with respect to which Subtenant agrees to look solely to Master Tenant for refund or reimbursement; (iv) unless delivered by Master Tenant to Master Lessor, bound by any advance payment of rent or additional rent or any other sums made by Subtenant to Master Tenant, except for rent or additional rent applicable to the then-current month; (v) obligated to cure any defaults under the Sublease of Master Tenant which occurred prior to the termination of the Master Lease, provided, however, that the foregoing shall not release Master Lessor from liability for any default of its obligations under the Sublease continuing after the date on which Master Lessor succeeds to Master Tenant’s interest thereunder, including without limitation any maintenance obligations; or (vi) bound by any covenant to undertake, complete or pay for any improvements to the Subleased Premises; and (b) Subtenant shall attorn to Master Lessor as its landlord, said attornment to be effective and self-operative without the execution of any further instruments. Master Lessor and Subtenant each hereby agrees to execute an instrument in form and substance reasonably acceptable to both parties acknowledging the continuation of the Sublease for the Subleased Premises as a direct lease for the Subleased Premises on the terms and conditions set forth in this Agreement. In addition, Subtenant shall execute and deliver, upon the request of Master Lessor, an instrument or certificate regarding the status of the Sublease consisting of statements, if true (and if not true, specifying in what respect), in the case of the Sublease by Subtenant (A) that the Sublease is in full force and effect, (B) the amounts and date through which rentals have been paid, (C) the commencement date, rent commencement date and duration of the term of the Sublease, (D) that no default, or state of facts, which with the passage of time, or notice, or both, would constitute a default, exists on the part of either party to the Sublease, and (E) the dates on which payments of additional rent, if any, are due under the Sublease.

5.Sublease Amendments. Master Lessor shall not be bound by any amendment to the Sublease made after the date of this Agreement unless Master Lessor shall have consented thereto in writing. Such consent of Master Lessor may be withheld by Master Lessor in its sole and absolute discretion if such amendment (a) reduces the rent payable under the Sublease, (b) provides for any expansion rights, (c) extends the term of the Sublease in addition to Subtenant's current right(s) to extend the term under the Sublease, if any. Any such amendment made after the date of this Agreement without Master Lessor's consent shall not be binding on Master Lessor.

6. Master Lessor's Right to Notice and Cure. Subtenant covenants and agrees to: (a) concurrently give Master Lessor the same default and/or termination notices given to Master Tenant under the Sublease at the following addresses until otherwise specified in writing by Master Lessor: MIT 139 Main Street Fee Owner LLC, c/o MIT Investment Management Company, One Broadway, Suite 09-200, Cambridge, MA 02142, Attention: Managing Director of Real Estate, with copies to MIT Investment Management Company, One Broadway, Suite 09-200, Cambridge, MA 02142, Attention: Director of Real Estate Legal Services, and Jones Lang LaSalle Americas, Inc., One Broadway, 6th Floor, Cambridge, MA 02142, Attention: Group Manager; (b) provide Master Lessor with at least ten (10) days plus the number of days (and the same opportunities and rights) as are available to Master Tenant under the Sublease to cure any of Master Tenant's defaults thereunder; and (c) accept Master Lessor's curing of any of Master Tenant's defaults under the Sublease as performance by Master Tenant thereunder.

7.Amendments. This Agreement may not be waived, changed, or discharged orally, but only by agreement in writing and signed by Master Lessor, Master Tenant and Subtenant, and any oral waiver, change, or discharge of this Agreement or any provisions hereof shall be without authority and shall be of no force and effect.

8.Revisions to Sublease. Notwithstanding anything contained in this Agreement or the Sublease to the contrary, in the event that the Master Lease is terminated pursuant to the terms thereof, or if Master Tenant rejects the Sublease in the course of a bankruptcy proceeding, (a) as of the date of such termination or rejection, Master Lessor and Master Lessor's successors and assigns shall have no liability to Subtenant with respect to any representations and warranties on the part of "Landlord" contained in the Sublease (provided that the foregoing shall in no event relieve Master Tenant of any liability to Subtenant with respect to such representations and warranties), and (b) Master Lessor shall have no liability or obligations pursuant to the brokerage provision of the Sublease.

9.Security Deposit. If the Master Lease is terminated pursuant to the terms thereof, or if Master Tenant rejects the Sublease in the course of a bankruptcy proceeding, then Master Tenant shall deliver to Master Lessor the cash security deposit and/or the original letter of credit (including any amendments thereto) and an executed transfer form in the form required by the issue of such letter of credit, if any has been delivered by Subtenant to Master Tenant pursuant to the Sublease. In the event that Master Tenant fails to deliver the same, Subtenant shall, at Subtenant's sole cost and expense, use commercially reasonably efforts (including, without limitation, the payment of any commercially reasonable fees required by the issuer of any such letter of credit and the execution of such reasonable documents as Master Lessor may deem necessary) in order to (a) cause Master Tenant to deliver to Master Lessor any cash security deposit, and (b) cause the original letter of credit issued to Master Tenant to be (i) assigned to Master Lessor or (ii) terminated or canceled. Master Tenant hereby consents to Subtenant's undertaking the actions described in the immediately preceding sentence and waives any claim Master Tenant may have against Subtenant arising from Subtenant's compliance with the requirements of this Section 9. If such letter of credit is so terminated or canceled, Subtenant shall deliver to Master Lessor a new original letter of credit naming Master Lessor as beneficiary and otherwise meeting the requirements set forth in the Sublease.

10.Relation between Master Lessor and Master Tenant. Notwithstanding anything to the contrary contained herein, if, *at the time* that Master Lessor succeeds to the interest of Master Tenant as landlord under the Sublease, Master Tenant controls, is controlled by or is under common control with Master Lessor, then, in such event, Master Lessor agrees that no term, covenant or condition of this Agreement shall be interpreted or enforced by Master Lessor in any manner that would have the effect of amending

or modifying the Sublease, releasing Master Lessor from any obligation under the Sublease or otherwise reducing the obligations of the landlord thereunder or increasing the obligations of Tenant thereunder (for example, Section 8(a) above and the second sentence of Section 9 shall not be enforced by Master Lessor in such situation).

11.Miscellaneous. This Agreement shall be deemed to have been executed and delivered within the Commonwealth of Massachusetts, and the rights and obligations of the parties hereunder shall be construed and enforced in accordance with, and governed by, the laws of the Commonwealth of Massachusetts without regard to the laws governing conflicts of laws. This Agreement will be executed by each party in recordable form and shall at no expense to Subtenant be recorded by Master Tenant in all places necessary to provide legal notice of this Agreement, Subtenant hereby agreeing to reasonably cooperate with Master Tenant in connection therewith, including without limitation providing such evidence of authority as is required or customary in connection with such recording. If any term of this Agreement or the application thereof to any person or circumstances shall be invalid and unenforceable, the remaining provisions of this Agreement, the application or such term to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected. This Agreement is binding upon and shall inure to the benefit of Master Lessor, Master Tenant and Subtenant, and their respective successors and assigns. Each party has cooperated in the drafting and preparation of this Agreement and, therefore, in any construction to be made of this Agreement, the same shall not be construed against either party. In the event of litigation relating to this Agreement, the prevailing party shall be entitled to reimbursement from the other party of its reasonable attorneys' fees and costs. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral and written agreements and discussions, and may not be amended, waived, discharged or terminated except by a written instrument signed by all the parties hereto. This Agreement may be executed in two or more counterparts which, when taken together, shall constitute one and the same original.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed as an instrument under seal as of the date first above written.

MASTER LESSOR:

MIT 139 MAIN STREET FEE OWNER LLC,
a Massachusetts limited liability company

By: MIT Cambridge Real Estate LLC, its manager

By: _____
Name:
Title:

MASTER TENANT:

MIT 139 MAIN STREET LEASEHOLD LLC,
a Massachusetts limited liability company

By: MIT Cambridge Real Estate LLC, its manager

By: _____
Name:
Title:

SUBTENANT:

STOKE THERAPEUTICS, INC., a Delaware corporation

By: _____
Name:
Title:

COMMONWEALTH OF MASSACHUSETTS

Middlesex, ss. , 20

On this ____ day of _____, 201__ before me, the undersigned notary public, personally appeared _____, proved to me through satisfactory evidence of identification, which was personal knowledge of the identity of the signatory, to be the person whose name is signed on the preceding or attached document and acknowledged to me that he/she signed it voluntarily for its stated purpose as _____ for MIT Cambridge Real Estate LLC, as manager of MIT 139 Main Street Fee Owner LLC, a limited liability company.

Notary Public:
My Commission Expires:

COMMONWEALTH OF MASSACHUSETTS

, ss. , 20

On this ____ day of _____, 201__ before me, the undersigned notary public, personally appeared _____, proved to me through satisfactory evidence of identification, which was personal knowledge of the identity of the signatory, to be the person whose name is signed on the preceding or attached document and acknowledged to me that he/she signed it voluntarily for its stated purpose as _____ for MIT Cambridge Real Estate LLC, as manager of MIT 139 Main Street Leasehold LLC, a limited liability company.

Notary Public:
My Commission Expires:

COMMONWEALTH OF MASSACHUSETTS

, ss. , 20_

On this ____ day of _____, 201__ before me, the undersigned notary public, personally appeared _____, proved to me through satisfactory evidence of identification, which was personal knowledge of the identity of the signatory, to be the person whose name is signed on the preceding or attached document and acknowledged to me that he/she signed it voluntarily for its stated purpose as _____ , for Stoke Therapeutics, Inc., a Delaware corporation.

Notary Public:
My Commission Expires:

AMENDMENT TO INDENTURE OF LEASE

AMENDMENT TO INDENTURE OF LEASE (this "Amendment") dated as of December 7, 2019 ("Execution Date") by and between MIT 139 Main Street Leasehold LLC, a Massachusetts limited liability company ("Landlord"), having an address c/o MIT Investment Management Company One Broadway, 9th Floor, Suite 200, Cambridge, MA 02142, and Stoke Therapeutics, Inc., a Delaware corporation with an address 139 Main Street, Cambridge, Massachusetts 02142 ("Tenant").

Background

A. Landlord and Tenant entered into an Indenture of Lease dated as of January 2, 2019 (as amended hereby, the "Lease") for premises in the building located at 139 Main Street, Cambridge, Massachusetts 02142 (the "Building").

B. Tenant has the appurtenant right to one (1) parking pass ("Parking Pass") for the parking area serving the Building (the "Parking Area").

C. Due to a change in Landlord's plans for the management of the Parking Area, Landlord, as licensor, and Tenant, as licensee, entered into a License Agreement dated September 25, 2019 (as amended, the "License") for use of the Parking Area for a term co-terminus with the Term of the Lease.

D. The parties desire to amend the Lease to delete the appurtenant parking right as the parking right is provided in the License.

Agreement

FOR and in consideration of the covenants herein reserved and contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord and Tenant agree as follows:

1. Capitalized Terms. All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Lease.

2. Deletion of Parking Right. The following provisions are hereby deleted from the Lease and are of no further force or effect: Section 1.4(b) of the Lease, the clause "(and Permitted Pass Holders shall have access to the Parking Area)" in the first sentence of Section 1.5(a), and all references to "Parking Areas" in Section 2.1 of the Lease.

3. Operating Costs; Taxes. Operating Costs related to the operation, management, repair, replacement, and maintenance of the Parking Areas shall be excluded from the definition of Operating Costs. Notwithstanding the foregoing, insurance related to the Parking Areas shall not be excluded from the definition of Operating Costs. Real estate taxes and other taxes, levies and assessments imposed upon the Parking Areas shall not be excluded from the definition of Taxes.

4. Brokers. Tenant warrants that it has had no dealings with any broker or agent in connection with this Amendment. Tenant covenants to pay, hold harmless and indemnify Landlord from and against any and all costs, expense or liability for any compensation, commissions and charges claimed by any broker or agent with respect to this Amendment or the negotiation thereof arising from a breach of the foregoing warranty.

5. Counterpart Signatures; Electronic Delivery. This Amendment may be executed, including by electronic signature, in a number of identical counterparts, each of which for all purposes is deemed an original, and all of which constitute collectively one Amendment. Each party to this Amendment agrees that delivery of an executed signature page of this Amendment to the other party by facsimile or other electronic transmission shall be binding on each of the parties as if the original of such facsimile or other electric transmission had been delivered to the other party.

6. Miscellaneous.

(a) In all respects, the Lease, as hereby amended and modified, is hereby ratified, approved and confirmed. In the event of any conflict between the terms, covenants and conditions contained in this Amendment and the terms, covenants and conditions contained in the Lease, the terms, covenants and conditions contained in this Amendment shall supersede.

(b) This Amendment is made pursuant to, and shall be governed by, and construed in accordance with, the laws of the Commonwealth of Massachusetts without regard to the laws governing conflicts of laws.

(c) The Lease, as amended hereby, shall not be amended, modified or supplemented unless by agreement in writing signed by both Landlord and Tenant. The terms of this Amendment shall bind and inure to the benefit of Landlord and Tenant and their respective successors and assigns.

(d) No waiver of a breach of any provision of this Amendment shall constitute a waiver of any preceding or succeeding breach of the same or any other provision hereof.

(e) The undersigned individual(s) executing this Amendment on behalf of Tenant do hereby represent and warrant to Landlord that they are each fully empowered and authorized to execute this Amendment on behalf of Tenant.

[Signatures on following page]

EXECUTED to take effect as a sealed instrument.

LANDLORD:

MIT 139 MAIN STREET LEASEHOLD LLC,
a Massachusetts limited liability company

By: MIT CAMBRIDGE REAL ESTATE LLC,
its manager

By: /s/ Seth D. Alexander
Name: Seth D. Alexander
Title: President, and not individually

TENANT:

STOKE THERAPEUTICS, INC.

By: /s/ Huw M. Nash
Name: Huw M. Nash
Title: COO & CBO

SECOND AMENDMENT TO INDENTURE OF LEASE

THIS SECOND AMENDMENT TO INDENTURE OF LEASE (this "**Amendment**") is dated as of June 17th, 2021 (the "**Execution Date**") by and between MIT 139 MAIN STREET LEASEHOLD LLC, a Massachusetts limited liability company ("**Landlord**"), having an address c/o MIT Investment Management Company One Broadway, 9th Floor, Suite 200, Cambridge, Massachusetts 02142, and STOKE THERAPEUTICS, INC., a Delaware corporation with an address 45 Wiggins Avenue, Bedford, Massachusetts 01730 ("**Tenant**").

BACKGROUND

A. Landlord and Tenant are parties to that certain Indenture of Lease dated as of January 2, 2019, as amended by an Amendment to Indenture of Lease dated as of December 7, 2019 (as amended, the "**Lease**"), for approximately 2,485 rentable square feet (the "**Existing Premises**") located on the fourth (4th) floor of the building located at 139 Main Street, Cambridge, Massachusetts (the "**Building**").

B. Tenant desires to lease an additional 2,357 (approximately) rentable square feet (the "**Expansion Premises**") on the third (3rd) floor of the Building, as more particularly described on **Exhibit A** attached hereto and incorporated herein.

C. Landlord and Tenant desire to amend the Lease to reflect (i) the expansion of the Existing Premises to include the Expansion Premises and (ii) the modification of certain other provisions of the Lease.

D. Capitalized terms used but not defined in this Amendment shall have the meanings ascribed to them in the Lease.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord and Tenant agree as follows:

1. Expansion Premises.

(A) Demise of Expansion Premises. Subject to Section 10 of this Amendment, Landlord hereby demises and leases to Tenant, and Tenant hereby hires and takes from Landlord, the Expansion Premises. Said demise of the Expansion Premises shall be for a term commencing on the date Landlord delivers the Expansion Premises to Tenant in the Delivery Condition (as hereinafter defined) (the "**Expansion Premises Commencement Date**") and shall expire on April 30, 2025 (the "**New Expiration Date**"). Landlord shall use commercially reasonable efforts to deliver the Expansion Premises to Tenant in the Delivery Condition on or before July 1, 2021 (the "**Estimated Expansion Premises Commencement Date**"); however, the failure of Landlord to cause the Delivery Condition to occur on or before the Estimated Expansion Premises Commencement Date shall in no way affect the validity of the Lease, this Amendment, or the obligations of Tenant hereunder, and Tenant shall not have any claim against Landlord by reason thereof. Notwithstanding anything set forth in this Amendment to the contrary, if the Estimated Expansion Premises Commencement Date has not occurred on or

before October 1, 2021, Tenant may immediately terminate Section 1 of this Amendment by providing Landlord with written notice and such election to terminate Section 1 of this Amendment shall not affect the validity or enforceability of the Lease or any other Section of this Amendment, which shall remain valid, enforceable, and in full force and effect with respect to the Existing Premises. As used in this Amendment, except as set forth herein to the contrary, the "Delivery Condition" shall mean the "AS IS" "WHERE IS" condition and with all faults of the Expansion Premises as of the Expansion Premises Commencement Date, without any obligation for Landlord to undertake any work to the Expansion Premises or the Building in connection with its delivery of the Expansion Premises to Tenant and without representations or warranties, express or implied, in fact or by law, of any kind, and without recourse to Landlord; *provided however*, notwithstanding the foregoing, the Expansion Premises shall be tendered to Tenant as of the Expansion Premises Commencement Date (i) in broom clean condition, (ii) free of all occupants, and (iii) free of all furniture and equipment other than that specifically allowed by Tenant. Tenant, at its sole cost and expense, shall be responsible for installing any furniture, fixtures and other personal property and equipment, including without limitation, telecommunications cabling and equipment.

Once the Expansion Premises Commencement Date is determined, Landlord and Tenant shall execute an agreement confirming the Expansion Premises Commencement Date, in substantially the form attached hereto as **Exhibit B**. Tenant's failure to execute and return any such agreement proposed by Landlord, or to provide written objection to the statements contained therein, within ten (10) business days after the date of Tenant's receipt thereof shall be deemed an approval by Tenant of the Expansion Premises Commencement Date.

Except as set forth herein, said demise of Expansion Premises shall be upon all of the terms and conditions set forth in the Lease (as amended by this Amendment) applicable to the Existing Premises, including without limitation, the Permitted Uses and Tenant's surrender obligations in Section 19 of the Lease. Effective as of the Expansion Premises Commencement Date, (x) all references in the Lease to "Premises" shall be deemed to mean the "Existing Premises" and "Expansion Premises", collectively, and (y) Tenant's Share shall be increased to 12.89%, and (z) Tenant's Tax Share shall be increased to 12.89%.

(B) Rent-Expansion Premises.

(i) Base Rent. Commencing on the Expansion Premises Commencement Date, Tenant shall pay Base Rent with respect to the Expansion Premises, as set forth below.

Period	Annual Base Rent	Monthly Base Rent	$/RSF
Expansion Premises Commencement Date -4/30/2022	$230,302.47	$19,191.87	$97.71
5/1/2022-4/30/2023	$237,208.48	$19,767.37	$100.64
5/1/2023-4/30/2024	$244,326.62	$20,360.55	$103.66
5/1/2024-4/30/2025	$251,656.89	$20,971.41	$106.77

(ii) Additional Rent. Commencing on the Expansion Premises Commencement Date, Tenant shall pay Additional Rent with respect to the Expansion Premises, including without limitation, Tenant's Share of Operating Costs and Tenant's Tax Share of Taxes, as adjusted in Section 1(A) above.

(iii) Utilities. Commencing on the Expansion Premises Commencement Date Tenant shall pay for utilities serving the Expansion Premises in accordance with Section 7 of the Lease.

(C) Security Deposit-Expansion Premises. Within five (5) business days of Tenant's execution and delivery of this Amendment to Landlord, Tenant shall deliver (i) a replacement Letter of Credit to Landlord in the same form as the existing Letter of Credit that Tenant previously has delivered to Landlord (or otherwise in the same form as Exhibit 8 to the Lease) in the amount of $75,000 or (ii) an amendment to the existing Letter of Credit increasing the amount of such Letter of Credit to a total of $75,000, and with an expiry date not earlier than July 15, 2025 (the "**Replacement Letter of Credit**"). After Landlord's receipt of the Replacement Letter of Credit, Landlord shall return to Tenant the existing Letter of Credit.

(D) Signage. Landlord, at its sole cost and expense, shall add Tenant's name to the Building lobby directory with respect to the Expansion Premises. Tenant shall have the same rights and obligations set forth in Section 10.1 of the Lease with respect to signage for the Expansion Premises.

2. Existing Premises.

(A) Initial Term. The Initial Term of the Lease shall be extended for a period of three (3) years and shall expire on the New Expiration Date as to both the Existing Premises and the Expansion Premises. The line captioned "Expiration Date" in the Lease Summary Sheet is deleted in its entirety, and each instance of the Lease that refers to the "Expiration Date" shall be deemed to refer to the New Expiration Date.

(B) Condition of Existing Premises. Tenant is in possession of the Existing Premises and accepts the Existing Premises in its "AS IS" "WHERE IS" condition without any obligation for Landlord to undertake any work to the Existing Premises or the Building and without representations or warranties, express or implied, in fact or by law, of any kind, and without recourse to Landlord.

(C) Rent-Existing Premises.

(i) Base Rent. The following table shall be added below the rent table on page 2 of the Lease Summary Sheet (which is a part of the Lease) under the caption "Base Rent", and the amounts set forth below shall constitute the Base Rent for the Existing Premises for the periods of the Term set forth below.

