UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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, 2017

OR

☐ **TRANSITION REPORT UNDER SECTION 13 OF 15(d) OF THE EXCHANGE ACT OF 1934**

From the transition period from _____ to_____.

Commission File Number 000-55668

MUSTANG BIO, INC.

(Exact name of registrant as specified in its charter)

Delaware	**47-3828760**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**

2 Gansevoort Street, 9th Floor
New York, New York 10014
(Address of principal executive offices)

(781) 652-4500
(Issuer's telephone number)

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

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

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

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 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 ☒

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

Class of Common Stock	**Outstanding Shares as of August 14, 2017**
Class A Common Stock, $0.0001 par value	1,000,000
Common Stock, $0.0001 par value	25,221,889

MUSTANG BIO, INC.
QUARTERLY REPORT ON FORM 10-Q
TABLE OF CONTENTS

MUSTANG BIO, INC.
CONDENSED BALANCE SHEETS
($ in thousands, except for share and per share amounts)

	June 30, 2017 (Unaudited)	December 31, 2016
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 53,790	$ 27,499
Short-term investments (certificates of deposit) - held to maturity	20,038	-
Prepaid expenses	8	-
Total current assets	73,836	27,499
Total Assets	**$ 73,836**	**$ 27,499**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable and accrued expenses	$ 4,478	$ 683
Contingently issuable liabilities	-	1,682
Accrued expenses - related party	138	125
Accrued interest - related party	-	413
Notes payable - related party	146	320
Total current liabilities	4,762	3,223
Total Liabilities	**4,762**	**3,223**
Commitments and Contingencies		
Stockholders' Equity		
Preferred stock ($0.0001 par value), 2,000,000 shares authorized, 250,000 shares of Class A preferred stock issued and outstanding as of June 30, 2017 and December 31, 2016, respectively	-	-
Common Stock ($0.0001 par value), 50,000,000 shares authorized		
Class A common shares, 1,000,000 shares issued and outstanding as of June 30, 2017 and December 31, 2016, respectively	-	-
Common shares, 25,221,889 and 15,165,244 shares issued and outstanding as of June 30, 2017 and December 31, 2016, respectively	3	2
Common stock issuable, 0 and 767,264 shares as of June 30, 2017 and December 31, 2016, respectively	-	4,396
Additional paid-in capital	94,938	36,998
Accumulated deficit	(25,867)	(17,120)
Total Stockholders' Equity	**69,074**	**24,276**
Total Liabilities and Stockholders' Equity	**$ 73,836**	**$ 27,499**

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

MUSTANG BIO, INC.
CONDENSED STATEMENTS OF OPERATIONS
($ in thousands, except for share and per share amounts)
(UNAUDITED)

	For the three months ended June 30,		For the six months ended June 30,	
	2017	**2016**	**2017**	**2016**
Operating expenses:				
Research and development	$ 2,494	$ 582	$ 3,200	$ 1,149
Research and development – licenses acquired	1,500	-	2,075	-
General and administrative	1,671	458	3,696	713
Total operating expenses	5,665	1,040	8,971	1,862
Loss from operations	5,665	1,040	8,971	1,862
Other income (expense)				
Interest income	134	-	224	-
Interest income (expense) - related party	2	(93)	-	(174)
Total other income (expense)	136	(93)	224	(174)
Net Loss	**$ (5,529)**	**$ (1,133)**	**$ (8,747)**	**$ (2,036)**
Net loss per common share outstanding, basic and diluted	$ (0.21)	$ (0.11)	$ (0.36)	$ (0.20)
Weighted average number of common shares outstanding, basic and diluted	26,180,351	10,250,000	24,301,115	10,151,099

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

MUSTANG BIO, INC.
CONDENSED STATEMENT OF STOCKHOLDERS' EQUITY
($ in thousands)
(UNAUDITED)

	Class A Preferred Stock		Class A Common Shares		Common Shares		Common Stock	Additional Paid-in	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Shares	Amount	Issuable	Capital	Deficit	Equity
Balances at December 31, 2016	**250,000**	**$ -**	**1,000,000**	**$ -**	**15,165,244**	**$ 2**	**$ 4,396**	**$ 36,998**	**$ (17,120)**	**$ 24,276**
Issuance of common shares - Founders Agreement	-	-	-	-	982,283	-	(4,396)	5,628	-	1,232
Issuance of common shares for license expenses	-	-	-	-	293,588	-	-	1,682	-	1,682
Issuance of common shares and warrants for cash	-	-	-	-	8,600,774	1	-	55,904	-	55,905
Offering cost	-	-	-	-	-	-	-	(5,671)	-	(5,671)
Stock-based compensation expenses	-	-	-	-	180,000	-	-	397	-	397
Net loss	-	-	-	-	-	-	-	-	(8,747)	(8,747)
Balances at June 30, 2017	**250,000**	**$ -**	**1,000,000**	**$ -**	**25,221,889**	**$ 3**	**$ -**	**$ 94,938**	**$ (25,867)**	**$ 69,074**

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

MUSTANG BIO, INC.
CONDENSED STATEMENTS OF CASH FLOWS
($ in thousands)
(UNAUDITED)

	For the six months ended June 30,	
	2017	**2016**
Cash flows from operating activities:		
Net loss	$ (8,747)	$ (2,036)
Research and development-licenses acquired, expensed	2,075	-
Issuance of common shares - Founders Agreement	1,232	-
Stock-based compensation expenses	397	-
Adjustments to reconcile net loss to net cash used in operating activities:		
Changes in operating assets and liabilities:		
Prepaid expenses	(8)	-
Accounts payable and accrued expenses	2,295	311
Accrued expenses - related party	13	250
Accrued interest - related party	(413)	174
Notes payable - related party	146	-
Net cash used in operating activities	(3,010)	(1,301)
Cash Flows from Investing Activities:		
Purchase of short-term investment (certificates of deposit)	(20,038)	-
Purchase of research and development licenses	(575)	-
Net cash used in investing activities	(20,613)	-
Cash Flows from Financing Activities:		
Payment of Fortress Note	(320)	-
Proceeds from Fortress Note		1,301
Proceeds from issuance of common stock and warrants, net of offering cost of $5,671 and $0, respectively	50,234	-
Net cash provided by financing activities	49,914	1,301
Net increase in cash and cash equivalents	26,291	-
Cash and cash equivalents, beginning of the period	27,499	-
Cash and cash equivalents, end of the period	**$ 53,790**	**$ -**
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 413	$ -
Supplemental disclosure of noncash investing and financing activities:		
Issuance of common shares - Founders Agreement	$ 4,396	$ 190
Common shares issuable for license acquired	$ 1,682	$ -

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

Note 1 - Organization, Description of Business and Liquidity and Capital Resources

Mustang Bio, Inc. (the "Company" or "Mustang") was incorporated in Delaware on March 13, 2015 and commenced its principal operations on March 13, 2015. Mustang was formed as a clinical-stage biopharmaceutical company focused on the acquisition, development and commercialization of novel cancer immunotherapy products designed to utilize the power of the patient's own immune system to eliminate cancer cells. The Company may acquire rights to these technologies by licensing the rights or otherwise acquiring an ownership interest in the technologies, funding their research and development and eventually either out-licensing or bringing the technologies to market.

The Company is a majority controlled subsidiary of Fortress Biotech, Inc. ("Fortress" or "Parent").

The Company has incurred substantial operating losses since its inception, and expects to continue to incur significant operating losses for the foreseeable future and may never become profitable. As of June 30, 2017, the Company had an accumulated deficit of $25.9 million.

The Company expects to continue to use the proceeds from previous financing transactions primarily for general corporate purposes, which may include financing the Company's growth, developing new or existing product candidates, and funding capital expenditures, acquisitions and investments. The Company currently anticipates that its cash and cash equivalents balances and short-term investments held to maturity at June 30, 2017, are sufficient to fund its anticipated operating cash requirements for approximately the next 12 to 15 months.

Note 2 - Significant Accounting Policies

Basis of Presentation

The accompanying unaudited interim condensed financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("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 of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, the unaudited interim condensed financial statements reflect all adjustments, which include only normal recurring adjustments necessary for the fair statement of the balances and results for the periods presented. Certain information and footnote disclosures normally included in the Company's annual financial statements prepared in accordance with GAAP have been condensed or omitted. These condensed financial statement results are not necessarily indicative of results to be expected for the full fiscal year or any future period.

Therefore, these condensed financial statements should be read in conjunction with the Company's audited financial statements and notes thereto for the year ended December 31, 2016, which were included in the Company's Form 10-K filed with the U.S. Securities and Exchange Commission ("SEC") on March 31, 2017. The results of operations for any interim periods are not necessarily indicative of the results that may be expected for the entire fiscal year or any other interim period.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual results could differ from those estimates.

Significant Accounting Policies

There have been no material changes to the Company's significant accounting policies previously disclosed in the Company's Form 10-K filed with the SEC on March 31, 2017, with the exception of the policies listed below.