Period	Annual Base Rent	Monthly Base Rent	$/RSF
5/1/2022-4/30/2023	$250.090.40	$20,840.87	$100.64
5/1/2023-4/30/2024	$257,595.10	$21,466.26	$103.66
5/1/2024-4/30/2025	$265,323.45	$22,110.29	$106.77

(ii) Additional Rent. From and after the Expansion Premises Commencement Date, Tenant shall pay Tenant's Share of Operating Costs and Tenant's Tax Share of Taxes, as adjusted in Section 1(A) above.

(iii) Utilities. Tenant shall continue to pay for utilities serving the Existing Premises in accordance with Section 7 of the Lease.

3. Rent Year. For purposes of clarity, "the first Rent Year of the Extension Term" as such phrase is used in Section 1.2(b) of the Lease shall mean May 1, 2025 through April 30, 2026, and the "second Rent Year of the Extension Term" as such phrase is used in Section 1.2(d) of the Lease shall mean May 1, 2026 through April 30, 2027.

4. Inapplicable Lease Provisions. All references to "Landlord's Work", "Substantial Completion" and Exhibit 5 and Exhibit 5B of the Lease shall not apply to the Expansion Premises. The column in Exhibit 5A of the Lease captioned "TI Work by Landlord" shall not apply to the Expansion Premises.

5. Broker. Tenant and Landlord each warrants and represents that it has dealt with no broker in connection with the consummation of this Amendment other than CBRE and Jones Lang LaSalle (collectively, "**Broker**"). Tenant and Landlord each agrees to defend, indemnify and save the other harmless from and against any Claims arising in breach of its representation and warranty set forth in the immediately preceding sentence. Landlord shall be solely responsible for the payment of any brokerage commissions to Broker in connection with this Amendment.

6. Ratification. Except as expressly modified by this Amendment, the Lease shall remain in full force and effect, and as further modified by this Amendment, is expressly ratified and confirmed by the parties hereto. This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, subject to the provisions of the Lease regarding assignment and subletting.

7. Governing Law; Interpretation and Partial Invalidity. This Amendment shall be governed and construed in accordance with the laws of the Commonwealth of Massachusetts. If any term of this Amendment, or the application thereof to any person or circumstances, shall to any extent be invalid or unenforceable, the remainder of this Amendment, or the application of such term to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term of this Amendment shall be valid and enforceable to the fullest extent permitted by law. The titles for the paragraphs are for convenience only and are not to be considered in construing this Amendment. This Amendment contains all of the agreements of the parties with respect to the subject matter hereof, and supersedes all prior dealings between them with respect to such subject matter. No delay or omission on the part of either party to this

Amendment in requiring performance by the other party or exercising any right hereunder shall operate as a waiver of any provision hereof or any rights hereunder, and no waiver, omission or delay in requiring performance or exercising any right hereunder on any one occasion shall be construed as a bar to or waiver of such performance or right on any future occasion.

8. Successors. This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

9. Counterparts and Authority. This Amendment may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same document. Landlord and Tenant each warrant to the other that the person or persons executing this Amendment on its behalf has or have authority to do so and that such execution has fully obligated and bound such party to all terms and provisions of this Amendment.

10. Not Binding Until Black Diamond Termination. Notwithstanding anything in this Amendment to the contrary, Section 1 of this Amendment shall not be binding on Landlord unless and until Landlord and Black Diamond Therapeutics ("**BD**"), which is the existing tenant of the Expansion Premises, enter into a termination agreement that is acceptable to Landlord in its sole and absolute discretion. If, by August 15, 2021, Landlord has not entered into such termination agreement with BD, either Landlord or Tenant may, upon not less than five (5) business days' notice to the other party, terminate Section 1 of this Amendment. If either party terminates Section 1 of this Amendment, then any such termination shall not affect the validity or enforceability of the Lease or any other Section of this Amendment, which shall remain valid, enforceable, and in full force and effect with respect to the Existing Premises.

11. Amendment Not a Binding Offer. Without limiting Section 10 above, this Amendment shall have no binding force or effect, shall not constitute an offer or an option for the leasing of the Expansion Premises, nor confer any right or impose any obligations upon either party until execution and delivery of this Amendment by both parties.

[Signature Page Follows]

EXECUTED under seal as of the Execution Date.

LANDLORD: MIT 139 MAIN STREET LEASEHOLD LLC, a Massachusetts limited liability company

By: MIT CAMBRIDGE REAL ESTATE LLC, its manager

By: /s/ Seth D. Alexander
Name: Seth D. Alexander
Title: President, and not individually

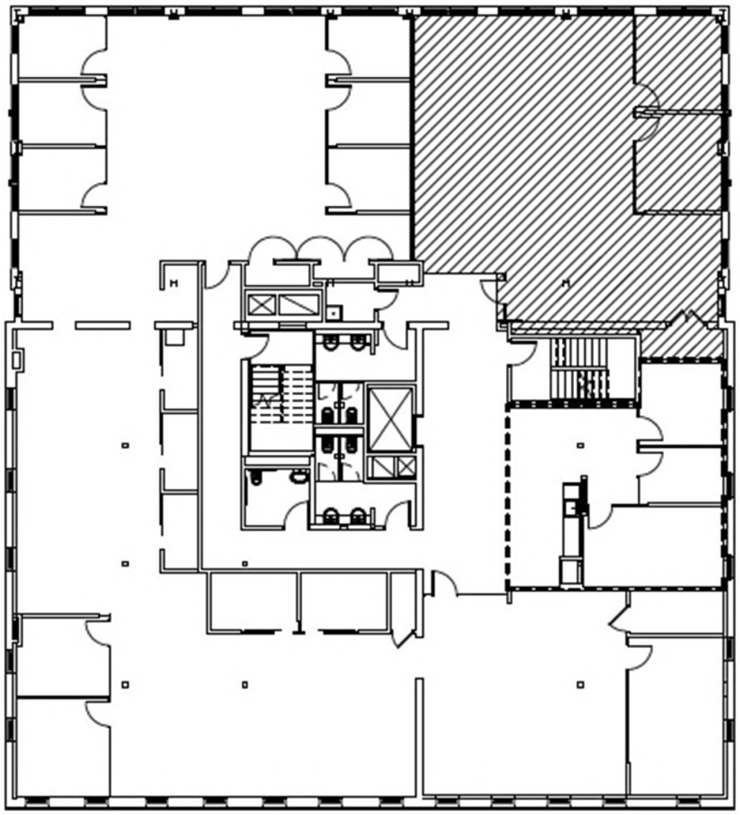
TENANT: STOKE THERAPEUTICS, INC., a Delaware corporation

By: /s/ Ed Kaye
Name: Ed Kaye
Title: Chief Executive Officer

By: /s/ Huw M. Nash
Name: Huw M. Nash
Title: COO & CBO

EXHIBIT A

Floorplan of Expansion Premises



LEGEND

Tenant Premises - Tenant 301, Third Floor

Shared Floor Common Amenity Area

Note: Shared Floor Common Amenity Area is shown for reference only and is not part of tenant premises.

MITIMCo

ARROWSTREET

Premises Plan

139 Main Street | Tenant 301

Cambridge, Massachusetts | 16 November 2018

EXHIBIT B

MEMORIALIZATION OF DATES AGREEMENT

[_____, 2021]

Stoke Therapeutics, Inc.
45 Wiggins Avenue
Bedford, Massachusetts 01730
[Attn: _____]

Re: Lease dated January 2, 2019, as amended by that certain Amendment to Indenture of Lease dated as of December 7, 2019, and as further amended by that certain Second Amendment to Indenture of Lease dated as of [_____, 2021] (as amended, the "Lease") by and between MIT 139 Main Street Leasehold LLC ("Landlord"), and Stoke Therapeutics, Inc. ("Tenant") with respect to approximately 4,842 rentable square feet on the third (3rd) and fourth (4th) floors of the Building located at 139 Main Street, Cambridge, Massachusetts

Dear _____:

In accordance with the terms and conditions of the Lease, Tenant accepts possession of the Expansion Premises and acknowledges:

1. The Expansion Premises Commencement Date is _____, 2021.

This letter is binding upon and shall inure to the benefit of Landlord and Tenant and their respective successors and assigns.

Please acknowledge the foregoing and your acceptance of possession by signing a copy of this letter in the space provided and returning it to _____. Tenant's failure to execute and return this letter, or to provide written objection to the statements contained in this letter, within ten (10) business days after the date of this letter, shall be deemed an approval by Tenant of the statements contained herein.

Sincerely,

MIT 139 MAIN STREET LEASEHOLD LLC, a Massachusetts limited liability company

By: MIT CAMBRIDGE REAL ESTATE LLC, its manager

By: _____
Name:
Title:

Acknowledged and Accepted:

STOKE THERAPEUTICS, INC., a Delaware corporation

By: _____
Name:
Title:

DATE: _____, 2021

MASTER LEASE AGREEMENT

139 MAIN STREET

CAMBRIDGE, MASSACHUSETTS

by and between

MIT 139 MAIN STREET FEE OWNER LLC,

as Landlord

and

MIT 139 MAIN STREET LEASEHOLD LLC,

as Tenant

Dated as of September 29, 2017

MASTER LEASE AGREEMENT

TABLE OF CONTENTS

MASTER LEASE AGREEMENT

This MASTER LEASE AGREEMENT (this "**Lease**") dated as of September 29, 2017 (the "**Commencement Date**") is made by and between MIT 139 MAIN STREET FEE OWNER LLC, a Massachusetts limited liability company with its principal office c/o MIT Investment Management Company, 238 Main Street, Suite 200, Cambridge, Massachusetts 02142, as landlord ("**Landlord**"), and MIT 139 MAIN STREET LEASEHOLD LLC, a Massachusetts limited liability company with its principal office c/o MIT Investment Management Company, 238 Main Street, Suite 200, Cambridge, MA 02142, as tenant ("**Tenant**").

ARTICLE I.
DEFINITIONS

In this Lease, the following words shall have the following meanings, respectively:

1.1 "**Abandonment Fee**" shall have the meaning set forth in Section 18.1.

1.2 "**Acquisition Date**" shall have the meaning set forth in Section 19.1(c).

1.3 "**Additional Rent**" shall mean all amounts due and payable by Tenant to Landlord under this Lease, other than Base Rent.

1.4 "**Affiliate**" shall mean any Person that is a partner or a member with or in, or a beneficiary or shareholder of, Tenant, or which directly or indirectly owns or controls Tenant, or any partner, member or beneficiary or shareholder of any Person which directly or indirectly owns or controls Tenant; or any Person owned or controlled, directly or indirectly, by Tenant or by any of the partners, members, beneficiaries or shareholders of Tenant or under common ownership of any type with Tenant.

1.5 "**Approval Instruments**" shall have the meaning set forth in Section 5.8(b).

1.6 "**Approvals**" shall mean any permits, approvals, licenses, orders, conditions, decisions, rezonings, transfers of development rights to or from the Premises, actions of any governmental authority, or similar governmental or quasi-governmental rights and privileges allowing or facilitating any use, operation, construction, reconstruction or maintenance consistent with the terms of this Lease.

1.7 "**Appurtenances**" shall mean any and all property or other rights appurtenant to the Land or relating to the use, occupancy and enjoyment of the Land and/or the Improvements.

1.8 "**Appurtenant Grant**" shall have the meaning set forth in Section 13.4.

1.9 "**Assignment**" shall have the meaning set forth in Section 19.3(a)(i).

1.10 "**Assignment Notice**" shall have the meaning set forth in Section 12.2(a).

1.11 "**Award**" shall have the meaning set forth in Section 10.2.

1.12 "**Bankruptcy Laws**" shall have the meaning set forth in Section 11.1(d).

1.13 "**Base Interest Rate**" shall mean [redacted] over the prime rate of interest of Bank of America, N.A., or its successor, during the respective periods of calculation of such interest hereunder.

1.14 "**Base Rent**" shall mean the components of Rent which are the fixed annual rental amounts determined in accordance with Section 4.1.

1.15 "**Business Day**" shall mean any day which is not a Saturday or Sunday or a public holiday under the laws of the United States of America or the Commonwealth of Massachusetts.

1.16 "**Claims**" shall have the meaning set forth in Section 7.4(c).

1.17 "**Clearing Costs**" shall mean the reasonable costs and expenses of removing any remaining Improvements and restoring the Premises to a safe and cleared and safe condition and at a grade approximately level with abutting land.

1.18 "**Commencement Date**" shall have the meaning set forth in the first unnumbered paragraph at the beginning of this Lease.

1.19 "**Contract Assignment**" shall have the meaning set forth in Section 19.3.

1.20 "**Decommissioning Closure Report**" shall have the meaning set forth in Section 5.7(b).

1.21 "**Dispute Notice**" shall have the meaning set forth in Section 19.1(f).

1.22 "**Environmental Enforcement Actions**" shall mean, collectively, all actions or orders instituted, issued, threatened or required by any Governmental Authority and all claims made or threatened by any Person against Landlord, Tenant or the Premises (or any other Occupant, prior Occupant or prior owner thereof), arising out of or in connection with any Pre-Existing Environmental Condition or the assessment, monitoring, cleanup, containment, remediation or removal of, or damages caused or alleged to be caused by, any Pre-Existing Environmental Condition.

1.23 "**Event of Default**" shall mean those events defined in Article XI.

1.24 "**Expiration Date**" shall mean September 30, 2077.

1.25 "**Fee Mortgage**" shall mean any mortgage or deed of trust encumbering Landlord's interest in all or any portion of the Premises hereafter granted by Landlord to any institutional or commercial lender securing any loan from such institutional or commercial lender to Landlord.

1.26 "**Fee Mortgagee**" shall mean the holder of any Fee Mortgage.

1.27 "**Final Plans and Specifications**" shall mean any and all final plans, drawings and specifications utilized in the completion of any future Improvements.

1.28 "**First Offer Right**" shall have the meaning set forth in Section 12.2(a).

1.29 "**FMV**" shall have the meaning set forth in Section 19.1(a).

1.30 "**Governmental Authorities**" shall mean, collectively, all agencies, authorities, bodies, boards, commissions, courts, instrumentalities, legislatures, and offices of any nature whatsoever of any government, quasi-government unit or political subdivision, whether with a federal, state, county, district, municipal, city or otherwise and whether now or hereinafter in existence.

1.31 "**Hazardous Materials**" shall have the meaning set forth in Section 7.4(d).

1.32 "**Improvements**" shall mean all of the buildings, outside parking lots and spaces, parking decks, parking garages, driveways, sidewalks, landscaping and all other permanent improvements currently existing on the Land or hereafter constructed thereon.

1.33 "**Insurable Property**" shall have the meaning set forth in Section 8.4.

1.34 "**Insurance Proceeds**" shall have the meaning set forth in Section 9.2.

1.35 "**Land**" shall mean that certain parcel of land more particularly described in Exhibit A attached hereto and made a part hereof.

1.36 "**Landlord**" shall have the meaning set forth in the first unnumbered paragraph at the beginning of this Lease.

1.37 "**Landlord's Appraiser**" shall have the meaning set forth in Section 19.1(f).

1.38 "**Landlord's Award**" shall have the meaning set forth in Section 10.2.

1.39 "**Landlord's Closing Documents**" shall have the meaning set forth in Section 19.3(a)(i).

1.40 "**Landlord's Purchase Notice**" shall have the meaning set forth in Section 19.1.

1.41 "**Landlord's Statement**" shall have the meaning set forth in Section 19.3(d).

1.42 "**Lease**" shall mean this Master Lease Agreement as the same may be amended from time to time.

1.43 "**Lease Assignment**" shall have the meaning set forth in Section 19.3(a)(i).

1.44 "**Leasehold Mortgage**" shall have the meaning set forth in Section 6.1.

1.45 "**Leasehold Mortgagee**" shall mean the holder of a Leasehold Mortgage.

1.46 "**Leasehold Mortgage Foreclosure**" shall mean the earlier to occur of the following (i) the transfer of the interest of Tenant in the Premises and to this Lease to any Leasehold Mortgagee or any other Person by reason of (a) an assignment in lieu of foreclosure of any Leasehold Mortgage, (b) the Leasehold Mortgagee's exercise of any of its rights and/or remedies under its Leasehold Mortgage, including, without limitation, the exercise of the power of sale under the Leasehold Mortgage or any other foreclosure of the Leasehold Mortgage, (c) any other proceeding brought to enforce the rights of the holder of any Leasehold Mortgage or (d) any legal process or proceeding (other than any eminent domain proceeding by any Governmental Authority); (ii) the Leasehold Mortgagee's exercise of any right of entry and taking possession of the Premises prior to or in lieu of foreclosure of the Leasehold Mortgage; or (iii) the exercise by the Leasehold Mortgagee of its rights to collect rents from the Occupants pursuant to the Leasehold Mortgage or any other security document executed in connection with the Leasehold Mortgage (provided, however, any requirement by any Leasehold Mortgagee that Tenant deposit any or all of Tenant's cash, income or revenue in an escrow or other deposit account, the purpose of which is to create replacement reserves, real estate tax reserves, ground rent reserves or such other such reserves or escrow accounts as are customarily required by Leasehold Mortgagees to serve as additional security for loans secured by Leasehold Mortgages, shall not be deemed to be an exercise of any right to collect rents for the purposes of the foregoing clause (iii) unless the Leasehold Mortgagee shall have the right to control and direct, by way of lock box or otherwise, the general use and application of such cash, income and revenue beyond the

funding of the above-referenced required reserves and escrow accounts other than any requirement that expenditures be made in accordance with any approved budget, provided that such approved budget includes the payment of any and all Base Rent).

1.47 "**Legal Requirements**" shall mean, collectively, all statutes, ordinances, by-laws, codes, rules, regulations, restrictions, orders, judgments, decrees and injunctions (including, without limitation, all applicable building, health code, zoning, subdivision, and other land use statutes, ordinances, by-laws, codes, rules and regulations), whether now or hereafter enacted, promulgated or issued by any Governmental Authority affecting the Premises or the ownership, construction, development, maintenance, management, repair, use, occupancy, possession or operation thereof.

1.48 "**Loan Payoff**" shall have the meaning set forth in Section 19.1(a).

1.49 "**material and adverse**" shall have the meaning set forth in Section 7.3.

1.50 "**MDPH**" shall have the meaning set forth in Section 5.7(b).

1.51 "**Net Award**" shall have the meaning set forth in Section 10.2.

1.52 "**Net Proceeds**" shall have the meaning set forth in Section 9.6.

1.53 "**Notice of Leasehold Mortgagee's Intent to Exercise Remedies**" shall have the meaning set forth in Section 6.2(c).

1.54 "**Notice of Tenant's Failure to Cure**" shall have the meaning set forth in Section 6.2(b).

1.55 "**Notice of Termination**" shall have the meaning set forth in Section 19.1.

1.56 "**Occupant**" shall mean any sublessee, licensee, concessionaire, franchisee or user of all or any portion of the Premises under any Sublease whether now existing or hereafter entered into.

1.57 "**Oil**" shall have the meaning set forth in Section 7.4(d).

1.58 "**Partial Taking**" shall have the meaning set forth in Section 10.4.

1.59 "**Person**" shall mean any individual, corporation, limited liability company, general partnership, limited liability partnership, joint venture, stock company or association, company, bank, trust, trust company, land trust, business trust, unincorporated organization, unincorporated association, Governmental Authority or other entity of any kind or nature.

1.60 "**Permitted Encumbrances**" shall mean all covenants, restrictions, reservations, liens, conditions, easements and other encumbrances affecting the Premises or any portion thereof (i) as may hereafter be agreed to in writing by Tenant and Landlord; or (ii) which are caused or arise as a result of the acts or omissions of any of the Tenant Parties; or (iii) which are of record as of the Commencement Date; or (iv) as may be permitted pursuant to the provisions hereof.

1.61 "**Permitted Uses**" shall have the meaning set forth in Section 5.1. Notwithstanding anything to the contrary, Permitted Uses expressly excludes the Prohibited Uses.

1.62 "**Pre-Existing Environmental Condition**" shall mean the presence or release on or before the Commencement Date of any Hazardous Material, Oil or other Toxic Substance at, on, in, under and/or above the Premises.

1.63 "**Premises**" shall mean the Land and all of the Improvements and the Appurtenances.

1.64 "**prevailing party**" shall have the meaning set forth in Section 11.7.

1.65 "**Prohibited Tenant**" shall mean any entity which does not agree in writing to pay real estate taxes attributable to its tenancy.

1.66 "**Prohibited Uses**" shall mean (a) residential purposes; (b) a live entertainment establishment which features live entertainers engaging in sexual conduct or nudity as defined in M.G.L. c. 272, Section 31; (c) any motion picture theater presenting materials characterized by an emphasis on matter depicting sexual conduct or nudity as so defined; (d) any video store or other retail facility having a material portion of its stock in trade which is distinguished by its emphasis on sexual conduct as so defined; (e) massage parlor, a so-called "head" shop, off-track betting, gambling, gaming or check cashing facility; (f) car wash, automobile repair work or automotive service, automobile body shop, automobile, boat, trailer or truck leasing or sales, or laundromat; (g) tavern, bar, amusement park, carnival, banquet facility, dance hall, disco, nightclub or other entertainment facility including video game room, pool hall, arcade, indoor children's recreational facility or other amusement center; (h) funeral parlor, animal raising or storage, pawn shop, flea market or swap meet, junk yard; (i) drilling for and/or removal of subsurface substances, dumping, disposal, incineration or reduction of garbage or refuse, other than in enclosed receptacles intended for such purposes; (j) medical, dental, governmental, utility company or employment agency offices; or (k) any use which constitutes a public or private nuisance or produces objectionable noise or vibration.