Short-term Investments – Held to Maturity

The company classifies its certificates of deposit as held to maturity in accordance with Financial Accounting Standards Board ("FASB"), Accounting Standard Codification ("ASC") 320, *Investments – Debt and Equity Securities.* The Company considers all short-term investments with an original maturity in excess of three months when purchased to be short-term investments. In April 2017, the Company purchased $20.0 million of certificates of deposit with an original maturity of six months. At June 30, 2017, the Company had approximately $20.0 million in certificates of deposit with no more than $250,000 at any individual institution. The Company reassesses the appropriateness of the classification of its investments at the end of each reporting period. The Company has determined that its certificates of deposits should be classified as held-to-maturity as of June 30, 2017. There were no investments as of December 31, 2016. This classification was based upon management's determination that it has the positive intent and ability to hold the securities until their maturity dates, as its investments mature within 1 year and the underlying cash invested in these securities is not required for current operations.

Investments consist of short-term Federal Deposit Insured Corporation ("FDIC") insured certificates of deposit carried at amortized cost using the effective interest method. The cost of the Company's certificates of deposit approximated fair value.

Recently Adopted Accounting Pronouncements

In March 2016, the FASB issued ASU 2016-09 *Compensation-Stock Compensation (Topic 718), Improvements to Employee Share-Based Payment Accounting* ("ASU 2016-09"). Under ASU 2016-09, companies will no longer record excess tax benefits and certain tax deficiencies in additional paid-in capital ("APIC"). Instead, they will record all excess tax benefits and tax deficiencies as income tax expense or benefit in the income statement and the APIC pools will be eliminated. In addition, ASU 2016-09 eliminates the requirement that excess tax benefits be realized before companies can recognize them. ASU 2016-09 also requires companies to present excess tax benefits as an operating activity on the statement of cash flows rather than as a financing activity. Furthermore, ASU 2016-09 will increase the amount an employer can withhold to cover income taxes on awards and still qualify for the exception to liability classification for shares used to satisfy the employer's statutory income tax withholding obligation. An employer with a statutory income tax withholding obligation will now be allowed to withhold shares with a fair value up to the amount of taxes owed using the maximum statutory tax rate in the employee's applicable jurisdiction(s). ASU 2016-09 requires a company to classify the cash paid to a tax authority when shares are withheld to satisfy its statutory income tax withholding obligation as a financing activity on the statement of cash flows. Under current GAAP, it was not specified how these cash flows should be classified. In addition, companies will now have to elect whether to account for forfeitures on share-based payments by (1) recognizing forfeitures of awards as they occur or (2) estimating the number of awards expected to be forfeited and adjusting the estimate when it is likely to change, as is currently required. The Amendments of this ASU are effective for reporting periods beginning after December 15, 2016, with early adoption permitted but all of the guidance must be adopted in the same period. The Company adopted ASU 2016-10 on January 1, 2017. The adoption did not have a material impact on the Company's condensed financial statements and related disclosures.

In January 2017, the FASB issued an ASU 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business.* The amendments in this update clarify the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The definition of a business affects many areas of accounting including acquisitions, disposals, goodwill, and consolidation. The guidance is effective for fiscal periods beginning after December 15, 2017, including interim periods within those periods. The Company adopted ASU 2017-01 on January 1, 2017. The adoption did not have a material impact on the Company's condensed consolidated financial statements and related disclosures.

Recently Issued Accounting Standards

In August 2016, the FASB issued Accounting Standards Update ("ASU") 2016-15, *Statement of Cash Flows - Classification of Certain Cash Receipts and Cash Payments*, which addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The standard is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. Early adoption is permitted, including adoption in an interim period. The Company is currently in the process of evaluating the impact of this new pronouncement on its condensed statements of cash flows and related disclosures.

In May 2017, the FASB issued ASU 2017-09, *Compensation—Stock Compensation (Topic 718): Scope of Modification Accounting*, which clarifies when to account for a change to the terms or conditions of a share-based payment award as a modification. Under the new guidance, modification accounting is required only if the fair value, the vesting conditions, or the classification of the award (as equity or liability) changes as a result of the change in terms or conditions. It is effective prospectively for the annual period ending December 31, 2018 and interim periods within that annual period. Early adoption is permitted. The Company is currently evaluating the impact of adopting this standard on the condensed financial statements and disclosures, but do not expect it to have a significant impact.

Note 3 - License Agreements and Clinical Research Support Agreements

City of Hope

In February, 2017, the Company and City of Hope National Medical Center ("City of Hope" or "COH") amended and restated their license agreement, dated March 17, 2015 (the "Original Agreement"), in connection with the covered patents by entering into three separate amended and restated exclusive license agreements, one relating to CD123, one relating to IL-13 and one relating to the Spacer technology, that amended the Original Agreement in certain other respects, and collectively replace the Original Agreement in its entirety. The total potential consideration payable to COH by the Company, in equity or cash, did not, in the aggregate, change materially from the Original Agreement. As of June 30, 2017, COH owns 1,000,000 Class A common shares and 293,588 common shares representing approximately 5.0% of ownership, at June 30, 2017 and has the right to appoint a director to the Board of Directors (the "Board").

In addition, the Company entered into a sponsored research agreement with COH in which the Company will fund continued research in the amount of $2.0 million per year, payable in four equal installments, over the next five years. The research covered under this arrangement is for IL-13, CD123 and the Spacer technology. For the three months ended June 30, 2017 and 2016, the Company recorded $500,000 and $500,000, respectively, in research and development expenses on the condensed statement of operations in connection with this agreement. For the six months ended June 30, 2017 and 2016, the Company recorded $1.0 million and $1.0 million, respectively, on research and development expenses in the condensed statement of operations in connection with this agreement.

In December 2016, the Company entered into two consulting agreements, one with two COH scientists, whereby effective January 1, 2017, in exchange for services provided to the Company each consultant shall be paid $60,000 per year, paid quarterly, through January 31, 2019. Further, each consultant has agreed to serve on our Scientific Advisory Board on an as needed basis, and will receive additional compensation for those services. In addition, for services provided during the fourth quarter of 2016, pursuant to the terms of the agreement each consultant earned $60,000, which was paid in the first quarter of 2017.

CD123 License

In February 2017, the Company entered into an Amended and Restated Exclusive License Agreement with COH to acquire intellectual property rights pertaining to CD123 patent rights (the "CD123 License"). Pursuant to the CD123 License, the Company and COH acknowledge that an upfront fee has already been paid under the Original Agreement. In addition, COH is eligible to receive an annual maintenance fee of $25,000 and milestone payments totaling approximately $14.5 million upon and subject to the achievement of certain milestones. Royalty payments in the mid-single digits are due on net sales of licensed products. The Company is obligated to pay COH a percentage of certain revenues received in connection with a sublicense in the mid-teens to mid-thirties, depending on the timing of the sublicense in the development of any product. In addition, equity grants made under the Original Agreement were acknowledged, and the anti-dilution provisions of the Original Agreement were carried forward.

CD123 CRA

In February 2017, the Company entered into a Clinical Research Support Agreement for CD123 ("the CD123 CRA"). Pursuant to the terms of the CD123 CRA the Company made an upfront payment of $19,450 and will contribute an additional $97,490 per patient in connection with the on-going investigator initiated study. Further, the Company agreed to fund approximately $231,300 over three years pertaining to the clinical development of CD123. For the three months and six ended June 30, 2017 and 2016, the Company recorded $575,000 and nil, respectively, in research and development expenses under the CD123 CRA on the condensed statement of operations.

IL-13 License

In February 2017, the Company entered into an Amended and Restated Exclusive License Agreement with COH to acquire intellectual property rights pertaining to IL-13 patent rights (the "IL-13 License"). Pursuant to the IL-13 License, the Company and COH acknowledge that an upfront fee has already been paid under the Original Agreement. In addition, COH is eligible to receive an annual maintenance fee of $25,000 and milestone payments totaling approximately $14.5 million upon and subject to the achievement of certain milestones. Royalty payments in the mid-single digits are due on net sales of licensed products. The Company is obligated to pay COH a percentage of certain revenues received in connection with a sublicense in the mid-teens to mid-thirties, depending on the timing of the sublicense in the development of any product. In addition, equity grants made under the Original Agreement were acknowledged, and the anti-dilution provisions of the Original Agreement were carried forward.

IL-13 CRA

In February 2017, the Company entered into a Clinical Research Support Agreement for IL-13 ("the IL-13 CRA"). Pursuant to the terms of the IL-13 CRA the Company made an upfront payment of $9,238 and will contribute an additional $136,300 related to patient costs in connection with the on-going investigator initiated study. Further, the Company agreed to fund approximately $199,500 over three years pertaining to the clinical development of IL-13. For the three and six months ended June 30, 2017 and 2016, the Company recorded $1.0 million and nil, respectively, in research and development expenses under the IL-13 CRA on the condensed statement of operations.

Spacer License

In February 2017, the Company entered into an Amended and Restated Exclusive License Agreement with COH to acquire intellectual property rights pertaining to Spacer patent rights (the "Spacer License"). Pursuant to the Spacer License, the Company and COH acknowledged that an upfront fee has already been paid under the Original Agreement. In addition, COH will receive an annual maintenance fee of $10,000. No royalties are due if the Spacer technology is used in conjunction with a CD123 CAR or an IL-13 CAR, and royalty payments in the low single digits are due on net sales of licensed products if the Spacer technology is used in conjunction with other intellectual property. The Company is obligated to pay COH a percentage of certain revenues received in connection with a sublicense in the mid-thirties. In addition, equity grants made under the Original Agreement were acknowledged, and the anti-dilution provisions of the Original Agreement were carried forward.

IV/ICV Agreement

In February 2017, the Company entered into an exclusive license agreement (the "IV/ICV Agreement") with COH to acquire intellectual property rights in patent applications related to the intraventricular and intracerebroventricular methods of delivering T cells that express CARs. Pursuant to the IV/ICV Agreement, in March 2017, the Company paid COH an upfront fee of $125,000. COH is eligible to receive a milestone payment totaling approximately $125,000, upon and subject to the achievement of a milestone, and an annual maintenance fee. Royalty payments in the low single digits are due on net sales of license products and license services.

HER2 Technology License

On May 31, 2017, the Company entered into an exclusive license agreement (the "HER2 Agreement) with the COH for the use of human epidermal growth factor receptor 2 (HER2) CAR T technology (HER2 Technology), which will initially be applied in the treatment of glioblastoma multiforme. Pursuant to the HER2 Agreement, the Company paid an upfront fee of $600,000 on July 3, 2017; in addition, an annual maintenance fee of $50,000 will commence in 2019. Additional payments are due for the achievement of ten development milestones totaling $14.9 million and royalty payments in the mid-single digits are due on net sales of licensed products.

CS1 Technology License

On May 31, 2017, the Company entered into an exclusive license agreement (the "CS1 Agreement) with the COH for the use of CS1-specific CAR T technology (CS1 Technology) to be directed against multiple myeloma. Pursuant to the CS1 Agreement, the Company paid an upfront fee of $600,000 on July 3, 2017; in addition, an annual maintenance fee of $50,000 will commence in 2019. Additional payments are due for the achievement of ten development milestones totaling $14.9 million and royalty payments in the mid-single digits are due on net sales of licensed products.

PSCA Technology License

On May 31, 2017, the Company entered into an exclusive license agreement (the "PSCA Agreement") with the COH for the use of prostate stem cell antigen (PSCA) CAR T technology (PSCA Technology) to be used in the treatment of prostate cancer. Pursuant to the PSCA Agreement, the Company paid an upfront fee of $300,000 on July 3, 2017; in addition, an annual maintenance fee of $50,000 will commence in 2019. Additional payments are due for the achievement of ten development milestones totaling $14.9 million and royalty payments in the mid-single digits are due on net sales of licensed products.

License with University of California

On March 17, 2017, the Company entered into an exclusive license agreement with the Regents of the University of California ("the UCLA License") to acquire intellectual property rights in patent applications related to the engineered anti-prostate stem cell antigen antibodies for cancer targeting and detection. Pursuant to the UCLA License, the Company paid UCLA the upfront fee of $200,000 on April 25, 2017, in addition to an annual maintenance fee of $15,000 for years 1 and 2, $25,000 for years 3 and 4, and thereafter at 50,000. Additional payments are due for the achievement of certain development milestones and royalty payments in the mid-single digits are due on net sales of licensed products.

For the three and six months ended June 30, 2017 and 2016, the Company recorded the following expense in research and development - licenses acquired:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
($ in thousands)	**2017**	**2016**	**2017**	**2016**
City of Hope				
IL-13	$ -	$ -	$ 250	$ -
IV/ICV	-	-	125	-
PSCA	300	-	300	-
HER2	600	-	600	-
CS1	600	-	600	-
UCLA	-	-	200	-
Total	$ 1,500	$ -	$ 2,075	$ -

Note 4 - Related Party Agreements

Founders Agreement and Management Services Agreement with Fortress

Effective March 13, 2015, the Company entered into a Founders Agreement with Fortress, which was amended and restated on May 17, 2016 and again on July 26, 2016 (the "Mustang Founders Agreement"). The Mustang Founders Agreement provides that, in exchange for the time and capital expended in the formation of Mustang and the identification of specific assets the acquisition of which result in the formation of a viable emerging growth life science company, Fortress loaned $2.0 million, representing the up-front fee required to acquire the Company's license agreement with COH. The Mustang Founders Agreement has a term of 15 years, which upon expiration automatically renews for successive one-year periods unless terminated by Fortress and the Company or a Change in Control (as defined in the Mustang Founders Agreement) occurs. Concurrently with the second amendment on July 26, 2016 to the Mustang Founders Agreement, Fortress entered into an Exchange Agreement whereby Fortress exchanged its 7.25 million Class B common shares for 7.0 million common shares and 250,000 Class A preferred shares. Class A Preferred Stock is identical to common shares other than as to voting rights, conversion rights and the PIK Dividend right (as described below). Each share of Class A Preferred Stock will be entitled to vote the number of votes that is equal to one and one-tenth (1.1) times a fraction, the numerator of which is the sum of (A) the shares of outstanding Mustang common stock and (B) the whole shares of Mustang common stock into which the shares of outstanding Class A common shares and Class A Preferred Stock are convertible and the denominator of which is the number of shares of outstanding Class A Preferred Stock. Thus, the Class A Preferred Stock will at all times constitute a voting majority. Each share of Class A Preferred Stock is convertible, at Fortress' option, into one fully paid and nonassessable share of Mustang common stock, subject to certain adjustments. As holders of Class A Preferred Stock, Fortress will receive on each March 13 (each a "PIK Dividend Payment Date") until the date all outstanding Class A Preferred Stock is converted into common stock or redeemed (and the purchase price is paid in full), pro rata per share dividends paid in additional fully paid and nonassessable shares of common stock ("PIK Dividends") such that the aggregate number of shares of common stock issued pursuant to such PIK Dividend is equal to two and one-half percent (2.5%) of Mustang's fully-diluted outstanding capitalization on the date that is one (1) business day prior to any PIK Dividend Payment Date.

As additional consideration under the Mustang Founders Agreement, Mustang will also: (i) pay an equity fee in shares of common stock, payable within five (5) business days of the closing of any equity or debt financing for Mustang or any of its respective subsidiaries that occurs after the effective date of the Mustang Founders Agreement and ending on the date when Fortress no longer has majority voting control in the Company's voting equity, equal to two and one-half (2.5%) of the gross amount of any such equity or debt financing; and (ii) pay a cash fee equal to four and one-half percent (4.5%) of the Company's annual net sales, payable on an annual basis, within ninety (90) days of the end of each calendar year. In the event of a Change in Control, the Company will pay a one-time change in control fee equal to five (5x) times the product of (A) net sales for the twelve (12) months immediately preceding the change in control and (B) four and one-half percent (4.5%).

On March 13, 2016, pursuant to the then in effect Mustang Founders Agreement, on the anniversary date of the Founders' Agreement, the Company issued 250,000 shares of its Class B common stock to Fortress representing 2.5% of the fully diluted outstanding shares of the Company. Pursuant to the terms of the Mustang Founders Agreement, as amended in July 2016, this equity fee is no longer payable.

Effective as of March 13, 2015, the Company entered into a Management Services Agreement (the "MSA") with Fortress. Pursuant to the terms of the MSA, for a period of five years, Fortress will render advisory and consulting services to the Company. Services provided under the MSA may include, without limitation, (i) advice and assistance concerning any and all aspects of the Company's operations, clinical trials, financial planning and strategic transactions and financings and (ii) conducting relations on behalf of the Company with accountants, attorneys, financial advisors and other professionals (collectively, the "Services"). The Company is obligated to utilize clinical research services, medical education, communication and marketing services and investor relations/public relation services of companies or individuals designated by Fortress, provided those services are offered at market prices. However, the Company is not obligated to take or act upon any advice rendered from Fortress and Fortress shall not be liable for any of its actions or inactions based upon their advice. Fortress and its affiliates, including the Company's Board of Directors, have been contractually exempt from fiduciary duties to the Company relating to corporate opportunities. In consideration for the Services, the Company will pay Fortress an annual consulting fee of $0.5 million (the "Annual Consulting Fee"), payable in advance in equal quarterly installments on the first business day of each calendar quarter in each year, provided, however, that such Annual Consulting Fee shall be increased to $1.0 million for each calendar year in which the Company has net assets in excess of $100 million at the beginning of the calendar year.