1.67 "**Property Information**" shall have the meaning set forth in Section 19.3.

1.68 "**Protective Advances**" shall mean any sums expended by Landlord in accordance with the terms hereof to cure any default by Tenant (including, without limitation, any amounts expended by Landlord pursuant to Section 7.2, Section 11.6 and/or Section 11.7).

1.69 "**Purchase Price**" shall have the meaning set forth in Section 19.1(a).

1.70 "**Related Parties**" shall have meaning set forth in Section 8.6.

1.71 "**Rent**" shall mean, collectively, Base Rent and Additional Rent as more particularly set forth in Article IV.

1.72 "**Rent Default**" shall mean any failure by Tenant to pay any installment of Rent when due hereunder.

1.73 "**Reports**" shall have the meaning set forth in Section 7.1.

1.74 "**Settlement Statement**" shall have the meaning set forth in Section 19.1.

1.75 "**Site Assessments**" shall have the meaning set forth in Section 7.2(b).

1.76 "**Site Reviewers**" shall have the meaning set forth in Section 7.2(b).

1.77 "**Space Leases**" shall have the meaning set forth in Section 19.3(c).

1.78 "**Sublease**" shall mean any sublease, lease, license agreement, use agreement, tenancy at will agreement, concession agreement or other occupancy arrangement, whether now in existence or subsequently entered into by Tenant, encumbering or affecting any portion of the Premises.

1.79 "**Surrender Plan**" shall have the meaning set forth in Section 5.7(b).

1.80 "**Taking**" shall have the meaning set forth in Section 10.1.

1.81 "**Taxes**" shall have the meaning set forth in Section 4.5(a).

1.82 "**Temporary Taking**" shall have the meaning set forth in Section 10.7.

1.83 "**Tenant**" shall have the meaning set forth in the first unnumbered paragraph at the beginning of this Lease.

1.84 "**Tenant Excluded Transaction**" shall have the meaning set forth in Section 12.2(a).

1.85 "**Tenant Parties**" shall mean, collectively, Tenant and Tenant's agents, servants, employees, consultants, contractors, subcontractors, licensees and/or subtenants.

1.86 "**Tenant's Appraiser**" shall have the meaning set forth in Section 19.1(f).

1.87 "**Tenant's Award**" shall have the meaning set forth in Section 10.2.

1.88 "**Tenant's Basis**" shall have the meaning set forth in Section 19.1(a).

1.89 "**Tenant's Closing Documents**" shall have the meaning set forth in Section 19.3.

1.90 "**Tenant's Interest**" shall have the meaning set forth in Section 19.1(a).

1.91 "**Tenant's Property**" shall mean all furniture, equipment, fixtures, trade fixtures and other personal property belonging to Tenant or any Occupant.

1.92 "**Tenant's Statement**" shall have the meaning set forth in Section 19.3(e).

1.93 "**Tenant's Valuation Notice**" shall have the meaning set forth in Section 19.1(d).

1.94 "**Term**" shall have the meaning set forth in Section 3.1.

1.95 "**Third Appraiser**" shall have the meaning set forth in Section 19.1.

1.96 "**to Landlord's knowledge**" shall have the meaning set forth in Section 7.5(b).

1.97 "**Total Taking**" shall have the meaning set forth in Section 10.3.

1.98 "**Toxic Substances**" shall have the meaning set forth in Section 7.4(d).

1.99 "**Transfer of Control**" shall have the meaning set forth in Section 12.1.

1.100 "**Transferee**" shall mean (i) any Leasehold Mortgagee (or its affiliate) who acquires Tenant's interest in the Premises by virtue of a Leasehold Mortgage Foreclosure and any Person acquiring Tenant's interest in the Premises from such Leasehold Mortgagee (or affiliate) after a Leasehold Mortgage

Foreclosure, (ii) the Leasehold Mortgagee in the event that the Leasehold Mortgagee exercises its rights to collect rents from the Occupants pursuant to the Leasehold Mortgage or any other security document executed in connection with the Leasehold Mortgage and (iii) any Person who holds the tenant's interest under any new lease executed pursuant to Section 6.4.

1.101 "**Unleased Space**" shall have the meaning set forth in Section 9.4.

1.102 "**Warranties**" shall have the meaning set forth in Section 19.3(a)(i).

ARTICLE II.
DEMISE OF PREMISES; CONDITIONS

2.1 Demise of Premises. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Premises for the Term upon the terms and conditions specified in this Lease.

2.2 Title and Condition of Premises. The Premises are demised and let subject to (i) all zoning regulations, restrictions, rules and ordinances, building codes and other Legal Requirements now in effect or hereafter adopted by any Governmental Authority having jurisdiction; (ii) such real estate taxes and municipal betterment assessments as are not yet due and payable on the Commencement Date; and (iii) the Permitted Encumbrances. The Premises are demised and let in an "AS IS, WHERE IS" condition as of the Commencement Date, with all faults, and without representations or warranties, express or implied, in fact or by law, whatsoever.

2.3 Notice of Lease. Tenant and Landlord agree to execute a Notice of Lease in a form that is suitable for recording with the Middlesex South Registry of Deeds and if applicable, filing with the Middlesex South Registry District of the Land Court, and such parties agree to execute said Notice of Lease as of the date of this Lease. Each party shall provide such evidence of authority as shall be required in connection with such recording and filing. Upon the expiration or earlier termination of this Lease, Landlord shall deliver to Tenant a notice of termination of lease in form and substance reasonably acceptable to both parties and, unless Tenant has delivered to Landlord written notice that Tenant disputes whether the Lease has been validly terminated, Tenant shall, within thirty (30) days of receipt thereof, time being of the essence, execute and deliver the same to Landlord for Landlord's execution and recordation with the Middlesex South Registry of Deeds and/or if applicable, filing with the Middlesex South Registry District of the Land Court. If Tenant fails to deliver the executed notice of termination of lease as and when required, Tenant hereby appoints Landlord as Tenant's attorney-in-fact to execute the same, such appointment being coupled with an interest.

ARTICLE III.
TERM

3.1 Term. The term of this Lease shall be the period commencing on the Commencement Date, and, unless earlier terminated pursuant to the terms hereof, ending on the Expiration Date (the "**Term**").

ARTICLE IV.
RENT AND OTHER CHARGES

4.1 Base Rent for Premises. During the Term, Tenant shall pay to Landlord Base Rent in equal monthly installments in the amounts shown on Exhibit B attached hereto and made a part hereof, in advance and without demand on the first day of each month for and with respect to such month. Unless otherwise

expressly provided herein, the payment of Base Rent shall commence on the Commencement Date, and shall be prorated for any partial months.

4.2 Payment of Rent. All Rent shall be paid by Tenant to Landlord in lawful money of the United States of America at Landlord's address set forth herein or at such other place or to such other person as Landlord from time to time may designate.

4.3 Additional Rent. Tenant covenants to pay and discharge, when the same shall become due, as Additional Rent, all other amounts, liabilities and obligations which Tenant assumes or agrees to pay or discharge pursuant to this Lease, together with every fine, penalty, interest and cost which may be added for non-payment or late payment thereof in accordance with the provisions of this Lease, including interest for overdue payments of Base Rent at the Base Interest Rate, which interest shall commence the day following the due date of such payment, and, in the event of any failure by Tenant to pay or discharge any of the foregoing, Landlord shall have all rights, powers and remedies provided herein, by law or otherwise in the case of non-payment of rent.

4.4 Net Lease. It is understood and agreed by Tenant that this Lease is a triple net lease and the Rent and all other sums payable hereunder shall be absolutely net to Landlord. Tenant shall be responsible for all taxes, payments in lieu of taxes, assessments, utility charges, liens, insurance, maintenance, repairs and all other costs associated with the Premises or any portion thereof. Except as otherwise expressly provided herein, Tenant shall pay all sums payable hereunder without notice or demand, and without set-off, abatement, suspension or deduction and Tenant shall not interpose any counterclaim (other than a mandatory counterclaim which could be waived or barred if not asserted in such proceeding) or defense of whatever nature or description in any proceeding by Landlord for the collection of money due hereunder, provided, however, that such agreement not to interpose any counterclaim or defense shall not be construed as a waiver of Tenant's right to assert a counterclaim or defense against any action seeking to terminate this Lease or as a waiver of Tenant's right to assert claims against Landlord in any separate action.

4.5 Taxes and Other Charges.

(a) Subject to Section 4.7 hereof, Tenant will pay directly to the applicable taxing authorities (i) all taxes, assessments, levies, fees, water and sewer rents and charges, general and special, ordinary and extraordinary, foreseen and unforeseen, which are, at any time prior to or during the Term hereof, imposed or levied upon or assessed against (A) the Premises, (B) any Rent or other sum payable hereunder or (C) this Lease or the leasehold estate hereby created, or which arise in respect of the operation, possession or use of the Premises; (ii) all gross receipts or similar taxes imposed or levied upon, assessed against or measured by any Rent or other sum payable hereunder; and (iii) all sales, use and similar taxes at any time levied, assessed or payable on account of the acquisition, leasing or use of the Premises (collectively, the "**Taxes**"). Any such Taxes, with respect to the Premises for the then current tax period shall be apportioned as of the beginning and the end of the Term, and the pro rata share thereof shall be paid to Landlord or credited to Tenant, as the case may be. Tenant shall not be required to pay any franchise, inheritance, estate, succession, gift, rental, transfer, income or similar tax of Landlord (other than any tax referred to in clause (ii) above), unless such Tax is imposed, levied or assessed in substitution for any other tax, assessment, charge or levy which Tenant is required to pay pursuant to this Section 4.5, but only in an amount calculated as if Landlord owned only the Premises and Landlord's income consisted only of amounts payable hereunder. Tenant will furnish to Landlord, promptly after demand therefor, proof of payment of all items referred to above which are payable by Tenant. If any such assessment may legally be paid in installments, Tenant may pay such assessment in installments; in such event, Tenant shall be liable only for installments which are

attributable to any period falling, in whole or in part, within the Term hereof (subject to proration as set forth above as to the beginning and the end of the Term).

(b) Subject to the provisions of Section 4.7 below, in the event that Tenant fails to pay the Taxes for any fiscal year, or portion thereof, Landlord shall have the right to pay said Taxes, upon thirty (30) days prior written notice to Tenant. In the event that Landlord pays any outstanding Taxes, Tenant shall pay to Landlord within thirty (30) days of a written request for such payment, any and all sums paid by Landlord to pay such outstanding Taxes.

4.6 Utilities. Tenant shall obtain and promptly pay directly to the applicable provider all charges for heat, gas, hot water, electricity, sewage charges and fees, and other utilities and/or services used and/or consumed in, or furnished to, the Premises. Landlord shall have no responsibility or liability for any interruption, curtailment, stoppage, or suspension of utilities, except to the extent caused by Landlord or its agents or contractors.

4.7 Permitted Contests. Landlord shall not require Tenant, nor shall Landlord have the right, to pay, discharge or remove any tax, assessment, levy, fee, rent, charge, lien or encumbrance, or to comply with any Legal Requirement applicable to the Premises or the use thereof, so long as Tenant shall in good faith contest the existence, application, amount or validity thereof by appropriate proceedings which shall prevent the collection of or other realization upon the tax, assessment, levy, fee, rent, charge, lien or encumbrance so contested, and the sale, forfeiture or loss of the Premises or any Rent or any Additional Rent to satisfy the same, and which shall not affect the payment of any Rent provided that such contest shall not subject Landlord to the risk of any criminal liability or civil penalty. Tenant shall give such reasonable security as may be requested by Landlord to insure payment of such tax, assessment, levy, fee, rent, charge, lien, encumbrance, liability or penalty and to prevent any sale or forfeiture of the Premises by reason of such nonpayment, and hereby indemnifies Landlord for any such liability or penalty. Upon the completion or termination of any final appeal of any proceeding relating to any amount contested by Tenant pursuant to this Section 4.7, Tenant shall immediately pay any amount determined in such proceeding to be due, and in the event Tenant fails to make such payment, Landlord shall have the right to make any such payment on behalf of Tenant and charge Tenant therefor. Notwithstanding any other provision in this Lease, Landlord may make any payment or take such other action as it may reasonably deem necessary in order to prevent the sale or foreclosure of the Premises. Landlord hereby agrees to cooperate with Tenant and, if such joinder is necessary or desirable based on the nature of the permitted contest, to join in any permitted contest as a party, or, where appropriate, authorize Tenant to undertake a permitted contest in the name of Landlord. Tenant hereby agrees that if Landlord, at the request of Tenant, joins in any permitted contest, Tenant shall pay any and all reasonable costs incurred by Landlord as a result of Landlord's participation in such permitted contests, including, without limitation, reasonable attorneys' fees.

ARTICLE V.
USE AND QUIET ENJOYMENT; SURRENDER

5.1 Use; Conditions. Without Landlord's prior written consent, Tenant covenants, promises and agrees that during the Term of this Lease it shall not devote the Premises to any uses other than general office use and, to the extent permitted by law (as the same may be varied by special permit, variance or other relief), uses ancillary thereto, including parking and other ancillary uses (collectively, the "**Permitted Uses**"); provided, however, in no event shall Tenant use the Premises for the Prohibited Uses. Tenant covenants and agrees to use the Premises in accordance with any permits which may be issued by the City of Cambridge and to comply with the requirements therein specified.

5.2 Quiet Enjoyment. If and so long as Tenant shall pay all Rent and other charges herein provided and shall observe and perform all covenants, agreements and obligations contained herein,

Landlord warrants peaceful and quiet occupation and enjoyment of the Premises by Tenant as against the claims of all persons lawfully claiming by, through or under Landlord, subject, nevertheless, to the covenants, terms and conditions of this Lease and Permitted Encumbrances.

5.3 Compliance with Law. Subject to the rights granted to Tenant by Section 4.7, Tenant shall, at its expense, comply with and shall cause the Premises and all Occupants of any portion thereof to comply with all Legal Requirements affecting the Premises, or any portion thereof, or the use thereof, including those which require the making of any structural, unforeseen or extraordinary changes, whether or not any of the same which may hereafter be enacted involve a change of policy on the part of the Governmental Authority enacting the same.

5.4 Compliance with Contractual Requirements. Tenant shall, at its expense, comply with and shall cause the Premises and all Occupants of any portion thereof to comply with (a) all matters of record, having priority over this Lease, affecting the title to the Premises or any portion thereof, and (b) the requirements of all policies of insurance which are carried by Tenant (or by Landlord when permitted by the terms of Sections 11.5 or 11.6 of this Lease) which at any time may be in force with respect to the Premises or any portion thereof.

5.5 INTENTIONALLY OMITTED.

5.6 Ownership of the Improvements. During the Term, the Improvements shall be owned by Tenant. Upon the expiration or earlier termination of the Term, all of Tenant's right, title and interest in and to the Improvements shall automatically be vested in Landlord. In confirmation of the foregoing, Tenant shall, on or before the expiration of the Term (or within ten (10) Business Days after the earlier termination of the Lease, as the case may be) execute a bill of sale, stating consideration of Ten Dollars, and otherwise in form and substance reasonably acceptable to Landlord and Tenant, conveying all of Tenant's right, title and interest in and to the Improvements to Landlord. Tenant's obligations under this Section 5.6 shall survive the expiration or earlier termination of the Term.

5.7 Surrender of Premises.

(a) At the expiration or earlier termination of the Term of this Lease, Tenant shall peaceably leave, quit and surrender the Premises in the condition in which the same are required to be maintained hereunder, broom-clean and free of liens, personal property, tenants and occupants. Subject to the rights of any Leasehold Mortgagee as provided in Article VI, upon such expiration or termination, any and all of Tenant's Property remaining on the Premises shall become the sole property of Landlord at no cost to Landlord.

(b) At least thirty (30) days prior to the expiration of the Term (or, if applicable, within five (5) Business Days after any earlier termination of this Lease), Tenant shall deliver to Landlord a narrative description of the actions proposed (or required by any Legal Requirements) to be taken by Tenant in order to render the Premises (including, without limitation, floors, walls, ceilings, counters, piping, supply lines, waste lines and plumbing and all exhaust or other ductwork) free of Hazardous Materials and otherwise released for unrestricted use and occupancy including without limitation causing the Premises to be decommissioned in accordance with the regulations of the U.S. Nuclear Regulatory Commission and/or the Massachusetts Department of Public Health (the "**MDPH**") for the control of radiation and cause the Premises to be released for unrestricted use by the Radiation Control Program of the MDPH (the "**Surrender Plan**"). The Surrender Plan shall be prepared so that, following its implementation, all exhaust and other duct work in the Premises may be reused by a subsequent tenant or disposed of in conformance with all applicable Environmental Laws without incurring special costs on account of any Hazardous Materials or

undertaking special procedures for demolition, disposal, investigation, assessment, cleaning or removal of such Hazardous Materials or needing to give notice in connection with such Hazardous Materials. The Surrender Plan (i) shall be accompanied by a current list of (A) all local, state and federal licenses, registrations, permits and approvals held by or on behalf of any Occupant with respect to Hazardous Materials in, on, under, at or about the Premises, and (B) a list of all Hazardous Materials used by Occupants during the Term (and the Occupants that used the same), and (ii) shall be subject to the review and approval of Landlord's environmental consultant. In connection with review and approval of the Surrender Plan, upon request of Landlord, Tenant shall deliver to Landlord or its consultant such additional non-proprietary information concerning the use of and operations within the Premises as Landlord shall request. On or before the expiration of the Term, Tenant shall (i) perform or cause to be performed all actions described in the approved Surrender Plan, and (ii) deliver to Landlord a certification from a third party certified industrial hygienist reasonably acceptable to Landlord certifying that the Premises do not contain any Hazardous Materials and evidence that the approved Surrender Plan shall have been satisfactorily completed by a contractor acceptable to Landlord (the "**Decommissioning Closure Report**"). The Decommissioning Closure Report shall also include reasonable detail concerning the clean up measures taken, the clean up locations, the tests run, and the analytic results. Landlord shall have the right, subject to reimbursement at Tenant's expense as set forth below, to cause Landlord's environmental consultant to inspect the Premises and perform such additional procedures as may be deemed reasonably necessary to confirm that the Premises are, as of the expiration of the Term (or, if applicable, the date which is thirty (30) days after any earlier termination of this Lease), free of Hazardous Materials and otherwise available for unrestricted use and occupancy as aforesaid. Landlord shall have the unrestricted right to deliver the Surrender Plan, the Decommissioning Closure Report and any report by Landlord's environmental consultant with respect to the surrender of the Premises to third parties. Such third parties and the Landlord Parties shall be entitled to rely on the Decommissioning Closure Report. If Tenant shall fail to prepare a Surrender Plan or submit a Decommissioning Closure Report based on the Surrender Plan approved by Landlord, or if Tenant shall fail to complete the approved Surrender Plan, or if such Surrender Plan, whether or not approved by Landlord, shall fail to adequately address the use of Hazardous Materials by any of the Tenant Parties in, on, at, under or about the Premises, Landlord shall have the right to take any such actions as Landlord may deem reasonable or appropriate to assure that the Premises are surrendered in the condition required hereunder, the cost of which actions shall be reimbursed by Tenant as additional rent upon demand. Tenant's obligations under this Section 5.7(b) shall survive the expiration or earlier termination of this Lease.

5.8 Permits and Approvals.

(a) Tenant shall, at its sole cost and expense, obtain all Approvals required for the leasing, construction, maintenance, operation and use of the Premises.

(b) Tenant shall be entitled from time to time to seek and obtain Approvals in order to allow it to change the uses of the Premises, and to construct improvements thereon, so long as the uses are Permitted Uses and the improvements comply with the terms of this Lease. Landlord agrees, at Tenant's sole cost, to cooperate with Tenant in connection with obtaining such Approvals, including without limitation by executing applications and such reasonable agreements, documents and instruments deemed necessary or convenient by Tenant in connection therewith ("**Approval Instruments**") provided the same do not (i) create any personal liability or obligation of Landlord, and (ii) require Landlord to participate in litigation against the City of Cambridge.

(c) Notwithstanding the foregoing, the covenants of Landlord contained in this Section 5.8 shall not apply to any Prohibited Uses.

ARTICLE VI.
RIGHT TO MORTGAGE; PROTECTION OF LEASEHOLD MORTGAGEES

6.1 Tenant's Right to Mortgage. Notwithstanding any other provisions of this Lease, and without prior approval of Landlord, Tenant shall at all times and from time to time have the right to encumber, pledge or convey all of its leasehold estate in the Premises, and its title and interest in any fixtures and personal property, and all of its rights under this Lease by way of one or more leasehold mortgages, deeds of trust or other forms of security deed to a lending institution which constitutes from time to time a first or second lien on Tenant's entire interest in the Premises (each of the foregoing, a "**Leasehold Mortgage**") (and, where appropriate, by grant of a security interest under the Uniform Commercial Code) to secure the payment of any loan or loans obtained by Tenant; provided, however, that (a) there shall be no more than two (2) Leasehold Mortgages in effect at any given time, and (b) within ten (10) days after the recording of any Leasehold Mortgage, Tenant shall deliver to Landlord a written notice specifying all prepayment and defeasance terms thereof. In no event shall any Leasehold Mortgagee have any rights in and to, or assert any claims alleging an ownership or security interest in Landlord's interest in the Premises.

6.2 Leasehold Mortgagee's Rights. If Tenant grants a Leasehold Mortgage and the applicable Leasehold Mortgagee furnishes Landlord with written notice that it holds such Leasehold Mortgage (along with the address to which all notices to be delivered to the Leasehold Mortgagee in accordance with the terms hereof shall be delivered), then, until such time as Landlord receives notice that such Leasehold Mortgage has been paid in full or otherwise discharged of record, and so long as Leasehold Mortgagee has materially complied with the provisions of this Article VI, the following provisions shall apply:

(a) There shall be no cancellation, surrender or modification of this Lease by agreement of Landlord and Tenant, without the prior consent in writing of the Leasehold Mortgagee, which consent may be withheld in the Leasehold Mortgagee's sole and absolute discretion.

(b) Landlord will concurrently deliver to the Leasehold Mortgagee (addressed to the Leasehold Mortgagee at such address and to the attention of such individual as the Leasehold Mortgagee has provided to Landlord) a copy of any notice or other communication regarding any default hereunder from Landlord to Tenant under this Lease at the time of giving such notice or communication to Tenant, and no proposed termination of this Lease, or of Tenant's right to possession of the Premises or any reletting of the Premises by Landlord predicated on the giving of such notice, shall be effective, unless Landlord provides to the Leasehold Mortgagee written notice, or a copy of its notice to Tenant of such default or termination, and Landlord complies with the other provisions of this Article VI. Upon the expiration of any applicable cure period provided to Tenant, Landlord will send written notice to the Leasehold Mortgagee of Tenant's failure to effectuate a cure within said cure period (the "**Notice of Tenant's Failure to Cure**").

(c) In the event of any default by Tenant under any of the provisions of this Lease, the Leasehold Mortgagee will have the right to cure the default during the cure period provided to Tenant for remedying such default or causing it to be remedied, plus, in each case, the Leasehold Mortgagee shall have an additional period after the Leasehold Mortgagee's receipt of a Notice of Tenant's Failure to Cure of (i) thirty (30) days with respect to monetary defaults not cured by Tenant within its applicable cure period, and (ii) sixty (60) days with respect to all other defaults not cured by Tenant within its applicable cure period, within which additional period the Leasehold Mortgagee may cure such default or exercise its rights under its Leasehold Mortgage in order to effectuate a Leasehold Mortgage Foreclosure (or such longer time as may be reasonably necessary provided the Leasehold Mortgagee diligently prosecutes the cure to completion or diligently pursues its rights and remedies in order to effectuate a Leasehold Mortgage Foreclosure); provided

that, within fifteen (15) Business Days after receipt of the Notice of Tenant's Failure to Cure, the Leasehold Mortgagee sends to Landlord written notice (a "**Notice of Leasehold Mortgagee's Intent to Exercise Remedies**") that the Leasehold Mortgagee has elected to (x) cure such default or (y) not cure such default and instead to pursue its rights and remedies in order to effectuate a Leasehold Mortgage Foreclosure.

(d) In the event Tenant defaults under any of the provisions of this Lease, regardless whether such default consists of a failure to pay Rent or a failure to do any other thing which Tenant is required to do hereunder, the Leasehold Mortgagee, without prejudice to any of its rights against Tenant, shall have the right, subject to the provisions of the preceding subsection (c), but not the obligation, to cure such default hereunder within the applicable grace period provided for in the preceding subsection (c), and Landlord shall accept such performance on the part of the Leasehold Mortgagee as though the same had been performed by Tenant; and for such purpose Landlord and Tenant hereby authorize the Leasehold Mortgagee to enter upon the Premises and to exercise any of Tenant's rights and powers under this Lease.

(e) In the case of any Event of Default not capable of cure by the Leasehold Mortgagee without having possession of the Premises (which in no event shall include any payment default hereunder), as to which the Leasehold Mortgagee has notified Landlord, pursuant to a Notice of Leasehold Mortgagee's Intent to Exercise Remedies, that the Leasehold Mortgagee intends to cure such Event of Default, the Leasehold Mortgagee's cure period shall be suspended during any period in which any exercise of rights and remedies by the Leasehold Mortgagee is enjoined or stayed and until such time as the interest of Tenant under this Lease is so acquired, provided that, to the extent permissible by law, the Leasehold Mortgagee commences and thereafter diligently pursues a Leasehold Mortgage Foreclosure and, after taking actual possession of the Premises, (i) commences to cure such default or breach within sixty (60) days thereafter, and (ii) continuously pursues such cure and completes the same as soon as practicable if such default or breach cannot be cured within such period, but only so long as the Leasehold Mortgagee keeps and performs, or otherwise causes to be kept and performed, all covenants and conditions of this Lease to be kept or performed by Tenant (including the payment of Rent all other monetary obligations). Leasehold Mortgagee shall provide Landlord with written monthly status reports as to the progress of any pending Leasehold Mortgage Foreclosure until completed. In no event shall Landlord have the right to terminate this Lease for any Event of Default set forth in this Section 6.2(e) so long as the Leasehold Mortgagee continues to diligently pursue cure of such Events of Default and otherwise complies with the terms and conditions of this Lease.

(f) In the event that the Leasehold Mortgagee cannot cure an Event of Default by (i) the payment of money or (ii) exercising commercially reasonable efforts to take any other action (which shall include taking possession of the Premises, if necessary), Landlord may not terminate this Lease for the failure of the Leasehold Mortgagee to cure such Event of Default.

(g) Landlord agrees that the name of the Leasehold Mortgagee shall be added as "mortgagee" and "additional insured" with respect to any and all liability insurance policies required to be carried by Landlord, and shall be so added as to any insurance policies carried by Tenant affecting the Premises.

(h) In the case of any Event of Default with respect to which the Leasehold Mortgagee has notified Landlord pursuant to a Notice of Leasehold Mortgagee's Intent to Exercise Remedies that it has elected not to cure such Event of Default, but, instead, has elected to commence to exercise its rights and remedies in order to effectuate a Leasehold Mortgage Foreclosure, then, (1) Landlord shall not be entitled to terminate this Lease as a consequence of such Event of Default

provided that the Leasehold Mortgagee diligently pursues its rights and remedies with respect to a Leasehold Mortgage Foreclosure to completion (it being agreed that any such requirement shall be suspended during any period in which any exercise of rights and remedies by the Leasehold Mortgagee is enjoined or stayed as long the Leasehold Mortgagee recommences the diligent pursuit of its rights and remedies with respect to a Leasehold Mortgage Foreclosure as soon as and to the extent permitted under applicable law) and (2) from and after the effective date of the Leasehold Mortgage Foreclosure, the applicable Transferee:

(i) Shall take Tenant's interest in this Lease and the Premises, subject to and with the benefit of all of the provisions of this Lease;

(ii) Shall, subject to the provisions hereof, cure any and all existing Rent Defaults by Tenant, plus any interest due and owing on such amounts, regardless of when such Rent Defaults occurred, provided that written notice of each such Rent Default has been given by Landlord to Tenant and the Leasehold Mortgagee within twenty (20) Business Days after the occurrence of each such Rent Default; and

(iii) Shall be liable for the performance of all the obligations of Tenant arising under this Lease on and after the effective date of the Leasehold Mortgage Foreclosure; provided, however, in no event shall the Transferee be obligated to reimburse Landlord for any Protective Advances expended or incurred by Landlord prior to the effective date of the Leasehold Mortgage Foreclosure.

(i) Nothing herein contained shall require the Leasehold Mortgagee or its nominee or any Transferee to cure any default of Tenant other than as expressly provided herein or require the Leasehold Mortgagee to commence or continue the exercise of any of its rights and remedies under the Leasehold Mortgage; provided, however, that Leasehold Mortgagee shall notify Landlord in writing if it elects to discontinue the exercise of any of its rights and remedies.

(j) The term "**Leasehold Mortgage**," whenever used herein, shall include whatever security instruments are used in the locale of the Premises, including, without limitation, mortgages, as well as financing statements, security agreements and other documentation required pursuant to the Uniform Commercial Code.

(k) Notwithstanding any of the foregoing to the contrary, Landlord agrees that the making of the Leasehold Mortgage shall not be deemed to constitute an assignment or transfer of this Lease or of the leasehold estate created hereby, nor shall the Leasehold Mortgagee, as such, be deemed to be an assignee or transferee of this Lease or of the leasehold estate created hereby so as to require the Leasehold Mortgagee, as such, to assume the performance of any of the terms, covenants or conditions on the part of Tenant to be performed hereunder except as specifically set forth herein. In addition, any Leasehold Mortgage Foreclosure shall be deemed to be a permitted sale, transfer or assignment of this Lease and of the leasehold estate created hereby.

(l) The Leasehold Mortgagee may, upon acquiring Tenant's leasehold estate pursuant to any Leasehold Mortgage Foreclosure, without further consent of Landlord, sell and assign this Lease and the leasehold estate on such terms and to such Persons as the Leasehold Mortgagee shall determine, and Leasehold Mortgagee shall be relieved of all obligations under this Lease; provided that such assignee has agreed to be duly bound by all of the provisions of this Lease. Landlord shall be under no obligation to modify this Lease in any respect in connection with any such sale and assignment. Notwithstanding anything above to the contrary, in no event shall the Leasehold

Mortgagee have the right to assign or otherwise transfer its interests in the Lease to any Prohibited Tenant.

(m) Landlord and Tenant shall not (i) consent or refuse to consent to any action taken or to be taken, the result of which would diminish or impair the priority of any Leasehold Mortgage; or (ii) subordinate or consent to the subordination of this Lease to any subsequent, underlying lease or Fee Mortgage.

6.3 Notices To and From Leasehold Mortgagees. Without limiting Tenant's obligations under Section 15.4 below, Tenant hereby agrees to provide prompt notice to Landlord of any claimed defaults under any Leasehold Mortgage together with copies of any written notices thereof received by Tenant. Landlord hereby agrees that notices to any Leasehold Mortgagee shall only be considered "given" under any applicable provisions of this Lease, if such notices are given in accordance with the notice provisions of Section 17.1 and to the address for the Leasehold Mortgagee provided to Landlord by the Leasehold Mortgagee.

6.4 New Lease. Landlord agrees that, notwithstanding anything to the contrary herein, in the event of termination of this Lease by reason of any Event of Default, as a consequence of any Leasehold Mortgage Foreclosure, or if this Lease is rejected or disaffirmed by Tenant pursuant to any bankruptcy, insolvency, reorganization, moratorium or similar law, then Landlord will enter into a new lease for the Premises with the Leasehold Mortgagee or any Transferee for the remainder of the Term effective as of the date of such termination, Leasehold Mortgage Foreclosure or rejection, upon substantially the same terms, provisions, covenants, and agreements as herein contained, provided that the Leasehold Mortgagee or any Transferee shall (a) make written request upon Landlord of such new lease consistent with the terms of this Lease within sixty (60) days after the later of (i) the date of such termination, Leasehold Mortgage Foreclosure or rejection, or (ii) the date of the Leasehold Mortgagee's receipt of notice of the termination or rejection from Landlord, (b) with respect to the period of time between such termination, Leasehold Mortgage Foreclosure or rejection and the date on which the new lease shall be executed, pay all installments of Rent specified hereunder as and when due as if there had been no termination, Leasehold Mortgage Foreclosure or rejection, and (c) if there shall have been any default by Tenant hereunder prior to such termination, (i) cure any such monetary default prior to the execution of such new lease, and (ii) commence to cure any such non-monetary default or breach within sixty (60) days after the execution of such new lease, and continuously pursue such cure and complete the same as soon as practicable. The parties shall act promptly to execute such new lease after Landlord's receipt of such request. If, as a result of any such termination of the Lease, Landlord shall have succeeded to the interest of Tenant under any sublease of all or any portion of the Premises, Landlord shall execute and deliver an assignment of such interest to the tenant under the new lease simultaneously with the delivery of such new lease.

6.5 No Subordination of Fee. At no time shall Landlord's interest in the Premises or this Lease be subordinated in any manner to the lien of any Leasehold Mortgage or the interests of any Leasehold Mortgagee or any other mortgagee or lienholder of Tenant or any person claiming by or through Tenant.

6.6 Cooperation with Lenders. Landlord agrees to cooperate reasonably with any Leasehold Mortgagee and with Tenant in Tenant's negotiations with prospective Leasehold Mortgagees, and to accommodate the reasonable requirements of such lenders. Notwithstanding the foregoing, such obligations as to cooperation and accommodation shall not require Landlord to modify the terms of this Lease and shall not under any circumstances be construed as Landlord acquiescing to the subordination of either Landlord's interest in the Premises or any of the Rent due and owing to Landlord hereunder.

ARTICLE VII.
MAINTENANCE, REPAIR AND OPERATION

7.1 Maintenance and Repair: Operation.

(a) Tenant agrees that it will, during the Term of this Lease, at its expense, keep, maintain, use and operate the Premises (including any altered, rebuilt, additional or substituted buildings, structures and other improvements thereto) in good order, condition, repair and appearance and in a marketable and tenantable condition in a manner consistent with the manner in which similarly situated space is used in Cambridge, Massachusetts, and will promptly make all structural and non-structural, foreseen and unforeseen, and ordinary and extraordinary changes and repairs of every kind and nature which may be reasonably required to be made upon or in connection with the Premises or any part thereof in order to keep and maintain the Premises in good order, condition, repair and appearance and in such a marketable and tenantable condition. Tenant shall, at its own expense, keep the Premises in a clean, neat and sanitary condition. Landlord shall not be required to maintain, repair or rebuild, or to make any alterations, replacements or renewals of any nature or description to the Premises, or any part thereof, whether ordinary or extraordinary, structural or non-structural, foreseen or unforeseen, or to maintain the Premises or any part thereof in any way. Tenant hereby expressly waives any right to make repairs or improvements at the expense of Landlord.

(b) In the event that in connection with any Leasehold Mortgage Foreclosure, the Leasehold Mortgagee engages independent professional consultants, engineers and inspectors to perform any environmental and/or structural investigations and/or other inspections relating to the general condition of the Premises (the written results of such investigations and inspections shall be collectively referred to herein as the "**Reports**"), the Leasehold Mortgagee shall deliver true and correct copies of the Reports to Landlord.

7.2 Inspection by Landlord; Landlord's Right to Maintain: Indemnification.

(a) Landlord and its authorized representatives shall have the right to inspect the Premises during regular business hours upon twenty-four (24) hours' prior written notice, provided that such inspections do not unreasonably interfere with the operations of Tenant or any Occupant, as applicable. In the event of an emergency, such inspection by Landlord may take place at any time without prior notice.

(b) Notwithstanding anything to the contrary contained in the Lease, Tenant shall, upon at least ten (10) Business Days' prior written notice from Landlord, permit such persons as Landlord may designate who shall be Licensed Site Professionals (as defined by the Massachusetts Contingency Plan, 310 CMR 40.0000 et seq.), geologists, professional engineers or other appropriately licensed, trained or certified individuals or those working under their supervision ("**Site Reviewers**") to visit the Premises and perform environmental audits, site investigations and site assessments ("**Site Assessments**"). The Site Reviewers shall provide Tenant with insurance certificates evidencing commercial general liability insurance (including property damage, bodily injury and death) naming Tenant as an additional insured, contractor's pollution liability insurance naming Tenant as an additional insured, and professional errors and omissions insurance (without a pollution exclusion), all issued by an insurance company having a rating of at least "A-VII" by A.M. Best Company and with limits of at least $1,000,000 per occurrence, and $2,000,000 in the aggregate. Landlord shall repair any physical damage caused by the performance of the Site Assessments and shall restore the Premises to its condition immediately prior to such Site Assessment(s). Such Site Assessments may include both above and below the ground testing for

Hazardous Materials and such other tests as may be necessary, in the opinion of the Site Reviewers, to conduct the Site Assessments. Tenant shall supply to the Site Reviewers without representation or warranty such historical and operational information in its possession regarding the Premises as may be reasonably requested by the Site Reviewers to facilitate the Site Assessments, and shall make available for meetings with the Site Reviewers appropriate personnel having knowledge of such matters. If the Site Assessments disclose the presence of Hazardous Materials for which Tenant is responsible under the Lease, the cost of performing the Site Assessments shall be paid by Tenant. In all other cases the cost of performing the Site Assessments shall be paid by Landlord.

(c) Notwithstanding anything above to the contrary, (i) Landlord shall have the right, at the sole cost of Tenant and upon thirty (30) days' prior written notice (except in the case of an emergency, in which instance, the written notice shall be provided to Tenant within a time that is reasonable relative to the nature of the emergency), to cure any default by Tenant with respect to the maintenance, repair and operation activities set forth in Section 7.1, and all costs incurred by Landlord to cure any such default shall be charged to Tenant as Additional Rent pursuant to the provisions of Section 4.3 of this Lease, and (ii) Tenant agrees to indemnify and hold harmless Landlord from any and all claims, damages or other liabilities resulting from any action taken by Landlord to cure any such default, except to the extent such claims, damages or other liabilities arise from Landlord's gross negligence or willful misconduct.

7.3 Alterations; Demolition and Reconstruction. Tenant shall have the right to make changes and other alterations to the Improvements, provided, however, that such changes do not (i) result in a violation of Legal Requirements, including without limitation applicable zoning laws (as the same may be modified by special permit, variance or other relief), or (ii) allow for a use other than the Permitted Uses (it being expressly agreed that any change of use within the Permitted Uses shall not require the consent of Landlord hereunder), or (iii) adversely affect the structural integrity of any of the Improvements (it being expressly agreed that Tenant shall have the right to make structural changes, so long as the structural integrity of the Improvements is not impaired thereby). Tenant shall also have the right to demolish and replace the Improvements in part or in their entirety with such other Improvements as may be determined by Tenant in its reasonable discretion, but with the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed so long as the new Improvements (1) are used for the Permitted Uses, (2) comply with Legal Requirements, including without limitation applicable zoning laws (as the same may be modified by special permit, variance or other relief), and (3) the value of the Premises upon completion of the new Improvements is not materially and adversely affected thereby. For purposes of this Section 7.3, no change in value shall be deemed "**material and adverse**" unless the same exceeds ten percent (10%) of the fair market value of the Improvements immediately prior to demolition, provided that the Premises were maintained in the condition required hereunder.

7.4 New Hazardous Materials and Oil; Indemnification.

(a) Tenant unconditionally agrees that neither it nor any Occupant will dump, flush, release or in any way introduce any Hazardous Materials, Oil or any other Toxic Substances into the septic, sewage or other waste disposal systems serving the Premises (the foregoing shall not prevent the introduction of such substances into a waste disposal system specifically designed to receive such substances so long as said system is constructed and maintained in accordance with all applicable Legal Requirements). In the event of any such unpermitted introduction, Tenant shall, at its sole cost and expense, cleanup promptly any contamination and/or damage occasioned by such unpermitted introduction.

(b) Tenant further unconditionally agrees that neither it nor any Occupant will release, generate, store or use (except in accordance with all applicable Legal Requirements) or dispose of

any Hazardous Materials, Oil or any other Toxic Substances in, on, under, at or above the Premises, or dispose of any Hazardous Materials or Oil or Toxic Substances from the Premises into the air, ground, surface, water, groundwater or subsurface or to any other location in the environment or otherwise, except disposal to a properly licensed, insured and approved disposal facility and then only in compliance with any and all applicable Legal Requirements. In the event of a breach of the foregoing, Tenant hereby agrees that it shall be responsible for any and all costs relating to the assessment, monitoring, cleanup, containment, removal, and/or remediation of any such Hazardous Materials, Oil or any other Toxic Substances, including, without limitation, all costs, damages and liabilities incurred by Landlord as a result thereof. Upon notice of any violation of this Section 7.4(b), Tenant shall promptly take all such actions or cause the responsible party to take all such actions to arrange for the assessment, monitoring, cleanup, containment, removal, remediation and/or restoration of the Premises as are required pursuant to any of the Environmental Laws or by any Governmental Authority, provided, however, that prior to taking any such actions, Tenant shall submit a plan of all such actions to be taken to Landlord for its prior approval, which approval shall not be unreasonably withheld, delayed or conditioned, and in any event, with respect to any release to the environment, shall achieve a Class A-1 or a Class A-2 Response Action Outcome (as those terms are defined in the Massachusetts Contingency plan, 310 CMR 40.0000, et seq).

(c) For any breach of the above requirements or to the extent of a release of any Hazardous Materials, Oil or any other Toxic Substance on, in, at, under, or from the Premises after the Commencement Date, Tenant, at its sole cost and expense, shall indemnify, exonerate and save harmless Landlord, its successors and assigns, against and from all damages, losses, liabilities, obligations, penalties, claims, litigation, demands, defenses, judgments, suits, proceedings and reasonable costs, disbursements or expenses of any kind whatsoever, including, without limitation, reasonable attorneys' fees and experts' fees and disbursements which may at any time be imposed upon, incurred by or asserted or awarded against Landlord, its successors and assigns (collectively, "**Claims**") arising from or out of any violation of the obligations of Tenant under this Article VII or any such release.