For the three months ended June 30, 2017 and 2016, the Company recorded approximately $125,000 and $125,000, respectively, as expense related to this agreement. For the six months ended June 30, 2017 and 2016, the Company recorded approximately $250,000 and $250,000, respectively, as expense related to this agreement. For the three and six months ended June 30, 2017 and 2016, respectively, expenses related to the MSA are recorded 50% in research and development expenses and 50% in general and administrative expenses on the condensed consolidated statement of operations.

Consulting Agreement with Chord Advisors, LLC ("Chord")

On April 8, 2016, the Company entered into a full-service consulting agreement with Chord to provide advisory accounting services to the Company. Under the terms of the agreement, the Company paid Chord up to $5,000 per month to perform back office accounting functions, accounting analysis and financial reporting prior to the Company's filing of its Registration Statement on Form 10 on July 27, 2016, and $7,500 per month following that date. Either party upon 30-days written notice can terminate the agreement. In addition to these services, Mr. Horin, a Managing Partner of Chord, serves as the Company's Interim Chief Financial Officer. Chord also provides advisory accounting services to Fortress under a separate agreement. For the three months ended June 30, 2017 and 2016, $22,500 and $12,000, respectively, of expense was recognized. For the six months ended June 30, 2017 and 2016, $45,000 and $13,000, respectively, of expense was recognized.

Fortress Note

The Company had a working capital promissory note with Fortress, which was paid in full in 2016. In 2017, in the normal course of business Fortress pays for certain expenses on behalf of the Company. Such expenses are recorded as Notes Payable – related party and are reimbursed to Fortress in the normal course of business.

National Securities Inc.

Fortress owns approximately 56.6% of National Holdings Corporation ("NHLD"). National Securities Inc. ("NSC") a subsidiary of NHLD acted as placement agent for the Company's third-party financings. For the six months ended June 30, 2017, the Company paid NSC placement agent fees of $5.6 million and issued to NSC 860,077 warrants to purchase the Company's common stock. No fees were incurred for the three and six months ended June 30, 2016.

Director Compensation

Dr. Rosenwald

Pursuant to the terms of the Director Compensation Plan, Dr. Rosenwald will receive a cash fee of $50,000 per year paid quarterly and an annual stock award of the greater of (i) a number of shares of common stock having a fair market value on the grant date of $50,000 or (ii) 10,000 shares of common stock, which shares shall vest and become non-forfeitable on the third anniversary of the grant date, subject to continued service on the Board on such date. For six months ended June 30, 2017, the Company recognized $12,552, in expense in its Condensed Statements of Operations related to the director compensation, including $52 in expense related to an annual equity incentive grant. No expense was recorded in 2016.

Mr. Weiss - Advisory Agreement with Caribe BioAdvisors, LLC

The Board of the Company by unanimous written consent approved and authorized the execution of an advisory agreement dated January 1, 2017 (the "Advisory Agreement"), with Caribe BioAdvisors, LLC (the "Advisor"), owned by Michael S. Weiss, the Chairman of the Board, to provide the board advisory services of Mr. Weiss as Chairman of the Board. Pursuant to the Advisory Agreement, the Advisor will be paid an annual cash fee of $60,000, in addition to any and all annual equity incentive grants paid to members of the Board. For three and six months ended June 30, 2017, the Company recognized $16,200 and $31,200, respectively, in expense in its Condensed Statements of Operations related to the advisory agreement, including $1,200 in expense related to an annual equity incentive grant. No expense was recorded in 2016

Stock Awards Made to Fortress Employees

In April 2017, the Company made an option award to two employees of Fortress (see Note 7).

Note 5 - Commitments and Contingencies

Litigation

On January 15, 2016, Dr. Winson Tang ("Plaintiff") filed a Complaint against the Company in the Superior Court of the State of California, County of Los Angeles: Winson Tang v. Lindsay Rosenwald et al, Case No. BC607346. As amended, the complaint alleges that Dr. Tang was a third-party beneficiary of the Company's Exclusive License Agreement with COH and should be declared the owner of 15.0% of the Company's outstanding shares. After the Company and other defendants demurred, the Court sustained the demurrer and dismissed all claims without prejudice on September 13, 2016. Dr. Tang filed his second amended complaint on October 11, 2016, and the court again sustained the demurrer without prejudice, except for a claim for declaratory relief against the Company. Subsequently, Dr. Tang agreed to narrow his claims and drop certain defendants from the case. Dr. Tang filed his third amended complaint on January 17, 2017, alleging one claim for declaratory relief against the Company and two claims for breach of contract against certain other Defendants. Defendants filed their answer on February 23, 2017, denying Dr. Tang has any rights to recovery. The parties are proceeding with discovery, and the case is set for trial on November 6, 2017.

As of June 30, 2017, the Company has not accrued any losses in connection with this litigation as the Company believes that Plaintiff's claims are without merit and intends to vigorously defend this lawsuit. Even in the event of an adverse determination, Fortress and the Company intend to satisfy any judgment from sources other than newly issued shares of the Company to prevent dilution.

Note 6 - Net Loss per Share

Net loss per share is computed by dividing net loss by the weighted average number of common shares outstanding during the period. Since dividends are declared, paid and set aside among the holders of shares of common stock and Class A common shares pro-rata on an as-if-converted basis, the two-class method of computing net loss per share is not required. Diluted net loss per share does not reflect the effect of shares of common stock to be issued upon the exercise of warrants or outstanding Class A preferred shares, as their inclusion would be anti-dilutive. The table below summarizes potentially dilutive securities that were not considered in the computation of diluted net loss per share because they would be anti-dilutive. Since there were no options or warrants outstanding as well as the conversion of rights as of June 30, 2016, the diluted loss per share equaled the basic loss per share during the period.

Potentially dilutive securities

	For the six months ended June 30	
	2017	**2016**
Warrants (Note 7)	5,253,934	-
Options (Note 7)	1,241,675	-
Class A Preferred Shares (Note 7)	250,000	-
Unvested restricted stock awards (Note 7)	180,000	-
Unvested restricted stock units (Note 7)	110,000	-
Total	7,035,609	-

Note 7 - Stockholders' Equity

Common Stock

The Company is authorized to issue 50,000,000 common shares with a par value of $0.0001 per share, of which 1,000,000 shares are designated as "Class A common shares" and 2,000,000 of Preferred Stock at $0.0001 par value and 250,000 of which are designated as Class A Preferred Stock.

Pursuant to the Founders Agreement, on March 13, 2016 the Company issued 250,000 shares of Class B common stock to Fortress, which equaled 2.5% of the fully diluted outstanding equity of Mustang at the time of issuance for the annual equity fee. In accordance with the amended and restated certificate of incorporation filed on July 27, 2016, the Company issued 250,000 shares of Class A Preferred Stock, 7.0 million common shares and cancelled 7.2 million Class B common shares. This exchange was recorded as an equity transaction and therefore no gain or loss was recorded (see Note 4).

In February 2017, COH was granted 293,588 additional shares of the Company's common stock; the shares were valued utilizing a weighted market model at approximately $5.73 per share or approximately $1.7 million. In February 2017, COH executed a waiver and acknowledgement agreement permitting issuance of the COH Anti-Dilution Shares in the form of Mustang common stock rather than Class A common shares as originally required, and such shares were issued. Therefore, in February 2017, the Company reclassed $1.7 million of common shares issuable liability to additional paid-in capital and issued 293,588 common shares to COH. As of June 30, 2017, COH owns 1,000,000 Class A common shares and 293,588 common shares.

On March 13, 2017, the Company issued to Fortress 767,264 shares of common stock at $5.73 per share representing the stock dividend payable in connection with Fortress' ownership of Class A Preferred Stock. Pursuant to this issuance, the Company recorded a $4.4 million decrease in common shares issuable and a corresponding increase in additional paid in capital to account for the issuance of the PIK Dividend (see Note 4).

The holders of common stock are entitled to one vote per share of common stock held.

Class A Common Stock

The holders of Class A common shares are entitled to the number of votes equal to the number of whole shares of common stock into which the shares of Class A common shares held by such holder are convertible and for a period of ten years from its issuance, the holders of the Class A common shares have the right to appoint one member of the board of directors of Mustang; to date, the holders of Class A common shares have not yet appointed such director.

On March 17, 2015, the Company entered into the Original Agreement with COH to acquire intellectual property rights pertaining to CAR-T. Pursuant to the Original Agreement, the Company paid COH an upfront fee of $2.0 million, in April 2015 (included in *research and development-licenses acquired expenses* on the Statements of Operations), and granted 1,000,000 shares of Mustang's Class A common shares, representing 10% ownership of Mustang, as of such date.

Offerings and Issuances of Common Stock and Warrants

In September 2016, the Company entered into a Placement Agent Agreement with NSC relating to the Company's offering of shares of common stock in a private placement. Pursuant to the Placement Agent Agreement, the Company agreed to pay NSC a cash fee of 10.0% of the gross proceeds from the offering and granted a warrant exercisable for shares of common stock equal to 10.0% of the aggregate number of shares of common stock sold in the offering (the "Placement Agent Warrants"). In addition, the Company and the investors entered into a unit purchase agreement (the "Unit Purchase Agreement"). The common stock and Warrants were sold in units, with each unit consisting of 10,000 shares of the Company's common stock, and Warrants exercisable for 2,500 shares of common stock at an exercise price of $8.50 per share. The purchase price was $65,000 per unit. The warrants have a five-year term and are only exercisable for cash.