(d) "**Hazardous Materials**," "**Oil**" and "**Toxic Substances**," as used in this Lease, shall have the same meanings ascribed to such terms in the Massachusetts Oil and Hazardous Material Release Prevention Act, as amended, Mass. Gen. Laws ch. 21E; in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601 et seq.; in the Hazardous Materials Transportation Act, 49 U.S.C. § 1802; in the Toxic Substances Act, 15 U.S.C. § 2601 et seq.; and in the regulations adopted and publications promulgated pursuant to said Acts, all as the same may be amended from time to time.

(e) The obligations of Tenant under this Section 7.4 shall constitute an independent covenant of Tenant, shall not be affected by any Event of Default under this Lease and shall survive the expiration or any earlier termination of the Term of this Lease.

7.5 Pre-Existing Hazardous Materials and Oil.

(a) Landlord represents and warrants, to Landlord's knowledge as of the date hereof, that no Pre-Existing Environmental Condition exists on the Premises, except as set forth in the environmental reports identified on Exhibit C attached hereto and incorporated herein by reference. In the event of a breach of the above representation and warranty, except to the extent contributed to or exacerbated by any of the Tenant Parties (it being understood and agreed that Tenant shall be responsible for the costs associated with or resulting from such contribution or exacerbation), Landlord hereby agrees that it shall be responsible for any and all costs relating to the assessment, monitoring, cleanup, containment, removal, and/or remediation of such Pre-Existing

Environmental Condition, including, without limitation, all costs to restore the Premises as a result of any such Pre-Existing Environmental Condition and all costs, damages and liabilities incurred by Tenant as a result of any such Pre-Existing Environmental Condition, it being understood and agreed that such restoration shall not require actions beyond those necessary to achieve a Class A-1 or a Class A-2 Response Action Outcome (as those terms are defined in the Massachusetts Contingency plan, 310 CMR 40.0000, et seq).

(b) Tenant hereby acknowledges that it has reviewed the reports identified on Exhibit C. Except to the extent the same are the responsibility of Landlord pursuant to the terms of Section 7.5(a) above, Tenant hereby agrees that it shall be responsible for any and all costs relating to the assessment, monitoring, cleanup, containment, removal, and/or remediation of Pre-Existing Environmental Conditions, including, without limitation, all costs, damages and liabilities incurred by Landlord as a result thereof. In connection therewith, Tenant shall promptly take all such actions or cause the responsible party to take all such actions to arrange for the assessment, monitoring, cleanup, containment, removal, remediation and/or restoration of the Premises as are required pursuant to any of the Environmental Laws or by any Governmental Authority, provided, however, that prior to taking any such actions, Tenant shall submit a plan of all such actions to be taken to Landlord for its prior approval, which approval shall not be unreasonably withheld, delayed or conditioned, and in any event, with respect to any release to the environment, shall achieve a Class A-1 or a Class A-2 Response Action Outcome (as those terms are defined in the Massachusetts Contingency plan, 310 CMR 40.0000, et seq).

(c) Tenant, at its sole cost and expense, shall indemnify, exonerate and save harmless Landlord, its successors and assigns, against and from any and all Claims arising from or out of any violation of the terms of this Section 7.5 by or on behalf of Tenant, or the failure of Tenant to fully satisfy its obligations under this Section 7.5.

(d) For the purposes of this Section 7.5, the term "**to Landlord's knowledge**" shall mean only to the actual knowledge of Steven C. Marsh and John P. McQuaid, and shall not be construed to refer to the knowledge of any other partner, beneficial owner, officer, employee or agent of Landlord, nor shall such term impose any duty to investigate the matters to which such knowledge, or the absence thereof, pertains. There shall be no personal liability on the part of either Steven C. Marsh and John P. McQuaid arising out of any representations or warranties made herein or otherwise.

ARTICLE VIII.
INDEMNITY, LIENS AND INSURANCE

8.1 Tenant's Indemnification. Except to the extent arising out of the gross negligence or willful misconduct of Landlord, Tenant agrees to pay and to defend, indemnify and hold harmless Landlord from and against any and all liabilities, losses, damages, costs, expenses (including all reasonable attorney's fees and expenses of Tenant and Landlord), causes of action, suits, claims, demands or judgments of any nature whatsoever (including reasonable attorney's fees and expenses) arising from or alleged to arise from:

(a) any injury to or death of, or claim of injury to or death of, any person, or any damage to or loss of, or claim of damage to or loss of, property on the Premises or on adjoining sidewalks, streets or ways, in each case growing out of or connected with the use, non-use, possession, ownership, condition or occupation of the Premises or any part thereof;

(b) violation of any agreement or condition of this Lease by Tenant;

(c) violation by Tenant of any contract or agreement to which Tenant is a party or any Permitted Encumbrance or of any Legal Requirement; and

(d) any contest referred to in Section 4.7 hereof.

Landlord shall give Tenant prompt and timely notice of any claim made or suit filed against Landlord or any other party of which Landlord has knowledge, relating to any matter which in any way may result in indemnification pursuant to this Section 8.1. Subject to the prior rights, if any, of insurers, Tenant shall be entitled to control the defense and compromise of any such claim or suit to the extent of any actual or potential claim for indemnification made or reserved by Landlord (as well as any claim made against Tenant or any of those for whom it is legally responsible), and Tenant shall give Landlord the opportunity to participate in the defense and any compromise of any such claim or suit to the extent of Landlord's interest therein, but Tenant shall not settle any proceeding or claim without Landlord's prior written approval, not to be unreasonably withheld, conditioned or delayed. The obligations of Tenant under this Section 8.1 shall survive the expiration or any earlier termination of the Term of this Lease.

8.2 Landlord's Indemnification Unless caused by the negligence or willful misconduct of any of the Tenant Parties, Landlord agrees to pay and to defend, indemnify and hold harmless Tenant from and against any and all liabilities, losses, damages, costs, expenses (including all reasonable attorney's fees and expenses of Landlord and Tenant), causes of action, suits, claims, demands or judgments of any nature whatsoever (including reasonable attorney's fees and expenses) arising from or alleged to arise from an injury or death of, or claim of injury to or death of, any person or any damage to or loss of, or claim of damage or loss of, property arising directly and solely as a consequence of the gross negligence or willful misconduct of Landlord.

Tenant shall give Landlord prompt and timely notice of any claim made or suit filed against Tenant or any other party of which Tenant has knowledge, relating to any matter which in any way may result in indemnification pursuant to this Section 8.2. Subject to the prior rights, if any, of insurers, Landlord shall be entitled to control the defense and compromise of any such claim or suit to the extent of any actual or potential claim for indemnification made or reserved by Tenant (as well as any claim made against Landlord or any of those for whom it is legally responsible), and Landlord shall give Tenant the opportunity to participate in the defense and any compromise of any such claim or suit to the extent of Tenant's interest therein, but Landlord shall not settle any proceeding or claim without Tenant's consent, not to be unreasonably withheld, conditioned or delayed. The obligations of Landlord under this Section 8.2 shall survive the expiration or any earlier termination of the Term of this Lease.

8.3 Liens. Tenant shall make, or cause to be made, prompt payment of all monies due and legally owing to all Persons doing any work, furnishing any materials or supplies or renting any equipment to Tenant or any of its contractors or subcontractors in connection with the development, construction, reconstruction, furnishing, repair, maintenance or operation of the Premises and in all events will bond or cause to be bonded, with surety companies reasonably satisfactory to Landlord, or pay or cause to be paid in full forthwith, any mechanic's, materialmen's or other lien or encumbrance that arises against the Premises or any part thereof other than Leasehold Mortgages within thirty (30) days after notice thereof. Notwithstanding the foregoing, Tenant shall have the right to contest any such lien or encumbrance. Nothing contained in this Lease shall be construed as constituting the consent or request of Landlord, expressed or implied, to or for the performance of any labor or services or the furnishing of any materials for any construction, alteration, addition, repair or demolition of or to the Premises, the Improvements or of any part thereof. Notice is hereby given that Landlord will not be liable for any labor, services or materials furnished or to be furnished to Tenant, or to anyone occupying the Premises or any part thereof through or under Tenant, or holding an interest therein (other than Landlord) and that no mechanic's or

other liens for any such labor, services or materials shall attach to or affect the interest of Landlord in and to the Premises or any part thereof.

8.4 Insurance Requirements. Beginning on the Commencement Date and with respect to the Premises, and continuing until the expiration or earlier termination of the Term or such later date that Tenant or anyone claiming by, through or under Tenant remains in the Premises, Tenant shall at all times carry such liability, workers' compensation, property and other insurance coverage with respect to the Premises and any of Tenant's other insurable property and equipment therein or thereon (all of the above known as the "**Insurable Property**") as may be required from time to time by any Leasehold Mortgagee, but in no event shall Tenant carry less than the following:

(a) Commercial general liability (and excess liability) insurance applicable to the Insurable Property naming Landlord and any other parties designated by Landlord as additional insureds and covering the legal liability of Landlord (as respects this asset) and Tenant for death and bodily and other personal injury with a combined single limit of [redacted] (portions of which liability and property damage coverages may be provided under an umbrella policy) with commercially reasonable deductibles;

(b) worker's compensation insurance required by law;

(c) demolition and debris removal insurance (if not included as part of the insurance carried pursuant to clause (d) below) payable in the event that the debris or demolition is occasioned by damage to or destruction of the Improvements or any portion thereof, including any casualty pursuant to Article IX hereof, or, to the extent such insurance is available, by condemnation pursuant to Article X hereof, in each case sufficient to pay for the removal of any portion of the Improvements, if required pursuant to Article IX or X hereof;

(d) special form property insurance and additional risk insurance, such insurance to be in amounts sufficient to comply with any co-insurance clause applicable to the location and character of the Insurable Property and, in any event, in amounts not less than one hundred percent (100%) of the then repair and replacement cost of the Insurable Property, with commercially reasonable deductibles, provided, however, that earthquake insurance shall be for the maximum economically available amounts and need not be for one hundred percent (100%) of the full replacement cost of the Insurable Property, but shall be for no less than ninety percent (90%) of the full replacement cost of the Insurable Property;

(e) during any construction periods, Tenant shall carry or cause to be carried builder's risk coverage in amounts appropriate for the construction work undertaken;

(f) rent insurance to cover Base Rent and Taxes for at least eighteen (18) months, including but not limited to periods of time when the Premises are unusable by reason of casualty pursuant to Article IX (if not included as part of the insurance carried pursuant to subsection (d) above; and

(g) upon Landlord's written request, such other insurance carried by prudent owners of property similar to and in the vicinity of the Premises.

All insurance contained in clauses (c) and (d) of this Section 8.4 shall be concurrent with the insurance required under clause (e) of this Section 8.4. The minimum coverages stated in this Section shall be reviewed annually by Landlord and Tenant and shall be increased at such intervals if such increases are necessary to reflect (1) changes in amounts of such insurance customarily carried by prudent owners of

comparable properties in the City of Cambridge, (2) inflation or (3) changes in the nature or degree of risks insured.

8.5 Insurance Provisions. Insurance maintained by Tenant pursuant to the requirements of Section 8.4 shall:

(a) be by standard policies, obtained from financially sound and responsible insurance companies authorized to do business in the Commonwealth Massachusetts;

(b) have attached thereto a clause making the loss payable to Tenant, any Leasehold Mortgagee, and Landlord as their respective interests may appear;

(c) be written to become effective at the time Tenant becomes subject to the risk or hazard covered thereby, and shall be continued in full force and effect for such period as Tenant is subject to such risk or hazard; and

(d) provide that any cancellation, change or termination of such insurance relating to the Insurable Property shall not be effective with respect to Landlord or any Leasehold Mortgagee until after at least thirty (30) days' prior notice has been given to Landlord and the Leasehold Mortgagee to the effect that such insurance policies are to be canceled, changed, or terminated at a particular time.

Certificates of such policies and renewals, showing the issuance and effectiveness of each such policy and the amount of coverage afforded thereby, shall be filed with Landlord.

8.6 Waiver of Subrogation. Landlord and Tenant each hereby waives on behalf of itself and its property insurers (none of which shall ever be assigned any such claim or be entitled thereto due to subrogation or otherwise) any and all rights of recovery, claim, action, or cause of action against the other and its agents, officers, servants, partners, shareholders, or employees (collectively, the "**Related Parties**") for any loss or damage that may occur to or within the Premises or any part thereof, or any personal property of such party therein which is insured against under any property insurance policy actually being maintained by the waiving party from time to time, even if not required hereunder, or which would be insured against under the terms of any insurance policy required to be carried or maintained by the waiving party hereunder, whether or not such insurance coverage is actually being maintained, including, in every instance, such loss or damage that may be caused by the negligence of the other party hereto and/or its Related Parties. Landlord and Tenant each agrees to cause appropriate clauses to be included in its property insurance policies necessary to implement the foregoing provisions.

ARTICLE IX.
CASUALTY

9.1 Collection of Claims. If the Improvements or any portion thereof shall be damaged or destroyed by fire or other casualty prior to the expiration of the Term, Tenant shall proceed promptly to establish and collect as soon as reasonably possible all valid claims which may have arisen against insurers or others based upon any such damage or destruction. The provisions of this Section 9.1 shall survive the expiration or earlier termination of this Lease.

9.2 Special Account. If the total amount of all proceeds of any such claims (hereinafter called the "**Insurance Proceeds**") and any other monies provided for the reconstruction, restoration or repair of the Improvements shall exceed the greater of (a) [redacted] or (b) [redacted] of the fair market value of the Improvements, the same shall be paid into an escrow account, with a single escrow agent which

shall be appointed jointly by Tenant and Landlord, both parties agreeing to use good faith, reasonable efforts to agree on such appointment. Notwithstanding the above, in the event that a Leasehold Mortgage is in force and effect, the Leasehold Mortgagee shall have the right to appoint such escrow agent, which right shall include the ability to appoint itself such escrow agent. Payments from such escrow account shall conform to the requirements of this Article and any Leasehold Mortgage and, in the event of restoration, shall be made on a progress payment basis against vouchers certified by a registered architect selected by Tenant and supervising the work of restoration and shall be subject to reasonable retainage.

9.3 Restoration. Unless otherwise determined in accordance with Section 9.5, Tenant shall fully repair and reconstruct the Improvements either to their condition immediately prior to such damage or destruction or in accordance with such new or modified plans and specifications as Tenant, Landlord and, to the extent required under any Leasehold Mortgage, the Leasehold Mortgagee may at the time agree upon and approve, subject to any applicable building and zoning laws or other applicable Legal Requirements then in existence. Insurance Proceeds and any other funds so collected shall be used and expended by Tenant for such purpose. Any deficiency shall be paid by Tenant and Tenant's obligation hereunder shall not be affected by the unavailability or insufficiency of Insurance Proceeds or the use of the Insurance Proceeds by Leasehold Mortgagee to pay down the outstanding amount of the Leasehold Mortgage as permitted in Section 9.6 hereof. Subject to the terms of any Leasehold Mortgage, any excess proceeds after such repair or reconstruction has been fully completed shall be retained by Tenant, subject to the rights of Landlord to require that such excess be applied to the extent necessary to pay any outstanding Base Rent, Additional Rent and other amounts owed by Tenant to Landlord pursuant to this Lease.

9.4 Commencement and Completion of Restoration. Tenant shall commence such reconstruction or repair of the damaged Improvements within a period not to exceed ninety (90) days after the Insurance Proceeds have been received by Tenant (or, if the conditions then prevailing require a longer period, such longer period as shall reasonably be required by Tenant proceeding with due diligence), and Tenant shall diligently prosecute such reconstruction or repair to completion, with such reconstruction or repair to be completed within two (2) years after the commencement thereof. In furtherance of the foregoing, to the extent all or any portion of the Premises is not subject to a Sublease ("**Unleased Space**") on the date that Tenant would otherwise be required to commence such reconstruction or repair, Tenant shall not be required to commence such reconstruction or restoration of the tenant improvements in Unleased Space until after a Sublease has been executed and plans for improvements have been finalized for such Unleased Space. Notwithstanding anything to the contrary, in the event that such reconstruction or repair is not complete prior to the expiration or earlier termination of the Term, then the Insurance Proceeds, or the remaining balance thereof, shall be assigned and delivered to Landlord.

9.5 Casualty During Last 5 Years of the Term. In the event of substantial damage or destruction by a casualty insured against occurring during the last five (5) years of the Term, then Tenant, subject to the rights of any Leasehold Mortgagee, shall have the right to terminate this Lease upon thirty (30) days' notice to Landlord, in which event the Insurance Proceeds (or a sum equivalent to such amount) shall be payable as set forth in Section 9.6. For purposes of this Section 9.5, such damage or destruction shall be deemed "substantial" only if the period of time reasonably necessary for Tenant to perform its restoration obligations exceeds [redacted] of the balance of the Term (measured from the date of such casualty).

9.6 Allocation of Proceeds. If Tenant elects to terminate this Lease in accordance with Section 9.5, then to the extent Landlord has made a request pursuant to Section 9.7 below, after deducting the Clearing Costs from the Insurance Proceeds (the "**Net Proceeds**"), the Net Proceeds shall be allocated between and paid to Landlord and Tenant in order that following the disbursement of the Net Proceeds, each has received an amount of the Net Proceeds bearing the same proportion to the aggregate Net Proceeds as its respective interest in the Premises bears to the aggregate value of the Premises immediately prior to

the casualty giving rise to termination of this Lease. Landlord and Tenant shall attempt to allocate the Net Proceeds between Landlord and Tenant fairly to effect such allocation. If the parties are unable to agree on such allocation, the allocation shall be made pursuant to arbitration in the manner provided in Section 16.5 hereof. In determining the value of Tenant's interest in the Premises, the parties or the arbitrators, as the case may be, shall take into account the present value of Tenant's leasehold estate for the remainder of the Term unencumbered by any mortgages, subject to all of the terms and conditions of this Lease. In determining the value of Landlord's interest in the Premises, the parties or the arbitrators, as the case may be, shall take into account the present value of (i) the right to receive rent and other charges and payments required to be paid under this Lease for the balance of the Term, and (ii) the projected residual value of the Improvements as of the originally scheduled expiration of the Term. Notwithstanding the foregoing, in the event that a Leasehold Mortgage is then in effect, then the Net Proceeds shall be disbursed in accordance with the terms of such Leasehold Mortgage and the Leasehold Mortgagee that is the holder thereof shall have a claim to such Net Proceeds prior to that of Tenant and Landlord to pay the outstanding amounts secured by such Leasehold Mortgage to the extent required or permitted under such Leasehold Mortgage or to otherwise disburse the Net Proceeds in accordance with the terms thereof.

9.7 Tenant's Responsibilities on Termination. If Tenant terminates this Lease following a casualty in accordance with Section 9.5 or if restoration is not complete prior to end of the Term, Tenant, at its sole expense, shall deliver to Landlord any plans or other technical materials related to the design and construction of the Improvements, which may be in Tenant's possession, and, at the request of Landlord, shall remove any remaining Improvements and restore the Premises to a cleared and safe condition and at a grade approximately level with abutting land. Upon the completion of any such demolition or other site preparation work to the reasonable satisfaction of Landlord and the payment of such Net Proceeds to Landlord (or to the Leasehold Mortgagee as provided in Section 9.6 hereof), Tenant shall surrender the Premises to Landlord in accordance with Section 5.7 of this Lease and this Lease shall be terminated without liability or further recourse to the parties hereto except for obligations which by their terms expressly survive the expiration or earlier termination of this Lease, provided that any Base Rent, Additional Rent, and other amounts payable or obligations owed by Tenant to Landlord as of the date of said termination shall be paid or otherwise carried out in full. The provisions of this Section 9.7 shall survive the expiration or earlier termination of the Term.

9.8 Demolition and Debris Removal Insurance. Proceeds of demolition and debris removal insurance, if separately obtained pursuant to Section 8.4(c) hereof, shall be separately accounted for by the escrow agent and shall be used to the extent available to pay the cost of any such demolition and debris removal occasioned by a casualty unless otherwise agreed by Landlord, Tenant and any Leasehold Mortgagee named as a loss payee on the policy of demolition and debris removal insurance, with Tenant responsible for paying any shortfall between such proceeds and the cost of such demolition and debris removal.

ARTICLE X.
CONDEMNATION

10.1 A Taking. This Article shall apply to any taking of the title to, access to, or use of the Premises or any portion thereof by any Governmental Authority or any conveyance under the threat thereof, for any public or quasi-public use or purpose (a "**Taking**"). Takings may be total or partial, permanent or temporary, as provided below.

10.2 Special Account. The full amount of any award whether pro tanto or final for any Taking (the "**Award**"), shall, notwithstanding any allocation made by the awarding authority, be paid into an escrow account in accordance with the procedures established in Section 9.2 above, provided that there shall first be deducted from the Award all reasonable fees and expenses of collection, including but not

limited to, reasonable attorneys' fees and experts' fees (the "**Net Award**"). Landlord and Tenant shall then attempt to fairly allocate (taking into account any restoration obligation of Tenant) the Net Award between Landlord's interest in the Premises and Tenant's interest in the Premises for the remainder of the Term of this Lease, taking into account their respective interests, any existing appraisals used to determine (or to contest) the amount of the Award and any other relevant information and analysis. If the parties are unable to agree on such allocation, the allocation shall be made pursuant to arbitration in the manner provided in Section 16.5 hereof. Upon determination of the allocation of the Net Award between Landlord and Tenant, either by agreement of the parties or by decision of the arbitrators, Landlord's portion thereof shall be paid forthwith to Landlord, and Tenant's portion shall be paid as provided in this Article X. The portion of the Net Award so allocated to Landlord shall be known herein as "**Landlord's Award**," and the portion so allocated to Tenant shall be known herein as "**Tenant's Award**." Notwithstanding the foregoing, a Leasehold Mortgagee shall have a claim to the Net Award prior to that of Tenant and Landlord to pay outstanding amounts secured by a Leasehold Mortgage to the extent required under such Leasehold Mortgage.

10.3 Total Taking. In the event of a permanent Taking of the fee title to or of control of the Premises or of the entire leasehold estate hereunder (a "**Total Taking**"), Tenant, upon the request of Landlord and at Tenant's sole expense, shall deliver to Landlord any plans or other technical materials related to the design and construction of the Improvements that Tenant has in its possession. Landlord and Tenant hereby agree that this Lease shall terminate as of the effective date of such Total Taking, and except with regard to provisions hereof which expressly survive termination, there shall be no liability or further recourse to the parties under the terms and provisions of this Lease, provided that any Base Rent, Additional Rent, other charges payable or any other monetary obligations due and owing by Tenant to Landlord as of the date of said Total Taking shall be paid or otherwise carried out in full.

10.4 Restoration. In the event of a permanent Taking of less than all of the Premises (a "**Partial Taking**"), Landlord and Tenant (and, to the extent required under the applicable Leasehold Mortgage, the Leasehold Mortgagee) shall reasonably agree upon and approve plans and specifications to modify the remaining Improvements, which plans and specifications shall be subject to any applicable building and zoning laws and other Legal Requirements then in existence. Upon approval of said plans, Tenant shall promptly proceed, at its expense, to commence and complete the restoration pursuant to the provisions of Section 9.3 hereof. Subject to the procedures of the escrow account set forth in Section 9.2 hereof, Tenant may use the entire Tenant's Award for such restoration, and, subject to the rights of any Leasehold Mortgagee, may retain for its own use any portion of Tenant's Award remaining after the completion of the restoration subject to the rights of Landlord to require that any such excess be applied first to the extent necessary to pay any outstanding Base Rent, Additional Rent and other amounts owed by Tenant to Landlord pursuant to this Lease. If the cost of the restoration shall exceed the amount of Tenant's Award, subject to the provisions of Section 6.2(k), the deficiency shall be paid by Tenant and Tenant's obligation hereunder shall not be affected by the unavailability or insufficiency of Tenant's Award or the use all or a portion of the Net Award by Leasehold Mortgagee to pay down the outstanding amount of the Leasehold Mortgage as permitted in Section 10.2 hereof.

10.5 Temporary Taking. If the use or occupancy of the Premises or any part thereof shall be temporarily requisitioned by any Governmental Authority, civil or military (including, without limitation, any requisition or Taking arising out of the exercise of governmental war powers or any other emergency governmental powers) (a "**Temporary Taking**"), then, subject to the prior rights of any Leasehold Mortgagee in and to the Net Award as provided in Section 10.2, any Net Award made as a result of such Temporary Taking shall be payable solely to Tenant if the duration of such Temporary Taking is wholly within the Term, and this Lease shall continue in full force and effect and there shall be no abatement of Rent as a result thereof. If the Temporary Taking extends beyond the expiration or earlier termination of this Lease, then a pro-rata portion (based on a fraction, the numerator of which is the number of days of

such Temporary Taking occurring within the Term, and the denominator of which is the number of days of the Temporary Taking) of such award shall be payable to Tenant.

10.6 Abatement of Rent. In the event of a Partial Taking, each monthly installment of Base Rent payable hereunder shall be equitably reduced, commencing with the first rent payment date following the effective date of such Partial Taking. If Landlord and Tenant cannot reasonably agree upon an equitable reduction in the Base Rent payable hereunder, such reduction shall be determined through arbitration pursuant to Section 16.5 below.

10.7 Demolition and Debris Removal Insurance. Proceeds of demolition and debris removal insurance required pursuant to Section 8.4(c) hereof, shall be separately accounted for by the escrow agent and shall be used to the extent available to pay the cost of any such demolition and debris removal occasioned by a casualty unless otherwise agreed by Landlord, Tenant and any Leasehold Mortgagee, and shall name Landlord, Tenant and any Leasehold Mortgagee as loss payees, as their interests appear, on the policy of demolition and debris removal insurance, with Tenant responsible for paying any shortfall between such proceeds and the cost of such demolition and debris removal.

ARTICLE XI.
DEFAULT; REMEDIES

11.1 Events of Default. An event of default ("**Event of Default**") by Tenant shall occur:

(a) if Tenant fails to pay when due the Rent, any Additional Rent or any other payments due under this Lease and any such default shall continue for fifteen (15) days after receipt of written notice thereof by Tenant; or

(b) if Tenant fails in any material respect to observe or perform any covenant, condition, agreement or obligation hereunder, and shall fail to cure, correct or remedy such failure within thirty (30) days after receipt of written notice thereof by Tenant (or such additional time reasonably necessary if such failure cannot be cured by the payment of money and cannot with due diligence be cured within a period of thirty (30) days provided Tenant commences cure within said 30-day period and pursues such cure to completion with reasonable diligence; or

(c) if any representation or warranty of Tenant set forth in this Lease, in any certificate delivered pursuant hereto, or in any notice, certificate, demand, submittal or request delivered to Landlord by Tenant pursuant to this Lease shall prove to be incorrect in any material and adverse respect as of the time when the same shall have been made and the same shall not have been remedied to the satisfaction of Landlord; or

(d) if Tenant shall be adjudicated bankrupt or be declared insolvent under the Federal Bankruptcy Code or any other federal or state law (as now or hereafter in effect) relating to bankruptcy, insolvency, reorganization, winding-up or adjustment of debts (hereinafter collectively called "**Bankruptcy Laws**"), or if Tenant shall (a) apply for or consent to the appointment of, or the taking of possession by, any receiver, custodian, trustee, United States Trustee or liquidator (or other similar official) of Tenant or of any substantial portion of Tenant's property; (b) generally not pay its debts as they become due or admit in writing its inability to pay its debts generally as they become due; (c) make a general assignment for the benefit of its creditors; (d) file a petition commencing a voluntary case under or seeking to take advantage of any Bankruptcy Law; or (e) fail to controvert in a timely and appropriate manner, or in writing acquiesce to, any petition commencing an involuntary case against Tenant pursuant to any Bankruptcy Law; or

(e) if an order for relief against Tenant shall be entered in any involuntary case under the Federal Bankruptcy Code or any similar order against Tenant shall be entered pursuant to any other Bankruptcy Law, or if a petition commencing an involuntary case against Tenant or proposing the reorganization of Tenant under the Federal Bankruptcy Code shall be filed in and approved by any court of competent jurisdiction and not be discharged or denied within one hundred twenty (120) days after such filing, or if a proceeding or case shall be commenced in any court of competent jurisdiction seeking (a) the liquidation, reorganization, dissolution, winding-up or adjustment of debts of Tenant, (b) the appointment of a receiver, custodian, trustee, United States Trustee or liquidator (or other similar official of Tenant or of any substantial portion of Tenant's property, or (c) any similar relief as to Tenant pursuant to any Bankruptcy Law, and any such proceeding or case shall continue undismissed, or any order, judgment or decree approving or ordering any of the foregoing shall be entered and continued unstayed and in effect for one hundred twenty (120) days.

11.2 Remedies for Default. If there is an Event of Default on the part of Tenant and no condition precedent to any obligation of Tenant exists unfulfilled or unwaived, Landlord, subject to the rights of the Leasehold Mortgagee set forth in Article VI, may terminate this Lease pursuant to Section 11.3 and may exercise its other remedies set forth in this Article XI.

11.3 Termination of Lease for Tenant's Default.

(a) Subject to any rights of a Leasehold Mortgagee under Article VI, Landlord may, when permitted by Section 11.2, terminate this Lease upon not less than thirty (30) additional days' written notice to Tenant, and any Leasehold Mortgagee of which it has notice, setting forth Tenant's uncured, continuing default and Landlord's intent to exercise its rights to terminate under this Section 11.3, whereupon, subject to the provisions of Article VI, this Lease shall terminate on the termination date therein set forth unless Tenant's alleged default has been cured before such termination date.

(b) Upon such termination, Tenant's interest in the Premises shall automatically revert to Landlord, Tenant shall promptly quit and surrender the Premises to Landlord, without cost to Landlord, and Landlord may, without demand and further notice, re-enter and take possession of the Premises, or any part thereof and repossess the same as Landlord's former estate by summary proceedings, ejectment or otherwise without being deemed guilty of any manner of trespass and without prejudice to any remedies which Landlord might otherwise have for arrears of Rent or for a prior breach of the provisions of this Lease. Subject to the provisions of Article VI, the obligations of Tenant under this Lease which arose prior to termination shall survive such termination.

11.4 Rights Upon Termination. Subject to the provisions of Article VI, upon any termination of this Lease pursuant to Section 11.3, Landlord may:

(a) retain, at the time of such termination, any Base Rent, Additional Rent or other fees or payments made hereunder, without any deduction, offset or recoupment whatsoever; and

(b) enforce its rights under any bond obtained by Tenant pursuant to the requirements of Section 8.3 of this Lease outstanding at the time of such termination; and

(c) require Tenant to deliver to Landlord, or otherwise effectively transfer to Landlord any and all rights of possession, ownership or control Tenant may have in and to, any and all plans, specifications, renderings, engineering data, soils or water report and other technical documents or

material related to the design and construction of the Improvements and architect's and construction contracts relating to the Improvements; and

(d) recover as damages a sum equal to the amount by which the Base Rent, Additional Rent and other payments called for hereunder for what would have been the remainder of the Term exceed the fair rental value of the Premises, subject to the limitations on Tenant's liability set forth in Section 11.11 hereof.

In addition to the above remedies of Landlord, Tenant agrees to reimburse Landlord for any and all actual expenditures reasonably incurred and for any and all actual damages suffered by Landlord by reason of such termination, however caused.

11.5 Other Remedies. If there is an Event of Default on the part of Tenant, subject to the provisions of Article VI, Landlord shall, in addition to any other remedies herein provided, have the right, without terminating the Lease, to re-enter and take possession of the Premises, or any part thereof and repossess the same by summary proceedings, ejectment or otherwise. Notwithstanding the foregoing, in the event that any Leasehold Mortgagee has provided to Landlord a Notice of Leasehold Mortgagee's Intent to Exercise Remedies and is diligently and continuously pursuing its rights and/or remedies in an effort to effect a Leasehold Mortgage Foreclosure, Landlord shall not exercise the rights and remedies provided to Landlord under this Section 11.5. In the event that the Leasehold Mortgagee does not diligently and continuously pursue such Leasehold Mortgage Foreclosure, Landlord shall have the right, upon providing thirty (30) days' written notice to Tenant and Leasehold Mortgagee, to exercise the rights and remedies under this Section 11.5.

11.6 Performance by Landlord. Upon an Event of Default, Landlord may (but need not) and without waiving any default or releasing Tenant from any obligations, cure such default for the account of Tenant. Tenant shall promptly pay Landlord the amount of such charges, costs and expenses as Landlord shall have incurred in curing such default, together with interest at the Base Interest Rate.

11.7 Legal Costs. If either party prevails in any action against the other party in connection with the exercise of its rights and remedies under this Lease, the non-prevailing party shall be liable for the reasonable and actual legal expenses of the prevailing party. An award of reasonable attorneys' fees and costs shall be determined by the court. The "**prevailing party**" shall be the party that obtains final judgment in its favor. If the institution of an action to enforce the terms of this contract is resolved by settlement, the parties will determine what portion, if any, of the injured party's legal fees and costs will be paid by the breaching party.

11.8 Remedies Cumulative. Unless otherwise specifically provided in this Lease, no remedy herein shall be exclusive of any other remedy or remedies, and each such remedy shall be cumulative and in addition to every other remedy; and every power and remedy given by this Lease may be exercised from time to time and as often as may be deemed expedient by either party. No delay or omission by Landlord to exercise any right or power accruing upon any Event of Default or any tolling thereof as a result of the provisions of Article VI hereof shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein. The absence in this Lease of any enumeration of events of default by Landlord or remedies of either party with respect to money damages or specific performance shall not constitute a waiver by either party of its right to assert any claim or remedy available to it under law or in equity.

11.9 Waiver as to Surety. Tenant and Landlord, for themselves and their successors and assigns, and all other persons who are or who shall become, whether by express or implied assumption or otherwise, liable upon or subject to any obligation or burden under this Lease, hereby waive, to the fullest extent

permitted by law and equity, all claims or defenses otherwise available on the grounds of its or their being or having become a person in the position of a surety, whether real, personal, or otherwise, or whether by agreement or operation of law. Such waiver shall include, but shall not be limited to, all claims and defenses based upon extensions of time, indulgence, or modification of terms of this Lease.

11.10 Force Majeure. If either party shall be delayed in performing any obligation under this Lease, except any obligation to pay Base Rent, Additional Rent or any other sums of money payable hereunder, for any of the reasons enumerated in this Section 11.10 and the delay is not caused by the delayed party, the time for such performance shall be extended by a period of time equal to such delay, and the party shall not be deemed to be in default where such delays or defaults are due to war; terrorism; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; epidemics; quarantine; restrictions; freight embargoes; acts or failure to act of the City of Cambridge or any other Governmental Authorities that cause a significant portion of the Premises to be unusable in accordance with this Lease; acts of the other party in violation of this Lease; or any other reasonable cause relating to this Lease beyond the control or without the fault of the party claiming an extension of time to perform; provided that the party whose performance is delayed shall have commenced and is diligently pursuing all reasonable and available means and measures necessary to minimize or eliminate such delay resulting from any such causes or conditions. Each party shall give written notice of any such delay to the other party within thirty (30) days of such party's knowledge of the occurrence of such event.

11.11 Landlord Default. Notwithstanding anything to the contrary contained in the Lease, Landlord shall in no event be in default in the performance of any of Landlord's obligations under this Lease unless Landlord shall have failed to perform such obligations within thirty (30) days (or such additional time as is reasonably required to correct any such default, provided Landlord commences the cure within thirty (30) days and pursues such cure to completion with reasonable diligence) after notice by Tenant to Landlord properly specifying wherein Landlord has failed to perform any such obligation. Except in the case of a wrongful eviction of Tenant from the Premises (constructive or actual) by Landlord, Tenant shall not have the right to terminate or cancel this Lease or to withhold rent or to set-off or deduct any claim or damages against rent as a result of any default by Landlord of its covenants hereunder, provided, however, that Tenant shall not exercise such rights unless Landlord shall have failed to cure the default giving rise to the eviction after notice to Landlord thereof and an opportunity to cure the same as set forth above.

ARTICLE XII.
TRANSFER AND ASSIGNMENT

12.1 Assignment. Subject to the provisions of Section 12.2 of this Lease, Tenant shall have the right to transfer, sell or assign its interest in this Lease to any party, without the prior written consent of Landlord, provided, however, that the transferee, purchaser or assignee, as the case may be, of Tenant's interest in the Lease shall not be a Prohibited Tenant. For the purposes of this Lease, any of the following transactions shall constitute an assignment of this Lease: (i) any assignment by operation of law; (ii) a sublease of substantially all of the Premises for all or substantially all of the remainder of the Lease Term; (iii) the entering into of any transaction or series of transactions transferring all or substantially all of the interests in the profits and losses from the business operations of Tenant in the Premises to a person or entity other than Tenant, or otherwise having substantially the same effect as an assignment of the Lease; and (iv) any transfer of Tenant's interest under the Lease in connection with a foreclosure of a Leasehold Mortgage (but, with respect to any such transfer, the provisions of Article VI shall control over the provisions of this Section 12.1). Except in connection with the grant of a Leasehold Mortgage or Leasehold Mortgagee's exercise of its rights thereunder, any sale or transfer of more than fifty percent (50%) of the economic value or of managerial control (including a sale or transfer that conveys a right to institute a change in managerial control) or voting control of the entity that is Tenant or of any entity that directly or

indirectly holds more than fifty percent (50%) of the economic interests or of managerial or voting control of the entity that is Tenant to a person or persons not previously holding such economic interests or managerial control or voting control of any such entity (either in a single transaction or series of transactions) shall constitute a "**Transfer of Control**."

12.2 Right of First Offer.

(a) Throughout the Term, Tenant shall not assign its leasehold interest in the Premises nor shall there be a Transfer of Control without first giving Landlord a right of first offer with respect to Tenant's interests (the "**First Offer Right**") on the following terms and conditions. Landlord's rights under this Section shall be binding upon the original Tenant and each and every subsequent Tenant and, without limiting the general application of the foregoing, shall apply to any transaction or series of transactions other than any of Tenant Excluded Transactions (defined below) that would constitute an assignment of this Lease under Section 12.1 hereof. Before marketing or assigning its interest, Tenant shall notify Landlord in writing of the price and other significant terms and conditions (including the state of "title") on which Tenant intends to market its interest (the "**Assignment Notice**"). All such terms and conditions must be terms and conditions that are generally able to be fulfilled by any prospective purchaser. Landlord shall have thirty (30) days after delivery of the Assignment Notice either to accept Tenant's offer and to tender to an escrow agent pursuant to an escrow agreement each reasonably satisfactory to Landlord and Tenant a cash deposit equal to [redacted] of the price. If Landlord fails timely to accept Tenant's offer, Tenant, except to the extent that the proposed assignee is a Prohibited Tenant (in which event Landlord's consent to such an assignment shall be required as provided in this Section 12.2), may sell such interest to a third party within the twelve (12) month period thereafter so long as the net present value of the consideration to be received by Tenant from such transfer is not less than [redacted] of the net present value of the consideration to be received by Tenant under the terms offered to Landlord and other significant terms and conditions of such transfer are not more favorable in more than a de minimis manner to the buyer than the terms and conditions offered to Landlord. The net present value of all consideration shall be discounted to net present value at [redacted] per annum. If the net present value of the consideration to be paid on any potential sale is less than [redacted] of the net present value of the consideration to be paid under Tenant's offer to Landlord or the transfer is on other terms and conditions more favorable in more than a de minimis manner to the buyer than the terms and conditions offered to Landlord, Tenant may not sell or assign its interests unless Tenant first repeats the process set forth above prior to consummating such a sale. The First Offer Right shall not apply to any of the following transactions (the "**Tenant Excluded Transactions**"): (i) the grant of any Leasehold Mortgage, (ii) the foreclosure of a Leasehold Mortgage or the acceptance of an assignment in lieu of foreclosure, by a Leasehold Mortgagee (other than an Affiliate) or its nominee, or (iii) a conveyance by a Leasehold Mortgagee (other than an Affiliate) or its nominees to a third party pursuant to a public auction.

(b) If Landlord exercises the First Offer Right and pays any deposit, as provided herein, there shall arise a binding purchase and sale agreement between Landlord, as buyer, and Tenant, as seller, on the terms contained in Tenant's offer to Landlord for Tenant's interest in the Premises and, unless otherwise specified in Tenant's offer to Landlord, in an "as is" condition and as occupied.

(c) The closing on the purchase shall take place within ninety (90) days after Landlord's exercise of the First Offer Right (or if such date is a Saturday, Sunday or holiday, on the next following Business Day) at the office of Landlord's counsel in the Boston metropolitan area unless otherwise specified in Tenant's offer or agreed to by the parties. At the closing, except in connection with a Transfer of Control, the parties shall make the deliveries specified in

Section 19.3 below (it being understood and agreed that no termination fee is payable in connection with the exercise of Landlord's rights under this Section 12.2).

(d) Time is of the essence in connection with the exercise of the First Offer Right and the performance of the agreement of the parties hereunder.

(e) In the event that Tenant proposes to assign its interest in the Premises and Landlord does not exercise its First Offer Right hereunder, Landlord, within thirty (30) days of the delivery of the Assignment Notice or such earlier date as Landlord waives, in writing, the First Offer Right, shall (i) confirm whether the proposed transferee satisfies the applicable criteria set forth in Section 12.1 (i.e., that the proposed transferee in fact is not a Prohibited Tenant) and Landlord's consent to the proposed transfer is not required, or (ii) notify Tenant with reasonable specificity what further information Landlord requires to make its determination. If Landlord does not notify Tenant in writing within the above stated time period of all specific respects in which the proposed transferee does not satisfy the applicable criteria set forth in Section 12.1, or of the further information Landlord requires to make its determination, the transfer to such proposed transferee shall be deemed approved. If Landlord requests further information concerning a proposed transferee, within fifteen (15) days of receipt of such additional information, Landlord shall confirm that the proposed transferee satisfies the applicable criteria set forth in Section 12.1, or it shall notify Tenant of the specific respects in which such proposed transferee does not satisfy the applicable criteria set forth in Section 12.1. If Landlord does not so notify Tenant within said fifteen (15)-day period, the transfer to such proposed transferee shall be deemed approved. The recording of an affidavit by Tenant to the effect that such approval has been deemed to have been received by the passage of such a period shall be conclusive evidence thereof.