On January 31, 2017, the Company closed the sixth round of financing totaling gross proceeds of $55.5 million, before expenses, in a private placement of shares and warrants for which NSC was the placement agent and received a fee of $5.5 million or approximately 10% of the gross proceeds. The Company issued 8,536,774 unregistered shares of common stock and 2,134,193 warrants in connection with this transaction. In addition, NSC received 853,677 warrants or approximately 10% of the shares issued.

On March 31, 2017, the Company closed the final round of financing totaling gross proceeds of $0.4 million, before expenses, in a private placement of shares and warrants for which NSC was the placement agent and received a fee of approximately $42,000 or approximately 10% of the gross proceeds. The Company issued 64,000 unregistered shares of common stock and 16,000 warrants in connection with this transaction. In addition, NSC received 6,400 warrants or approximately 10% of the shares issued.

Pursuant to the Founders Agreement, the Company issued 215,019 shares to Fortress in the period ending June 30, 2017, representing 2.5% of the aggregate number of shares of common stock issued in the offerings noted above. For the six months ended June 30, 2017, the Company recorded expense of approximately $1.2 million, related to this issuance (based upon the fair value of common shares on the date of issuance), which is included in general and administrative expenses in the Company's Statements of Operations.

Class A Preferred Shares

Pursuant to the Company's Amended and Restated Articles of Incorporation, 2,000,000 shares of Preferred Stock were authorized, of which 250,000 have been designated as Class A Preferred Stock and the remainder are undesignated preferred stock. The Class A Preferred Stock is identical to undesignated common stock other than as to voting rights, conversion rights, and the PIK Dividend right (as described below). The undesignated Preferred Stock may be issued from time to time in one or more series. The Company's Board of Directors is authorized to determine or alter the dividend rights, dividend rate, conversion rights, voting rights, rights and terms of redemption (including sinking fund provisions, if any), the redemption price or prices, the liquidation preferences and other designations, powers, preferences and relative, participating, optional or other special rights, if any, and the qualifications, limitations and restrictions granted to or imposed upon any wholly unissued series of Preferred Stock, and to fix the number of shares of any series of Preferred Stock (but not below the number of shares of any such series then outstanding).

The holders of the outstanding shares of Class A Preferred Stock shall receive on each March 13 (each a "PIK Dividend Payment Date") after the original issuance date of the Class A Preferred Stock until the date all outstanding Class A Preferred Stock is converted into common stock or redeemed (and the purchase price is paid in full), pro rata per share dividends paid in additional fully paid and non-assessable shares of common stock such that the aggregate number of shares of common stock issued pursuant to such PIK Dividend is equal to 2.5% of the Corporation's fully-diluted outstanding capitalization on the date that is one business day prior to any PIK Dividend Payment Date ("PIK Record Date"). In the event the Class A Preferred Stock converts into common stock, the holders shall receive all PIK Dividends accrued through the date of such conversion. No dividend or other distribution shall be paid, or declared and set apart for payment (other than dividends payable solely in capital stock on the capital stock of the Company) on the shares of common stock until all PIK Dividends on the Class A Preferred Stock shall have been paid or declared and set apart for payment. All dividends are non-cumulative.

On any matter presented to the stockholders of the Company for their action or consideration at any meeting of stockholders of the Company (or by written consent of stockholders in lieu of meeting), each holder of outstanding shares of Class A Preferred Stock shall be entitled to cast for each share of Class A Preferred Stock held by such holder as of the record date for determining stockholders entitled to vote on such matter, the number of votes that is equal to one and one-tenth (1.1) times a fraction, the numerator of which is the sum of (A) the number of shares of outstanding common stock and (B) the whole shares of common stock in to which the shares of outstanding Class A common shares and the Class A Preferred Stock are convertible, and the denominator of which is number of shares of outstanding Class A Preferred Stock (the "Class A Preferred Stock Ratio"). Thus, the Class A Preferred Stock will at all times constitute a voting majority.

Each share of Class A Preferred Stock is convertible, at the option of the holder, into one fully paid and nonassessable share of common stock (the "Conversion Ratio"), subject to certain adjustments. If the Company, at any time effects a subdivision or combination of the outstanding common stock (by any stock split, stock dividend, recapitalization, reverse stock split or otherwise), the applicable Conversion Ratio in effect immediately before that subdivision is proportionately decreased or increased, as applicable, so that the number of shares of common stock issuable on conversion of each share of Class A Preferred Stock shall be increased or decreased, a applicable, in proportion to such increase or decrease in the aggregate number of shares of common stock outstanding. Additionally, if any reorganization, recapitalization, reclassification, consolidation or merger involving the Company occurs in which the common stock (but not the Class A Preferred Stock) is converted into or exchanged for securities, cash or other property, then each share of Class A Preferred Stock becomes convertible into the kind and amount of securities, cash or other property which a holder of the number of shares of common stock of the Company issuable upon conversion of one share of the Class A Preferred Stock immediately prior to such reorganization, recapitalization, reclassification, consolidation or merger would have been entitled to receive pursuant to such transaction.

Stock Awards

Stock Options

On April 24, 2017, the Company announced that Manuel Litchman, M.D., had been appointed President and Chief Executive Officer. Dr. Litchman was also appointed to the Company's Board of Directors.

The employment agreement grants Dr. Litchman an option to purchase 1,041,675 shares of the Company's common stock to acquire shares of common stock of the Company (the "Option"). The Option has an exercise price per share equal to the fair market value of a share the Company's common stock $5.73 on the date of the grant of the stock option, subject to the conditions and vesting schedule set forth in his Employment Agreement.

On April 7, 2017, the Company granted 200,000 options to two employees of Fortress, who provide services to the Company in connection with our research and development. These options have an exercise price of $5.73, representing the fair market value of a share the Company's common stock on the date of the grant of the stock option.

Both grants have the following vesting schedule: 50% of the options vest over-time ("Time Based Option") with 25% vesting over 12 months of continued service and the remaining shares vesting in 12 equal quarterly installments thereafter, subject to continued employment. The remaining 50% ("The Performance Options") vest and become exercisable upon the occurrence of the following milestones being achieved: (i) 25% of the Performance Options vest upon the dosing of the first patient in the first Phase 2 clinical trial of any Company product candidate, (ii) 25% of the Performance Options vest upon the dosing of the first patient in the first Phase 2 clinical trial of a second Company product candidate, (iii) 25% of the Performance Options vest upon the Company's achievement of a fully-diluted market capitalization of $500,000,000 and (iv) 25% of the Performance Options vest upon the Company's achievement of a fully-diluted market capitalization of $1,000,000,000.

The fair value of stock options granted was determined on the grant date using assumptions for risk free interest rate, the expected term, expected volatility, expected dividend yield, and a stock price of $5.73 or $5.5 million. Mustang does not expect to pay dividends in the foreseeable future. As a result, the expected dividend yield is 0%. The fair value associated with the market award vesting was determined utilizing a Monte Carlo simulation valuation methodology and the following assumptions:

	June 30, 2017
Risk-free interest rate	2.38%
Expected dividend yield	-%
Expected term in years	5.5 – 10.0
Expected volatility	77.3%

The following table summarizes stock option activities for the six months ended June 30, 2017:

	Stock Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)
Nonvested at December 31, 2016	-	$ -	-
Options granted	1,241,675	$ 5.73	9.81
Options outstanding	1,241,675	5.73	9.81
Options vested and exercisable at June 30, 2017	-	$ -	-

As of June 30, 2017, the Company had unrecognized stock-based compensation expense related to options of $2.8 million with a weighted average vesting period of 1.8 years.

Restricted Stock

In accordance with the Company's Director Compensation Plan, the Company granted an aggregate 180,000 restricted shares to members of its board of directors, these shares commence vesting three years from the grant date of June 8, 2017. Annual grants to each director of 10,000 shares vest on the third anniversary of the grant with continuous service, while the initial grant of 50,000 vests in three equal tranches commencing on the third anniversary date of the grant and on each date thereafter so long as continuous service exists.

The following table summarizes restricted stock award activities for the six months ended June 30, 2017:

	Number of Shares	Weighted Average Grant Date Fair Value
Nonvested at December 31, 2016	-	$ -
Granted	180,000	5.73
Nonvested at June 30, 2017	180,000	$ 5.73

As of June 30, 2017, the Company had unrecognized stock-based compensation expense related to restricted stock of $1.0 million with a weighted average vesting period of 3.8 years.

Restricted Stock Units

On June 8, 2017, the Company granted an aggregate of 110,000 restricted stock units to two employees. These grants vest over 4 years on the anniversary date.

The following table summarizes restricted stock units activities for the six months ended June 30, 2017:

	Number of Units	Weighted Average Grant Date Fair Value
Nonvested at December 31, 2016	-	$ -
Granted	110,000	5.73
Nonvested at June 30, 2017	110,000	$ 5.73

As of June 30, 2017, the Company had unrecognized stock-based compensation expense related to restricted stock units of $0.6 million with a weighted average vesting period of 2.5 years.

The following table summarizes stock-based compensation expense for the three and six months ended June 30, 2017 (in thousands).

	For the three months ended June 30,		For the six months ended June 30,	
	2017	2016	2017	2016
Employee	$ 334	$ -	$ 334	$ -
Non-employee	63	-	63	-
Total stock-based compensation expense	$ 397	$ -	$ 397	$ -

Warrants

In connection with the Company's offering of shares of common stock in a private placement, each investor received a warrant equal to 25% of the common shares purchased in connection with the offering. Further, NSC received the Placement Agent Warrants.

A summary of warrant activities for six months ended June 30, 2017 is presented below:

	Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)
Outstanding as of December 31, 2016	2,243,664	$ 7.98	5.16
Granted	3,010,270	8.50	4.58
Outstanding as of June 30, 2017	5,253,934	$ 8.28	4.62

Upon the exercise of warrants, the Company will issue new shares of common stock.

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

Forward-Looking Statements

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our consolidated financial statements and the related notes included elsewhere in this Form 10-Q. Our consolidated financial statements have been prepared in accordance with U.S. GAAP. The following discussion and analysis contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"), including, without limitation, statements regarding our expectations, beliefs, intentions or future strategies that are signified by the words "expect," "anticipate," "intend," "believe," "may," "plan", "seek" or similar language. All forward-looking statements included in this document are based on information available to us on the date hereof, and we assume no obligation to update any such forward-looking statements. Our business and financial performance are subject to substantial risks and uncertainties. Actual results could differ materially from those projected in the forward-looking statements. In evaluating our business, you should carefully consider the information set forth under the heading "Risk Factors" herein.

Overview

We are a clinical-stage biopharmaceutical company focused on the development and commercialization of novel cancer immunotherapy products designed to utilize the power of the patient's own immune system to eliminate cancer cells. We aim to acquire rights to these technologies by licensing or otherwise acquiring an ownership interest in the technologies, funding their research and development and eventually either out-licensing or bringing the technologies to market. Currently, we are developing our proprietary Chimeric Antigen Receptor (CAR) engineered T cells (CAR -T) technology, which we licensed from Dr. Stephen Forman's laboratory at the City of Hope National Medical Center ("City of Hope" or "COH") under a license agreement dated March 17, 2015 (the "Original Agreement"). CAR-T uses the patient's own T cells to engage and destroy specific tumors. The process involves selecting specific T-cell subtypes, genetically engineering them to express chimeric antigen T cell receptors and placing them back in the patient where they recognize and destroy cancer cells.

On May 31, 2017, we entered into exclusive, worldwide licensing agreements with COH for the use of three novel CAR T therapies in the development of cancer treatments. The CAR T therapies covered under the agreements include: human epidermal growth factor receptor 2 (HER2) CAR T technology (HER2 Technology), which will initially be applied in the treatment of glioblastoma multiforme; CS1-specific CAR T technology (CS1 Technology) to be directed against multiple myeloma; and prostate stem cell antigen (PSCA) CAR T technology (PSCA Technology) to be used in the treatment of prostate cancer. All three technologies were developed in the laboratory of Stephen J. Forman, M.D., director of COH's T cell Immunotherapy Research Laboratory.

In April 2017, we appointed Manuel Litchman, M.D., as President and Chief Executive Officer. Dr. Litchman also joined our Board of Directors. Michael S. Weiss, who oversaw Mustang's corporate operations on an interim basis, will continue to serve as Chairman of the Board of Directors.

To date, we have not received approval for the sale of our product candidates in any market and, therefore, have not generated any product sales from our product candidates. In addition, we have incurred substantial operating losses since our inception, and expect to continue to incur significant operating losses for the foreseeable future and may never become profitable. As of June 30, 2017, we have an accumulated deficit of $25.9 million.

Results of Operations

Comparison of the Three Months Ended June 30, 2017 and 2016

	For the three months ended June 30,		Change	
	2017	2016	$	%
Operating expenses:				
Research and development	$ 2,494	$ 582	$ 1,912	329%
Research and development – licenses acquired	1,500	-	1,500	100%
General and administrative	1,671	458	1,213	265%
Total operating expenses	5,665	1,040	4,625	445%
Loss from operations	5,665	1,040	4,625	445%
Other income (expense)				
Interest income	134	-	134	100%
Interest expense - related party	2	(93)	95	-102%
Total other expense	136	(93)	229	-246%
Net Loss	**$ (5,529)**	**$ (1,133)**	**$ (4,396)**	388%

Research and Development Expenses

Research and development expenses primarily consist of personnel related expenses, including salaries, benefits, travel, and other related expenses, stock-based compensation, payments made to third parties for license and milestone costs related to in-licensed products and technology, payments made to third party contract research organizations for preclinical and clinical studies, investigative sites for clinical trials, consultants, the cost of acquiring and manufacturing clinical trial materials, costs associated with regulatory filings, laboratory costs and other supplies.

For the three months ended June 30, 2017 and 2016, research and development expenses were $2.5 million and $0.6 million, respectively. For the three months ended June 30, 2017, $1.0 million relates to the IL-13 CRA, $0.6 million relates to the CD123 CRA, $0.5 million relates to the quarterly expense related to our sponsored research agreement with COH, $0.2 million to personnel costs, $0.1 million to our Master Services Agreement (“MSA”) with Fortress and $0.1 million for stock compensation expense. For the three months ended June 30, 2016, $0.5 million relates to the quarterly expense related to our sponsored research agreement with the COH and $0.1 million of expense is related to our MSA with Fortress.

For the three months ended June 30, 2017 and 2016, research and development expenses - licenses acquired were approximately $1.5 million and nil, respectively. For the three months ended June 30, 2017, $0.3 million related to an upfront fee for our PSCA license, $0.6 million related to an upfront fee for our HER2 license and $0.6 million related to an upfront fee for our CS1 license. All three licenses were acquired from COH.

We expect our research and development activities to increase as we develop our existing product candidates and potentially acquire new product candidates, reflecting increasing costs associated with the following:

- employee-related expenses, which include salaries and benefits, and rent expense;
- license fees and milestone payments related to in-licensed products and technology;
- expenses incurred under agreements with contract research organizations, investigative sites and consultants that conduct our clinical trials and our preclinical activities;
- the cost of acquiring and manufacturing clinical trial materials; and
- costs associated with non-clinical activities, and regulatory approvals.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries and related expenses, including stock-based compensation, for executives and other administrative personnel, recruitment expenses, professional fees and other corporate expenses, including investor relations, legal activities including patent fees, and facilities-related expenses.

For the three months ended June 30, 2017 and 2016, general and administrative expenses were $1.7 million and $0.5 million, respectively. For the three months ended June 30, 2017, these expenses consisted of: $0.9 million of legal fees of which $0.4 million relates to patent pass through costs in connection with our licenses and $0.5 million relates to our defense in connection with a legal matter; $0.3 million for professional fees and outside services, $0.1 million of expense in connection with the MSA with Fortress, $0.1 million for personnel costs related to the hiring of our Chief Execute Officer in April and $0.3 million of stock compensation expense in connection with the equity award we made to our Chief Executive Officer. For the three months ended June 30, 2016, these expenses consisted of: $0.3 million of legal costs, $0.1 million of expense in connection with the MSA with Fortress and $0.1 million of professional fees and outside services.

We anticipate general and administrative expenses will increase in future periods, reflecting continued and increasing costs associated with:

· support of our expanded research and development activities;

· stock compensation granted to key employees and non-employees;

· support of business development activities; and

· increased professional fees and other costs associated with the regulatory requirements and increased compliance associated with being a public reporting company.

Comparison of the Six Months Ended June 30, 2017 and 2016

	For the six months ended June 30,		Change	
	2017	**2016**	**$**	**%**
Operating expenses:				
Research and development	$ 3,200	$ 1,149	$ 2,051	179%
Research and development – licenses acquired	2,075	-	2,075	100%
General and administrative	3,696	713	2,983	418%
Total operating expenses	8,971	1,862	7,109	382%
Loss from operations	8,971	1,862	7,109	382%
Other income (expense)				
Interest income	224	-	224	100%
Interest expense - related party	-	(174)	174	-100%
Total other expense	224	(174)	398	-229%
Net Loss	**$ (8,747)**	**$ (2,036)**	**$ (6,711)**	330%

Research and Development Expenses

For the six months ended June 30, 2017 and 2016, research and development expenses were $3.2 million and $1.1 million, respectively. For the six months ended June 30, 2017, the increase of $2.1 million primarily relates to: $1.6 million in connection with our clinical research arrangements with COH: $0.6 million under the CD123 CRA and $1.0 million under the IL-13 CRA; $0.3 million for personnel cost due to the hiring of research and development employees and $0.1 million of stock compensation expenses in connection with grants made to employees and consultants. For the three months ended June 30, 2017 and 2016, we incurred costs of $1.0 million in connection with our sponsored research arrangements with COH.