ARTICLE XIII.
SUBLETTING, ESTOPPEL CERTIFICATES, AND NON-DISTURBANCE AND ATTORNMENT AGREEMENTS

13.1 Subletting. Except to the extent that a sublease is deemed an assignment of Tenant's interest in the Premises as set forth in Section 12.1 of this Lease, Tenant shall have the right to enter into any Sublease, provided that all Occupants under any Sublease shall only have the right to use the Premises in accordance with the Permitted Uses and for no other uses. Tenant shall not enter into any Sublease of any kind, or an extension of any such Sublease of any kind, for any portion of the Premises having a term which extends beyond the Term of this Lease. If Tenant shall contemplate making any Sublease not meeting the criteria set forth in the preceding two sentences, Tenant shall submit to Landlord for approval two (2) copies of such proposed Sublease, together with any information concerning the identity and financial worth of the proposed Occupant and the terms of the Sublease as Landlord may reasonably request. Tenant may also submit to Landlord in writing from time to time prior to submitting the text of such proposed Sublease, information concerning the identity and financial worth of a proposed Occupant. Landlord agrees that it will respond promptly after receipt of any such information or of such proposed Sublease, and notify Tenant whether the proposed Sublease or Occupant are approved and, if the same are not approved, the reasons for such disapproval. A copy of all Subleases shall be delivered to Landlord by Tenant within fifteen (15) days after the execution thereof. No Sublease permitted by this Section 13.1 shall impose any obligations on Landlord or otherwise affect any rights of Landlord under this Lease. In all events, Tenant shall not enter into any Sublease with any Prohibited Tenant. Notwithstanding anything to the contrary, in the event that this Lease is terminated for any reason, or if Tenant rejects this Lease in the course of a bankruptcy proceeding, in either event prior to the Expiration Date, then at Landlord's option (on a case by case basis), and subject to the provisions of Article VI hereof, the Occupants shall attorn to Landlord and recognize Landlord as landlord under the applicable Sublease, under the terms set forth in Section 13.4(b) below and otherwise under the terms and conditions and at the rental rate specified in the

applicable Sublease, and for the then remaining term of the applicable Sublease. Without limiting Tenant's obligations under Section 15.4 below, Tenant hereby agrees to provide prompt notice to Landlord of any claimed defaults under any Sublease together with copies of any written notices thereof received by Tenant.

13.2 Rent and Charges to Occupants. Tenant shall not impose or collect any rent or other charge under any Sublease in any way relating to the use or occupancy of any part of the Premises which is based on the "income" or "profits" of any person so as to render any part of the Rent payable under this Lease "unrelated business taxable income" to Landlord under Section 512 of the Internal Revenue Code of 1954 or successor provision.

13.3 Estoppel Certificates. Landlord and Tenant, as the case may be, will execute, acknowledge and deliver to each other or to the other party's actual or prospective lender, investor or transferee, within fifteen (15) Business Days after a written request therefor, a certificate certifying:

(a) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect as modified, and stating the modifications);

(b) the dates, if any, to which Rent and Additional Rent have been paid;

(c) whether or not, to the knowledge of Landlord or Tenant, as the case may be, there are then existing any defaults under this Lease (and if so, specifying the same); and

(d) such other matters relating to this Lease as may be reasonably required.

13.4 Non-Disturbance and Attornment Agreements.

(a) At the request of a Leasehold Mortgagee, Landlord agrees to execute and deliver to such Leasehold Mortgagee a non-disturbance agreement in a form reasonably requested by such Leasehold Mortgagee, provided such Leasehold Mortgagee executes and delivers an appropriate attornment agreement.

(b) At the request of Tenant, Landlord agrees to execute and deliver to Occupants non-disturbance agreements containing reasonable terms on forms approved by Landlord and prepared by Tenant, provided that (i) any such Occupant also executes and delivers an attornment agreement containing commercially reasonable terms, (ii) if any such request relates to a Sublease or proposed Sublease which was not previously approved by Landlord pursuant to Section 13.1, Tenant shall provide a copy of such Sublease or proposed Sublease to Landlord concurrently with such request (if Tenant has not previously provided a copy of such Sublease to Landlord), and (iii) Landlord shall not be obligated to assume any obligations to lease or otherwise provide or make available to the Occupant space or appurtenant rights (including without limitation, parking) at or relating to any property other than the Premises unless the owner of such property grants such space or appurtenant rights to Landlord for the duration of such sublease or proposed sublease (an "**Appurtenant Grant**"), in which event Landlord shall agree to provide or make available such space or appurtenant rights subject to the terms of the Appurtenant Grant. If Landlord reasonably believes that any Occupant's Sublease violates Section 5.1, or otherwise constitutes a breach of obligations contained in a Leasehold Mortgage or this Lease then, Landlord shall have no obligation to execute and deliver a non-disturbance agreement with respect thereto.

ARTICLE XIV.NON-DISCRIMINATION AND AFFIRMATIVE ACTION

14.1 Compliance with Equal Opportunity Laws and Regulations. Tenant shall comply with all applicable Legal Requirements in effect from time to time pertaining to Equal Employment, Anti-Discrimination and Affirmative Action, including executive orders and rules and regulations of appropriate Governmental Authorities, unless Tenant is otherwise exempt therefrom.

14.2 Information and Reports. Tenant will provide all information and reports pertinent to Landlord's Equal Employment, Anti-Discrimination and Affirmative Action requirements reasonably requested by Landlord and will permit access to its facilities and any of its books, records, or other sources of information which may be reasonably determined by Landlord to affect Tenant's obligation hereunder.

14.3 Notices to Occupants, Contractors and Vendors. Tenant will include the provisions of Section 14.1 with every contract or purchase order, and will require the inclusion of these provisions in every subcontract entered into by any of its contractors and vendors, so that such provisions will be binding upon each such contractor and vendor, as the case may be.

ARTICLE XV.
REPRESENTATIONS AND WARRANTIES; AFFIRMATIVE COVENANTS

15.1 Representations and Warranties. The parties hereto each represent and warrant with respect to themselves:

(a) The execution hereof and the performance of the obligations herein described have been duly authorized by each of the respective parties.

(b) Each party has full power and authority to enter into this Lease and this Lease and any agreements to be executed herewith or pursuant hereto are or will be, upon execution, the duly executed, legal, valid and binding obligations of each of the respective parties, enforceable in accordance with their terms as the same may be limited by bankruptcy, insolvency or similar laws affecting the rights of creditors generally.

(c) This Lease and the agreements to be executed herewith are not in conflict with any joint venture agreement, charter, statutory authority, or any indenture agreement or other instrument to which any party hereunder is a party or by which any party hereto is bound.

(d) There is no litigation or administrative proceeding pending or anticipated which would in any material way affect the ability of the party making the warranty to carry out its obligations under this Lease or which would otherwise materially affect the Premises.

15.2 Maintenance of Business and Existence. Tenant hereby covenants and agrees that, during the Term of this Lease, Tenant shall do all things necessary to preserve, renew, and keep in full force and effect its corporate existence and rights and franchises necessary to continue its business and preserve and keep in force and effect all licenses and permits necessary for the proper conduct of its business, unless prior written approval of Landlord is obtained.

15.3 Conduct of Business. Tenant hereby covenants and agrees that, during the Term of this Lease, Tenant will conduct and maintain the business of the operation of the Premises in compliance, in all material respects, with all applicable Legal Requirements and in accordance with this Lease.

15.4 Notification of Defaults. Tenant hereby covenants and agrees that, during the Term of this Lease, Tenant will promptly notify Landlord of default or breach of conditions, if any, in connection with the payment or performance of any other material obligation of Tenant, whether or not the applicable creditor or obligee elects to declare the obligations of Tenant under the applicable agreement due and payable or to exercise any other right or remedy available to such creditor or obligee, if such creditor's or obligee's rights and remedies may involve or result in (i) the taking of possession of the Premises or (ii) the assertion of any other right or remedy that may impair Tenant's ability to punctually perform all of its obligations under this Lease.

15.5 Notification of Disputes. Tenant hereby covenants and agrees that, during the Term of this Lease, Tenant will promptly notify Landlord of any materially adverse claims, actions or proceedings affecting the Premises or the performance of its obligations under this Lease.

15.6 Notification of Attachments. Tenant hereby covenants and agrees that, during the Term of this Lease, Tenant will promptly notify Landlord of any levy, attachment, execution or other process against its assets, which will materially adversely affect the Premises or the performance of its obligations under this Lease.

15.7 Reports. Tenant hereby covenants and agrees that, during the Term of this Lease, Tenant will provide Landlord with copies of any reports that it furnishes to or receives from any Governmental Authorities relative to the Premises, provided that from and after any Leasehold Mortgage Foreclosure, any Transferee shall only be required to provide to Landlord a copy of any notice received by such Transferee from any Governmental Authority alleging a violation of any Legal Requirement relating to the Premises.

15.8 Further Assurances. Upon request, Tenant hereby covenants and agrees that, during the Term of this Lease, Tenant will execute and deliver, or cause to be executed and delivered, such further instruments and do or cause to be done such further acts, as may reasonably be necessary or proper to carry out the intent and purpose of this Lease.

15.9 Current Information. Tenant hereby covenants and agrees that, during the Term of this Lease, Tenant will promptly furnish Landlord from time to time current information which changes in any material adverse manner information previously submitted to Landlord by Tenant.

15.10 Reimbursement Rights. Tenant hereby covenants and agrees that, during the Term of this Lease, Tenant will reimburse Landlord for all reasonable legal expenses incurred by Landlord in connection with all requests by Tenant for consent, approval or review of any documents requested (a) in connection with any Leasehold Mortgage, (b) if Landlord's consent or approval is required under the terms of this Lease, and (c) in connection with any recognition agreement described in Article XII. Landlord will reimburse Tenant for all reasonable legal expenses incurred by Tenant in connection with all requests by Landlord for consent, approval or review of any documents requested (i) in connection with any Fee Mortgage and (ii) if Tenant's consent or approval is required under the terms of this Lease.

15.11 General Tenant Covenant. Tenant hereby covenants and agrees that, during the Term of this Lease, Tenant will perform and observe, or cause to be performed and observed, all the terms, covenants, conditions and agreements provided in this Lease and in any amendments hereto to be performed or observed by Tenant.

15.12 General Landlord Covenant. Landlord hereby covenants and agrees that, during the Term of this Lease and with regard to matters related to this Lease, Landlord will perform and observe, or cause to be performed and observed, all the terms, covenants, conditions and agreements provided in this Lease and in any amendments hereto to be so performed and observed by Landlord.

15.13 No Material Interference. Landlord hereby covenants and agrees that, during the Term of this Lease and with regard to matters related to this Lease, Landlord shall refrain from taking any action that would impose deed restrictions or other encumbrances on title that would materially interfere with or adversely affect (a) Tenant's ability to exercise its rights and fulfill its obligations under this Lease, or (b) the marketability of title or the market value of the Premises. Any Fee Mortgage granted by Landlord shall be expressly subject and subordinate to this Lease (and any new lease entered into pursuant to Section 6.4) and concurrently with the execution and delivery of any Fee Mortgage, Landlord shall obtain and deliver to Tenant a commercially reasonable agreement by the applicable Fee Mortgagee, pursuant to which (x) the applicable Fee Mortgagee consents to this Lease, acknowledges that the Fee Mortgage is subject and subordinate to this Lease (and any new lease entered into pursuant to Section 6.4), agrees that with respect to any and all Net Proceeds recovered or recoverable in connection with a fire or other casualty relating to the Premises, and with respect to any and all Net Awards recovered or recoverable in connection with any Taking, the rights of the Leasehold Mortgagee as set forth in this Lease shall be superior, in all respects, to the rights of the Fee Mortgagee and agrees that, notwithstanding the terms of the applicable Fee Mortgage held by such Fee Mortgagee, or any default, expiration, termination, foreclosure, sale, entry or other act or omission under or pursuant to such Fee Mortgage, or the Fee Mortgagee's exercise of any of its rights and/or remedies under the Fee Mortgage or a transfer in lieu of foreclosure, Tenant shall not be disturbed in peaceful enjoyment of the Premises nor shall this Lease be terminated or cancelled at any time, except in the event that Landlord shall have the right to terminate this Lease under the terms and provisions expressly set forth herein and (y) Tenant shall agree that Tenant will attorn to and recognize such Fee Mortgagee or the purchaser at any foreclosure sale or any sale under a power of sale contained in any such Fee Mortgage or the transferee accepting an assignment in lieu of foreclosure as Landlord under this Lease for the balance of the Term of this Lease then remaining.

ARTICLE XVI.
MISCELLANEOUS PROVISIONS

16.1 Designation of Authorized Representatives. Landlord and Tenant shall each designate an authorized representative or representatives to be responsible for granting the approvals and concurrences required pursuant to this Lease and for maintaining communications between the parties. Landlord hereby designates the Manager of Landlord as the party in charge of Landlord's interest in the Premises and further designates Steven C. Marsh, and/or such other Persons as Landlord may designate from time to time, as the authorized representative for Landlord for purposes of this Lease. Tenant hereby designates the Manager of Tenant as the party in charge of Tenant's interest in the Premises and further designates Steven C. Marsh, and/or such other Persons as Tenant may designate from time to time, as the authorized representative for Tenant for the purposes of this Lease. Each party shall be entitled to rely on concurrences or approvals of the other party's authorized representative until such time as a party receives notice from the other party revoking the authority of such authorized representative and designating a replacement.

16.2 No Merger of Title. There shall be no merger of the leasehold estate created by this Lease with the fee estate in the Premises by reason of the fact that the same person or entity may own or hold (a) the leasehold estate created by this Lease or any interest in such leasehold estate, and (b) the fee estate in the Premises or any interest in such fee estate; and no such merger shall occur without the prior written consent of any Leasehold Mortgagee (which consent may be withheld in the Leasehold Mortgagee's sole and absolute discretion) unless and until all Persons, including Landlord, any Fee Mortgagee and any Leasehold Mortgagee, having any interest in (i) the leasehold estate created by this Lease, or (ii) the fee estate in the Premises, shall join in a written instrument affirming their intent to effect such merger and shall duly record the same.

16.3 No Waiver. The failure of either party to insist in any one or more cases upon the strict performance of any of the covenants of this Lease, or to exercise any option or election herein contained,

shall not be construed as a waiver or relinquishment for the future of such covenant, option or election unless this Lease specifies otherwise. A receipt by Landlord of Rent with knowledge of the breach of any covenant herein shall not be deemed a waiver of such breach.

16.4 No Broker. Landlord and Tenant each represents to the other that there was no broker involved in consummating this Lease and that, to the best of its knowledge, there is no broker entitled to a commission in connection with this Lease.

16.5 Arbitration. Whenever, pursuant to the terms of this Lease, Tenant and Landlord cannot agree upon, under the provisions of Article X or Article IX, the allocation of the Net Award, the allocation of Net Proceeds, or the amount of any abatement of Rent under Section 10.6 hereof, the following procedure shall be followed: If the parties cannot agree upon the matter to be determined, then the determination of such matter, upon the election of either Landlord or Tenant, shall be submitted to arbitration as follows: the matter shall be determined by impartial arbitrators, one to be chosen by Tenant, one to be chosen by Landlord, and a third to be selected, if necessary, as below provided. Such impartial arbitrators shall be qualified, independent real estate professionals with experience with properties of a size and character similar to the Premises. The unanimous written decision of the two (2) arbitrators first chosen (without selection and participation of a third arbitrator), or otherwise the written decision of a majority of three (3) arbitrators chosen as hereinafter provided, shall be conclusive and binding upon Landlord and Tenant. Landlord and Tenant shall each notify the other of its chosen arbitrator within ten (10) days following the call for arbitration and, unless such two (2) arbitrators shall have reached a unanimous decision within thirty (30) days after their designation, they shall select an impartial third arbitrator. Such third arbitrator and the first two (2) chosen shall render their decision within thirty (30) days following the date of appointment of the third arbitrator and shall notify Landlord and Tenant thereof. Judgment may be entered in any court of competent jurisdiction upon an award reflecting the decision of such arbitrators. Landlord and Tenant shall divide equally all expenses of arbitration. Any Leasehold Mortgagee shall have the right to receive notice of any and all arbitration proceedings undertaken pursuant to this Section 16.5, and shall have the right to participate in such arbitration proceedings as an interested party.

16.6 Consents and Approvals. Except as herein otherwise expressly provided, wherever in this Lease the consent or approval of Landlord, Tenant or a Leasehold Mortgagee is required, such consent or approval shall not be unreasonably withheld, delayed or qualified and shall be in writing signed by an authorized representative (designated pursuant to the provisions of Section 16.1) of the party granting such consent or giving such approval. Unless otherwise specifically provided herein, the party requesting consent or approval is entitled to a decision either granting or denying (with reasons for any denial specified) such request within thirty (30) days of the receipt of such request, and if no response is received within such 30-day period, then the requesting party may send a second notice requesting consent or approval, which second notice shall make express reference to this Section 16.6. If there is no response to such second notice, within ten (10) days after delivery of such second notice, then such approval or consent shall be deemed to have been granted.

16.7 Time of Essence. Time is of the essence of this Lease, and the parties hereto shall diligently, promptly and punctually perform the obligations required to be performed by each of them and shall diligently, promptly and punctually attempt to fulfill the conditions applicable to each of them, it being understood that the date by which either party is required to perform any obligation under this Lease shall be determined by taking into account the provisions of Section 11.10, if applicable.

16.8 Due Diligence and Good Faith. Both parties agree to pursue in good faith and with due diligence the purposes set forth herein and all acts in furtherance thereof, specifically including all acts required of either party by the terms hereof.

16.9 Survival of Obligations. All of the obligations, representations, warranties and covenants made in this Lease shall be deemed to have been relied upon by the party to which they were made and to be material and shall survive the execution of this Lease and the expiration or any earlier termination of the Term of this Lease to the extent that they are by their terms, or by a reasonable interpretation of the context, to be performed or observed or relied upon after the execution of this Lease and the expiration or any earlier termination of the Term of this Lease.

16.10 Invalidity of Provisions. If any one or more of the phrases, sentences, clauses or paragraphs contained in this Lease shall be declared invalid by the final and nonappealable order, decree or judgment of any court, this Lease shall be construed as if it did not contain such phrases, sentences, clauses or paragraphs, provided that such construction does not substantially alter the material benefits and burdens of the respective parties as set forth in this Lease.

16.11 Binding Effect. Except as otherwise provided in this Lease, all of the covenants, conditions and obligations contained in this Lease shall be binding upon and inure to the benefit of the respective authorized successors and assigns of Landlord and Tenant to the same extent as if each such successor and assign were in each case named as a party to this Lease. Any Person acquiring any or all of the rights, title and interest of Tenant in and to the leasehold estate in the Premises by virtue of any Leasehold Mortgage Foreclosure shall thereby become liable under and be fully bound by all of the provisions of this Lease (except as otherwise provided in this Lease) and, with the prior written consent of Landlord, Tenant may be fully or partially released from its obligations under this Lease.

16.12 Pronouns. Whenever the context may require, any pronouns used in this Lease shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

16.13 Rights of Others. Landlord and Tenant acknowledge and agree that each Leasehold Mortgagee is intended to be a third party beneficiary of Article VI and every other provision set forth herein relating to the Leasehold Mortgages and Leasehold Mortgagees and shall be entitled to enforce the same to the fullest extent and in all respects as if such Leasehold Mortgagee were a direct party hereto. Except as expressly set forth herein, nothing in this Lease is intended to confer upon any Person other than the parties hereto and their authorized successors and assigns, any rights or remedies under or by reason of this Lease.

16.14 Amendments. This Lease may not be amended, changed, modified or discharged except by an instrument in writing signed by Landlord and Tenant and, if applicable, consented to by any Leasehold Mortgagee.

16.15 Captions and Headings. The captions and headings throughout this Lease are for convenience and reference only, and they shall in no way be held or deemed to define, modify or add to the meaning, scope or intent of any provisions of this Lease.

16.16 Governing Law. This Lease shall be governed by and interpreted under the laws of the Commonwealth of Massachusetts.

16.17 Limitation of Liability. Tenant shall neither assert nor seek to enforce any claim against Landlord or any of Landlord's agents (including without limitation its property manager), contractors or employees, or the assets of any of the foregoing, for breach of this Lease or otherwise, other than against Landlord's interest in the Premises and in the uncollected rents, issues and profits thereof, and Tenant agrees to look solely to such interest for the satisfaction of any liability of Landlord under this Lease. This Section 16.17 shall not limit any right that Tenant might otherwise have to obtain injunctive relief against Landlord. **Landlord and Tenant specifically agree that in no event shall any officer, director, trustee,**

employee or representative of Landlord or any of Landlord's agents, contractors or employees ever be (a) personally liable for any obligation under this Lease, nor (b) liable for consequential or incidental damages or for lost profits whatsoever in connection with this Lease.