For the six months ended June 30, 2017 and 2016, research and development expenses - licenses acquired were approximately $2.1 million and $0, respectively. For the six months ended June 30, 2017, we incurred $1.9 million of expenses in connection with our licenses for COH, these expenses consisted of: $0.3 million related to an upfront fee for our PSCA license, $0.6 million related to an upfront fee for our HER2 license, $0.6 million related to an upfront fee for our CS1 license, $0.1 million upfront payment related to the acquisition of our IV-ICV license and $0.3 million in connection with the achievement of a milestone pursuant to our IL-13 license. Additionally, we incurred expense of $0.2 million related to the acquisition of our license from UCLA.

We expect our research and development activities to increase as we develop our existing product candidates and potentially acquire new product candidates, reflecting increasing costs associated with the following:

· employee-related expenses, which include salaries and benefits, and rent expense;

· license fees and milestone payments related to in-licensed products and technology;

· expenses incurred under agreements with contract research organizations, investigative sites and consultants that conduct our clinical trials and our preclinical activities;

· the cost of acquiring and manufacturing clinical trial materials; and

· costs associated with non-clinical activities, and regulatory approvals.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries and related expenses, including stock-based compensation, for executives and other administrative personnel, recruitment expenses, professional fees and other corporate expenses, including investor relations, legal activities including patent fees, and facilities-related expenses.

For the six months ended June 30, 2017 and 2016, general and administrative expenses were $3.7 million and $0.7 million, respectively. For the six months ended June 30, 2017, the increase of $3.0 million relates to: $1.2 million of stock compensation expense related to the fee received by Fortress on third party financings pursuant to our Founders Agreement with Fortress, $0.7 million for legal fees, $0.4 million for outside services, $0.1 million of fees paid to our board of directors, $0.1 million of accounting services, $0.1 million of personnel costs related to the hiring of our chief executive officer and $0.3 million of stock compensation expenses related to our chief executive officers equity award.

We anticipate general and administrative expenses will increase in future periods, reflecting continued and increasing costs associated with:

· support of our expanded research and development activities;

· stock compensation granted to key employees and non-employees;

· support of business development activities; and

· increased professional fees and other costs associated with the regulatory requirements and increased compliance associated with being a public reporting company.

Liquidity and Capital Resources

We have incurred substantial operating losses since our inception and expect to continue to incur significant operating losses for the foreseeable future and may never become profitable. As of June 30, 2017, we had an accumulated deficit of $25.9 million.

From September 30, 2016 through June 30, 2017, we received gross proceeds of $95.0 million in seven separate private placement closings. The financing involved the sale of units, each consisting of 10,000 shares of common stock and a warrant exercisable for 2,500 shares of common stock at an exercise price of $8.50 per share, for a purchase price of $65,000 per unit.

We expect to use the net proceeds from the above financing primarily for general corporate purposes, which may include financing our growth, developing new or existing product candidates, and funding capital expenditures, acquisitions and investments. We currently anticipate that our cash balances at June 30, 2017 are sufficient to fund its anticipated operating cash requirements for approximately the next 12 months.

Cash Flows for the Six Months Ended June 30, 2017 and 2016

	For the six months ended June 30,	
($ in thousands)	**2017**	**2016**
Statement of cash flows data:		
Total cash (used in)/provided by:		
Operating activities	$ (3,010)	$ (1,301)
Investing activities	(20,613)	-
Financing activities	49,914	1,301
Net increase in cash and cash equivalents	$ 26,291	$ -

Operating Activities

Net cash used in operating activities was $3.0 million for the six months ended June 30, 2017, compared to $1.3 million for the six months ended June 30, 2016.

Net cash used in operating activities for the six months ended June 30, 2017 was primarily due to approximately $8.7 million in net loss offset by $2.0 million in change in operating liabilities, partially offset by approximately $1.2 million related to the issuance of common shares - Founders Agreement, $2.0 million of research and development-licenses acquired, and non-cash stock compensation expense of $0.4 million.

Net cash used in operating activities for the six months ended June 30, 2016 was primarily due to a $2.0 million in net loss, partially offset by $0.7 million related to changes in operating assets and liabilities.

Investing Activities

Net cash used in investing activities was $20.6 million for the six months ended June 30, 2017, representing our $20.0 million investment in certificates of deposits held to maturity and $0.6 million related to upfront payments relating to our licenses. There was no cash used or provided from investing activities for the six months ended June 30, 2016.

Financing Activities

Net cash provided by financing activities was $49.9 million during the six months ended June 30, 2017 due to $50.2 million net proceeds from issuance of common stock, offset by approximately $0.3 million of payment of the Fortress Note. Net cash provided by financing activities during the six months ended June 30, 2016 was due to $1.3 million in Fortress Note proceeds.

Off-Balance Sheet Arrangements

We are not party to any off-balance sheet transactions. We have no guarantees or obligations other than those which arise out of normal business operations.

Item 3. Quantitative and Qualitative Disclosures About Market Risks

Market risk represents the risk of loss that may result from the change in value of financial instruments due to fluctuations in their market price. Market risk is inherent in all financial instruments. Market risk may be exacerbated in times of trading illiquidity when market participants refrain from transacting in normal quantities and/or at normal bid-offer spreads.

Our assets and liabilities are denominated in U.S. dollars. Consequently, we have not considered it necessary to use foreign currency contracts or other derivative instruments to manage changes in currency rates. We do not now, nor do we plan to, use derivative financial instruments for speculative or trading purposes. However, these circumstances might change.

The primary quantifiable market risk associated with our financial instruments is sensitivity to changes in interest rates. Interest rate risk represents the potential loss from adverse changes in market interest rates. We use an interest rate sensitivity simulation to assess our interest rate risk exposure. For purposes of presenting the possible earnings effect of a hypothetical, adverse change in interest rates over the 12-month period from our reporting date, we assume that all interest rate sensitive financial instruments will be impacted by a hypothetical, immediate 100 basis point increase in interest rates as of the beginning of the period. The sensitivity is based upon the hypothetical assumption that all relevant types of interest rates that affect our results would increase instantaneously, simultaneously and to the same degree. We do not believe that our cash and equivalents have significant risk of default or illiquidity.

The sensitivity analyses of the interest rate sensitive financial instruments are hypothetical and should be used with caution. Changes in fair value based on a 1% or 2% variation in an estimate generally cannot be extrapolated because the relationship of the change in the estimate to the change in fair value may not be linear. Also, the effect of a variation in a particular estimate on the fair value of financial instruments is calculated independent of changes in any other estimate; in practice, changes in one factor may result in changes in another factor, which might magnify or counteract the sensitivities. In addition, the sensitivity analyses do not consider any action that we may take to mitigate the impact of any adverse changes in the key estimates.

Based on our analysis, as of June 30, 2017, the effect of a 100+/- basis point change in interest rates on the value of our financial instruments and the resultant effect on our net loss are considered immaterial.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness, as of June 30, 2017, of the design and operation of our disclosure controls and procedures, as such term is defined in Exchange Act Rules 13a-15(e) and 15d-15(e). Based on this evaluation, our principal executive officer and principal financial officer have concluded that, as of such date, our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in our Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

No change in internal control over financial reporting occurred during the most recent quarter with respect to our operations, which materially affected, or is reasonable likely to materially affect, our internal controls over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

On January 15, 2016, Dr. Winson Tang ("Plaintiff") filed a Complaint against the Company in the Superior Court of the State of California, County of Los Angeles. Winson Tang v. Lindsay Rosenwald et al, Case No. BC607346. As amended, the complaint alleges that Dr. Tang was a third-party beneficiary of the Company's Exclusive License Agreement with COH and should be declared the owner of 15% of the Company's outstanding shares. After the Company and other defendants demurred, the Court sustained the demurrer and dismissed all claims without prejudice on September 13, 2016. Dr. Tang filed his second amended complaint on October 11, 2016, and the court again sustained the demurrer without prejudice, except for a claim for declaratory relief against the Company. Subsequently, Dr. Tang agreed to narrow his claims and drop certain defendants from the case. Dr. Tang filed his third amended complaint on January 17, 2017, alleging one claim for declaratory relief against the Company and two claims for breach of contract against certain other Defendants. Defendants filed their answer on February 23, 2017, denying Tan has any rights to recovery. The parties are proceeding with discovery, and the case is set for trial on November 6, 2017.