ARTICLE XVII.
NOTICES AND PAYMENTS

17.1 Notices, Demands and Other Installments. Unless otherwise expressly permitted by the terms of this Lease, all notices, demands, submissions, requests, consents, approvals and other instruments required or permitted to be given pursuant to the terms of this Lease shall be in writing and shall be deemed to have been properly given if delivered by hand personally to the addressee (which shall include delivery by commercial courier service or recognized overnight delivery service such as Federal Express) or sent by registered or certified United States mail, postage prepaid, return receipt requested, and

(1) if directed to Landlord addressed to:

MIT 139 Main Street Fee Owner LLC
c/o MIT Cambridge Real Estate LLC
238 Main Street, Suite 200
Cambridge, MA 02142
Attn: President

with copies to:

MIT 139 Main Street Fee Owner LLC
c/o MIT Cambridge Real Estate LLC
238 Main Street, Suite 200
Cambridge, MA 02142
Attn: Director of Real Estate Legal Services

[redacted]

and by email to mitimcore@mitimco.mit.edu

(2) if directed to Tenant addressed to:

MIT 139 Main Street Leasehold LLC
c/o MIT Investment Management Company
238 Main Street, Suite 200
Cambridge, MA 02142
Attn: Steven C. Marsh

with copies to:

MIT 139 Main Street Fee Owner LLC
c/o MIT Cambridge Real Estate LLC
238 Main Street, Suite 200
Cambridge, MA 02142

Attn: Director of Real Estate Legal Services

and by email to mitimcore@mitimco.mit.edu
or to such other address as may from time to time be specified in writing by any party hereto. All notices delivered in accordance with the terms hereof shall be deemed to have been given upon receipt or refusal of delivery, whichever first occurs. Unless otherwise specified in writing, each party shall direct all sums payable to another party to said party's address for notice purposes. Notice sent to an address specified by a party in writing as its notice address shall be effective even if delivery cannot be made.

ARTICLE XVIII.
ABANDONMENT

18.1 Abandonment during Last 20 Years. If, during the last twenty (20) years of the Term, Tenant shall abandon the Premises

ARTICLE XIX.
LANDLORD'S RIGHT TO PURCHASE TENANT'S LEASEHOLD

19.1 Purchase Option.

(a) Landlord shall have the right, upon at least six (6) months' written notice to Tenant ("**Landlord's Purchase Notice**"), to purchase (or to designate an affiliate to purchase) all of Tenant's right, title and interest under this Lease ("**Tenant's Interest**") for a purchase price equal to the greater of herein referred to as the "**Purchase Price**").

(b) Landlord shall have the right, prior to delivering a Landlord's Purchase Notice, to request from time to time Tenant's good faith determination (as of one or more dates specified in

such request) of (i) the Loan Payoff, and (ii) Tenant's Basis. Tenant shall provide reasonably detailed evidence of such determinations to Landlord in writing within forty-five (45) days after request therefor.

(c) Landlord's Purchase Notice shall include (i) the date (the "**Acquisition Date**") on which Landlord's acquisition of Tenant's Interest shall close, which date shall be no less than six (6) months after the date of Landlord's Purchase Notice, and (ii) Landlord's good faith determination of the FMV. Notwithstanding anything to the contrary contained herein, the Acquisition Date shall not occur prior to the date on which any Leasehold Mortgage then in effect may be prepaid or defeased in full (as set forth in the applicable notice(s) delivered to Landlord in accordance with Section 6.1 above).

(d) Within forty-five (45) days after Tenant's receipt of Landlord's Purchase Notice, Tenant shall deliver to Landlord a written notice ("**Tenant's Valuation Notice**") in which shall be included (i) Tenant's good faith determination of the Loan Payoff as of the Acquisition Date, which determination shall be consistent with any determination provided by Tenant pursuant to subsection (b) above within the previous twelve (12) months, (ii) Tenant's good faith determination of Tenant's Basis as of the Acquisition Date, which determination shall be consistent with any determination provided by Tenant pursuant to subsection (b) above within the previous twelve (12) months, it being understood and agreed that Tenant's determination of Tenant's Basis shall be supported by a certification executed by Tenant's certified public accountant as to the calculation thereof, (iii) Tenant's acknowledgement that Tenant agrees with Landlord's determination of the FMV or, if Tenant does not agree with such determination by Landlord, reasonably detailed evidence of Tenant's good faith determination of the FMV, and (iv) Tenant's determination of the Purchase Price in accordance with subsection (a) above. Upon Landlord's request, Tenant shall provide Landlord with all documents and other evidence supporting Tenant's good faith determinations of the Loan Payoff and Tenant's Basis, including, without limitation, a payoff notice or letter from all applicable Leasehold Mortgagees and the certification from Tenant's certified public accountant as to the calculation of Tenant's Basis.

(e) Within thirty (30) days after Landlord's receipt of Tenant's Valuation Notice, Landlord shall have the right, by written notice to Tenant, to rescind the applicable Landlord's Purchase Notice, in which event this Lease shall continue in full force and effect.

(f) If the Purchase Price will be equal to the FMV and Landlord and Tenant are unable to agree on the FMV within thirty (30) days after the date of Tenant's Valuation Notice, then unless Landlord has timely rescinded the applicable Landlord's Purchase Notice, either party may submit the matter to arbitration by giving notice (a "**Dispute Notice**") to the other party. Within ten (10) days after delivery of a Dispute Notice, Tenant and Landlord shall each notify the other, in writing, of their respective selections of an appraiser (respectively, "**Landlord's Appraiser**" and "**Tenant's Appraiser**"). If Landlord's Appraiser and Tenant's Appraiser are able to reach agreement, then such agreement shall be binding on both Landlord and Tenant. If Landlord's Appraiser and Tenant's Appraiser are unable to reach agreement within forty (40) days after the Dispute Notice, Landlord's Appraiser and Tenant's Appraiser shall jointly select a third appraiser (the "**Third Appraiser**"). All of the appraisers selected shall be individuals with at least ten (10) consecutive years' commercial appraisal experience in the area in which the Premises are located, shall be members of the Appraisal Institute (M.A.I.), and, in the case of the Third Appraiser, shall not have acted in any capacity for either Landlord or Tenant within five (5) years of his or her selection. The three appraisers shall determine the FMV in accordance with the requirements and criteria set forth in subsection (a) above, employing the method commonly known as Baseball Arbitration, whereby Landlord's Appraiser and Tenant's Appraiser each sets forth reasonably detailed evidence

supporting its determination of the FMV, and the Third Appraiser must select one or the other (it being understood that the Third Appraiser shall be expressly prohibited from selecting a compromise figure). Landlord's Appraiser and Tenant's Appraiser shall deliver their determinations of the FMV to the Third Appraiser within fifteen (15) days of the appointment of the Third Appraiser and the Third Appraiser shall render his or her decision within thirty (30) days after receipt of both of the other two determinations. The Third Appraiser's decision shall be binding on both Landlord and Tenant. Each party shall bear the cost of its own appraiser and the cost of the Third Appraiser shall be borne by the party whose determination is not selected. Within thirty (30) days after determination of the FMV in accordance with this Section 19.1(f), Landlord shall have the right, by written notice to Tenant, to rescind the applicable Landlord's Purchase Notice, in which event this Lease shall continue in full force and effect and Landlord shall reimburse Tenant for all of Tenant's reasonable out of pocket costs and expenses incurred in connection with the appraisal process described in this subsection (f).

(g) Between the date on which Tenant receives Landlord's Purchase Notice and the Acquisition Date, unless Landlord rescinds the applicable Landlord's Purchase Notice in accordance with the terms of this Section 19.1, Tenant shall not (i) refinance any Leasehold Mortgage then in effect unless (A) the term thereof shall expire during such period, or (B) Tenant shall have entered into a binding agreement to do so prior to receipt of Landlord's Purchase Notice; nor (ii) make any capital repairs or replacements to the Premises which would result in an increase to the Purchase Price unless (A) required to be made prior to the Acquisition Date by Space Leases then in effect or by Legal Requirements, or (B) reasonably necessary to maintain safety and avoid injury or damage to persons or property. Tenant shall provide Landlord with prior written notice of any such refinancing and/or capital repairs or replacements made pursuant to this subsection (g) (except with respect to capital repairs and replacements made in an emergency, in which event notice shall be given promptly after the making of such capital repairs or replacements).

(h) At least sixty (60) days and no more than ninety (90) days prior to the Acquisition Date, Tenant shall provide Landlord with a written list of all service contracts in effect with respect to the Premises, which list shall be accompanied by copies of all such service contracts. At least thirty (30) days prior to the Acquisition Date, Landlord shall notify Tenant whether Landlord elects to assume any of such contracts, to the extent assignable.

19.2 Termination Fee. If Landlord elects to purchase Tenant's Interest pursuant to Section 19.1, it being understood that Tenant's actual damages may be difficult to ascertain.

19.3 Closing.

(a) On the Acquisition Date, Landlord shall:

(i) execute and deliver to Tenant (A) either (1) a notice of termination of this Lease in recordable form and otherwise reasonably acceptable to Landlord and Tenant (the "**Notice of Termination**") (it being acknowledged and agreed that Landlord shall have the right to record and/or file with the Middlesex South Registry of Deeds and/or the Middlesex South Registry District of the Land Court, as appropriate, a fully executed original of the Notice of Termination), if Landlord elects not to keep this Lease in full force and effect after the Acquisition Date, or (2) an assignment and assumption of leases with respect to all Space Leases, in form reasonably approved by the parties hereto (the "**Lease Assignment**"), if Landlord elects to keep this Lease in full force and effect after the Acquisition Date, (B) an assignment and assumption agreement in

form and substance reasonably approved by the parties hereto with respect to any service contracts Landlord elects to assume, to the extent assignable (the "**Contract Assignment**"), if any, (C) a settlement statement setting forth the Purchase Price, the [redacted] any security deposit(s) paid under any Space Leases (hereinafter defined) and appropriate adjustments for the income and expenses of the Premises (including, without limitation, Taxes and rents paid pursuant to Space Leases) and other items customarily apportioned on the date of a real estate acquisition in the Commonwealth of Massachusetts and otherwise in form and substance reasonably approved by the parties hereto (the "**Settlement Statement**"), (D) Landlord's Statement (hereinafter defined), (E) an Assignment and Assumption of Intangibles in form reasonably acceptable to Landlord and Tenant (the "**Assignment**") with respect to Tenant's right, title and interest, if any, in, to and under (1) all occupancy certificates or permits or their local equivalent issued in the name of Tenant relating to, or used by Tenant in connection with the operation and maintenance of, the Premises, (2) all plans and specifications and governmental approvals that exist as of the Acquisition Date and relate exclusively to the operation and maintenance of the Premises, and (3) all warranties and guaranties relating to the Premises, to the extent the same are assignable and in force and effect (the "**Warranties**"), and (F) such other documents and instruments as may reasonably be required to consummate the transaction contemplated hereby and otherwise to effect the agreements of the parties hereto, provided in all events the same are consistent with this Section 19 and are customarily provided by purchasers of property interests similar to Tenant's Interest and located in the county in which the Premises are located (all of the foregoing documents, "**Landlord's Closing Documents**"); and

(ii) pay to Tenant the amount reflected on the Settlement Statement as being due from Landlord.

(b) On the Acquisition Date, Tenant shall:

(i) execute and deliver to Landlord (A) the Notice of Termination or Lease Assignment, as applicable, (B) the Contract Assignment, if applicable, (C) Settlement Statement, (D) the Assignment, (E) an affidavit, duly executed by Tenant, to the effect that Tenant is a citizen or resident of the United States and specifying its taxpayer identification number, (F) such affidavits as Landlord's title company may require in order to issue, without extra charge, policies of title insurance free of any exceptions for unfiled mechanic's or materialmen's liens or parties in possession, and such reasonable affidavits for so-called "gap" coverage, (G) such other documents and instruments as may reasonably be required to consummate the transaction contemplated hereby and otherwise to effect the agreements of the parties hereto, provided in all events the same are consistent with this Section 19 and are customarily provided by sellers of property interests similar to Tenant's Interest and located in the county in which the Premises are located, (H) the bill of sale contemplated by Section 5.6, and (I) Tenant's Statement (hereinafter defined) (all of the foregoing are collectively referred to as "**Tenant's Closing Documents**");

(ii) deliver to Landlord (A) reasonable evidence of the termination of all property and asset management agreements, brokerage agreements and service contracts not assumed by Landlord, (B) all keys for the Improvements, including without limitation keys for maintenance shops, storage rooms and maintenance equipment, with identification of the lock to which each such key relates, and (C) the Property Information (hereinafter defined); provided, however, the Property Information shall not be a closing delivery, but, instead, shall be left at the Premises for Landlord and, upon Closing, shall become the property of Landlord, provided that the purchaser has the right, at its expense, to retain copies of any or all of the Property Information; and

(iii) cause to be recorded and/or filed, as appropriate, releases, terminations and/or discharges of all (A) Leasehold Mortgages, and (B) all other covenants, restrictions, reservations, liens, conditions, easements and other encumbrances affecting the Premises other than (1) as may have been expressly consented to by Landlord in writing; or (2) which are of record as of the Commencement Date.

(c) For purposes hereof, the "**Property Information**" shall mean all leases, licenses and use agreements for space at the Premises ("**Space Leases**") then in effect, real estate tax bills for the previous three (3) fiscal years, all Warranties and all other documents, files, materials, data, drawings, plans and information relating to the operation, leasing, then-current maintenance and management of the Premises, including without limitation, property maintenance and operating contracts, engineering reports, inspection reports, environmental reports, building plans and building permits.

(d) For purposes hereof, the "**Landlord's Statement**" shall mean a certification by Landlord for the benefit of Tenant that the following representations are true as of the Acquisition Date (or identifying any of the following representations which are not true and correct and explaining the state of facts giving rise to the same; it being understood that the failure of any of the following representations to be true shall entitle Tenant to either (1) postpone the closing by one or more notices to Landlord for up to ninety (90) days in the aggregate, during which period Landlord shall use good faith diligent efforts to make such representation true, or (2) nullify Landlord's Purchase Notice, or (3) waive such failure and proceed to close on the sale of Tenant's Interest): (a) the execution, delivery and performance of Landlord's obligations under this Section 19 have been duly authorized by all necessary action on the part of Landlord and do not require the consent of any third party not already obtained and that the individual executing Landlord's Closing Documents on behalf of Landlord has the authority to bind Landlord to the terms of thereof; (b) all documents that are to be executed by Landlord on the Acquisition Date have been duly authorized by all necessary action on the part of Landlord; (c) all such documents are legal, valid and binding obligations of Landlord, enforceable in accordance with their terms except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, receivership, reorganization, fraudulent conveyance, moratorium, and other similar statutory or decisional laws, enacted or in effect at any time, pertaining to the relief of debtors or affecting the rights and remedies of creditors or secured parties generally, (ii) the application by courts of competent jurisdiction of policies or laws determined to have a paramount public interest; (iii) determinations as to specific provisions contained in such documents being unenforceable by reason of the same being contrary to generally applicable principles of public policy; (iv) the exercise of judicial or administrative discretion; or (v) general principles of equity; (d) Landlord is duly organized and in good standing under the laws of its state of organization and has the power and authority to enter into and perform its obligations under this Section 19 and Landlord's Closing Documents.; (e) neither the execution and delivery of Landlord's Closing Documents by Landlord nor the consummation of the transactions contemplated hereby conflict with, or constitute a violation or breach by Landlord of, any provision of Landlord's organizational documents or any contract or judicial or administrative order to which Landlord is a party or by which Landlord is bound; (f) Landlord has not filed any petition seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any law relating to bankruptcy or insolvency, nor has any such petition been filed against Landlord; and (g) Landlord is not insolvent and the consummation of the transactions contemplated by this Section 19 shall not render Landlord insolvent.

(e) For purposes hereof, the "**Tenant's Statement**" shall mean a certification by Tenant for the benefit of Landlord that the following representations are true as of the Acquisition

Date (or identifying any of the following representations which is not true and correct and explaining the state of facts giving rise to the same; it being understood that the failure of any of the following representations to be true shall entitle Landlord to either (1) postpone the closing by one or more notices to Tenant for up to ninety (90) days in the aggregate, during which period Tenant shall use good faith diligent efforts to make such representation true, or (2) rescind Landlord's Purchase Notice, or (3) waive such failure and proceed to close on the acquisition of Tenant's Interest): (a) the execution, delivery and performance of Tenant's obligations under this Section 19 have been duly authorized by all necessary action on the part of Tenant and do not require the consent of any third party not already obtained and that the individual executing Tenant's Closing Documents on behalf of Tenant has the authority to bind Tenant to the terms of thereof; (b) all documents that are to be executed by Tenant on the Acquisition Date have been duly authorized by all necessary action on the part of Tenant; (c) all such documents are legal, valid and binding obligations of Tenant, enforceable in accordance with their terms except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, receivership, reorganization, fraudulent conveyance, moratorium, and other similar statutory or decisional laws, enacted or in effect at any time, pertaining to the relief of debtors or affecting the rights and remedies of creditors or secured parties generally, (ii) the application by courts of competent jurisdiction of policies or laws determined to have a paramount public interest; (iii) determinations as to specific provisions contained in such documents being unenforceable by reason of the same being contrary to generally applicable principles of public policy; (iv) the exercise of judicial or administrative discretion; or (v) general principles of equity; (d) Tenant is duly organized and in good standing under the laws of its state of organization and has the power and authority to enter into and perform its obligations under this Section 19 and Tenant's Closing Documents; (e) neither the execution and delivery of Tenant's Closing Documents by Tenant nor the consummation of the transactions contemplated hereby conflict with, or constitute a violation or breach by Tenant of, any provision of Tenant's organizational documents or any contract or judicial or administrative order to which Tenant is a party or by which Tenant is bound; (f) Tenant has not filed any petition seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any law relating to bankruptcy or insolvency, nor has any such petition been filed against Tenant; (g) Tenant is not insolvent and the consummation of the transactions contemplated by this Section 19 shall not render Tenant insolvent; (h) Tenant is in compliance with the requirements of Executive Order No. 133224, 66 Fed Reg. 49079 (September 25, 2001) (the "**Order**") and other similar requirements contained in the rules and regulations of the Office of Foreign Asset Control, Department of the Treasury ("**OFAC**") and in any enabling legislation or other Executive Orders in respect thereof (the Order and such other rules, regulations, legislation, or orders are collectively called the "**Orders**"); (i) Tenant (A) is not listed on the Specially Designated Nationals and Blocked Persons List maintained by OFAC pursuant to the Order and/or on any other list of terrorists or terrorist organizations maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable Orders (such lists are collectively referred to as the "**Lists**"), (B) has not been determined by competent authority to be subject to the prohibitions contained in the Orders, and (C) is not owned or controlled by, nor acts for or on behalf of, any person or entity on the Lists or any other person or entity who has been determined by competent authority to be subject to the prohibitions contained in the Orders; (j) Tenant has not received written notice of, and to Tenant's knowledge, there are not any, (A) actions, suits or proceedings (including arbitration proceedings) currently pending against Tenant, or relating to violations of law (including without limitation laws relating to the environmental condition of the Premises) not fully remedied, or (B) condemnation actions against the Premises or any portion thereof; (k) the only Space Leases affecting the Premises are as listed, and (1) the only property management agreements, asset management agreements, brokerage agreements and service contracts in effect on the Acquisition Date are as listed.

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IN WITNESS WHEREOF, the parties have caused this Lease to be executed as a sealed instrument by their respective duly authorized agents, as of the date and year first set forth above.

LANDLORD:

MIT 139 MAIN STREET FEE OWNER LLC

By: MIT Cambridge Real Estate LLC, its manager

By: /s/ Seth D. Alexander
Seth D. Alexander, President, and not individually
Hereunto Duly Authorized

TENANT:

MIT 139 MAIN STREET FEE LEASEHOLD LLC

By: MIT Cambridge Real Estate LLC, its manager

By: /s/ Seth D. Alexander
Seth D. Alexander, President, and not individually
Hereunto Duly Authorized

EXHIBIT A

LEGAL DESCRIPTION OF LAND

A certain parcel of land situated and now numbered 137 to 145 Main Street in Cambridge, Middlesex County, Massachusetts, being the premises shown as Lot A on a plan entitled “Plan of Premises in Cambridge, Massachusetts, W.A. Mason & Son Co., Surveyors, September 13, 1926, Changes October 30, 1926”, recorded in Plan Book 385, Plan 49, said premises being bounded and described according to said plan as follows:

SOUTHERLY	on the Northerly side of said Main Street, ninety (90) feet;
WESTERLY	on land now or formerly of W.R. Mason et al, one hundred four and 07/100 (104.07) feet;
NORTHERLY	by Lot B as shown on said plan, ninety and 01/100 (90.01) feet; and
EASTERLY	on land now or formerly of heirs of Mrs. Brooks, one hundred five and 66/100 (105.66) feet.

EXHIBIT B

BASE RENT SCHEDULE

EXHIBIT C

LIST OF ENVIRONMENTAL REPORTS

Exhibit 31.1

CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Edward M. Kaye, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Stoke Therapeutics, 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 10, 2021

/s/ Edward M. Kaye, M.D.
Edward M. Kaye, M.D.
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Stephen J. Tulipano, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Stoke Therapeutics, 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 10, 2021

/s/ Stephen J. Tulipano, CPA

Stephen J. Tulipano, CPA
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Exhibit 32.1

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

I, Edward M. Kaye, Chief Executive Officer of Stoke Therapeutics, Inc. (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. the Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended June 30, 2021 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

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

Dated: August 10, 2021

/s/ Edward M. Kaye, M.D.
Edward M. Kaye, M.D.
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

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

I, Stephen J. Tulipano, Chief Financial Officer of Stoke Therapeutics, Inc. (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. the Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended June 30, 2021 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

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

Dated: August 10, 2021

/s/ Stephen J. Tulipano, CPA
Stephen J. Tulipano, CPA
Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)