As of June 30, 2017, the Company has not accrued any losses in connection with this litigation as the Company believes that Plaintiff's claims are without merit and intends to vigorously defend this lawsuit. Even in the event of an adverse determination, Fortress and the Company intend to satisfy any judgment from sources other than newly issued shares of the Company to prevent dilution.

Item 1A. Risk Factors

The following information sets forth risk factors that could cause our actual results to differ materially from those contained in forward-looking statements we have made in this report and those we may make from time to time. You should carefully consider the risks described below. Our business, financial condition or results of operations could be harmed by any of these risks. The risks and uncertainties described below are not the only ones we face. Additional risks not presently known to us or other factors not perceived by us to present significant risks to our business at this time also may impair our business operations.

Risks Related to Our Business and Industry

We currently have no drug products for sale. We are heavily dependent on the success of our product candidates, and we cannot give any assurances that any of our product candidates will receive regulatory approval or be successfully commercialized.

To date, we have invested a significant portion of our efforts and financial resources in the acquisition and development of our product candidates. We have not demonstrated our ability to perform the functions necessary for the successful acquisition, development or commercialization of the technologies we are seeking to develop. As an early stage company, we have limited experience and have not yet demonstrated an ability to successfully overcome many of the risks and uncertainties frequently encountered by companies in new and rapidly evolving fields, particularly in the biopharmaceutical area. Our future success is substantially dependent on our ability to successfully develop, obtain regulatory approval for, and then successfully commercialize such product candidates. Our product candidates are currently in preclinical development or in clinical trials. Our business depends entirely on the successful development and commercialization of our product candidates, which may never occur. We currently generate no revenues from sales of any drugs, and we may never be able to develop or commercialize a marketable drug.

The successful development, and any commercialization, of our technologies and any product candidates would require us to successfully perform a variety of functions, including:

- developing our technology platform;
- identifying, developing, manufacturing and commercializing product candidates;
- entering into successful licensing and other arrangements with product development partners;
- participating in regulatory approval processes;
- formulating and manufacturing products;
- obtaining sufficient quantities of our product candidates from our third-party manufacturers as required to meet clinical trial needs and commercial demand at launch and thereafter;
- establishing and maintaining agreements with wholesalers, distributors and group purchasing organizations on commercially reasonable terms;
- conducting sales and marketing activities including hiring, training, deploying and supporting our sales force and creating market demand for our product candidates through our own marketing and sales activities, and any other arrangements to promote our product candidates that we may later establish; and
- maintaining patent protection and regulatory exclusivity for our product candidates.

Our operations have been limited to organizing our company, acquiring, developing and securing our proprietary technology and identifying and obtaining preclinical data or clinical data for various product candidates. These operations provide a limited basis for you to assess our ability to continue to develop our technology, identify product candidates, develop and commercialize any product candidates we are able to identify and enter into successful collaborative arrangements with other companies, as well as for you to assess the advisability of investing in our securities. Each of these requirements will require substantial time, effort and financial resources.

Each of our product candidates will require additional preclinical or clinical development, management of preclinical, clinical and manufacturing activities, regulatory approval in multiple jurisdictions, obtaining manufacturing supply, building of a commercial organization, and significant marketing efforts before we generate any revenues from product sales. We are not permitted to market or promote any of our product candidates before we receive regulatory approval from the FDA or comparable foreign regulatory authorities, and we may never receive such regulatory approval for any of our product candidates.

Pre-clinical development is highly speculative and has a high risk of failure.

Two of our current product candidates are in clinical trials, and we are evaluating the terms of license agreements for three additional pre-clinical assets. Our pre-clinical product candidates have never been used in humans. Pre-clinical development is highly speculative and carries a high risk of failure. We can provide no assurances that pre-clinical toxicology and/or pre-clinical activity of our product candidates will support moving any of these product candidates into clinical development. If we are unsuccessful in our pre-clinical development efforts for any of these product candidates and they fail to reach clinical development, it would have a material adverse effect on our business and financial condition.

Delays in clinical testing could result in increased costs to us and delay our ability to generate revenue.

Although we are planning for certain clinical trials relating to our product candidates, there can be no assurance that the FDA will accept our proposed trial designs. We may experience delays in our clinical trials and we do not know whether planned clinical trials will begin on time, need to be redesigned, enroll patients on time or be completed on schedule, if at all. Clinical trials can be delayed for a variety of reasons, including delays related to:

· obtaining regulatory approval to commence a trial;

· reaching agreement on acceptable terms with prospective contract research organizations, or CROs, and clinical trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites;

· obtaining institutional review board, or IRB, approval at each site;

· recruiting suitable patients to participate in a trial;

· clinical sites deviating from trial protocol or dropping out of a trial;

· having patients complete a trial or return for post-treatment follow-up;

· developing and validating companion diagnostics on a timely basis, if required;

· adding new clinical trial sites; or

· manufacturing sufficient quantities of product candidate for use in clinical trials.

Patient enrollment, a significant factor in the timing of clinical trials, is affected by many factors including the size and nature of the patient population, the proximity of patients to clinical sites, the eligibility criteria for the trial, the design of the clinical trial, competing clinical trials and clinicians' and patients' perceptions as to the potential advantages of the drug being studied in relation to other available therapies, including any new drugs that may be approved for the indications we are investigating. Furthermore, we intend to rely on CROs and clinical trial sites to ensure the proper and timely conduct of our clinical trials and we intend to have agreements governing their committed activities; however, we will have limited influence over their actual performance.

We could encounter delays if a clinical trial is suspended or terminated by us, by the IRBs of the institutions in which such trials are being conducted, by the Data Safety Monitoring Board, or DSMB, for such trial or by the FDA or other regulatory authorities. Such authorities may impose such a suspension or termination due to a number of factors, including failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols, inspection of the clinical trial operations or trial site by the FDA or other regulatory authorities resulting in the imposition of a clinical hold, unforeseen safety issues or adverse side effects, failure to demonstrate a benefit from using a drug, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical trial.

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

We may not receive regulatory approval for our product candidates, or their approval may be further delayed, which would have a material adverse effect on our business and financial condition.

Our product candidates and the activities associated with their development and commercialization, including their design, testing, manufacture, safety, efficacy, recordkeeping, labeling, storage, approval, advertising, promotion, sale and distribution, are subject to comprehensive regulation by the FDA and other regulatory agencies in the US and by the European Medicines Agency and similar regulatory authorities outside the US. Failure to obtain marketing approval for one or more of our product candidates or any future product candidate will prevent us from commercializing the product candidate. We have not received approval to market any of our product candidates from regulatory authorities in any jurisdiction. We have only limited experience in filing and supporting the applications necessary to gain marketing approvals and expect to rely on third-party contract research organizations to assist us in this process. 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. One or more of our product candidates or any future product candidate 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. If any of our product candidates or any future product candidate receives marketing approval, the accompanying label may limit the approved use of our drug in this way, which could limit sales of the product.

The process of obtaining marketing approvals, both in the United States and abroad, is expensive, may take 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. Changes in marketing approval policies during the development period, changes in or the enactment of additional statutes or regulations, or changes in regulatory review for each submitted product application may cause delays in the approval or rejection of an application. Regulatory authorities have substantial discretion in the approval process and may refuse to accept any application or may decide that our data is insufficient for approval and require additional preclinical studies or clinical trials. In addition, varying interpretations of the data obtained from preclinical and clinical testing could delay, limit or prevent marketing approval of a product candidate. Any marketing approval we ultimately obtain may be limited or subject to restrictions or post-approval commitments that render the approved product not commercially viable.

If we experience delays in obtaining approval or if we fail to obtain approval of one or more of our product candidates or any future product candidate, the commercial prospects for our product candidates may be harmed and our ability to generate revenue will be materially impaired.

In addition, even if we were to obtain approval, regulatory authorities may approve any of our product candidates or any future product candidate for fewer or more limited indications than we request, may not approve the price we intend to charge for our products, may grant approval contingent on the performance of costly post-marketing clinical trials, or may approve a product candidate with a label that does not include the labeling claims necessary or desirable for the successful commercialization of that product candidate. Any of these scenarios could compromise the commercial prospects for one or more of our product candidates or any future product candidate.

If any of our product candidates is approved and our contract manufacturer fails to produce the product in the volumes that we require on a timely basis, or fails to comply with stringent regulations applicable to pharmaceutical drug manufacturers, we may face delays in the commercialization of our product candidates or be unable to meet market demand, and may lose potential revenues.

The manufacture of pharmaceutical products requires significant expertise and capital investment, including the development of advanced manufacturing techniques and process controls, and the use of specialized processing equipment. We intend to enter into development and supply agreements with contract manufacturers for the completion of pre-commercialization manufacturing development activities and the manufacture of commercial supplies for each of our product candidates. Any termination or disruption of our relationships with our contract manufacturers may materially harm our business and financial condition, and frustrate any commercialization efforts for each respective product candidate.

All of our contract manufacturers must comply with strictly enforced federal, state and foreign regulations, including cGMP requirements enforced by the FDA through its facilities inspection program, and we have little control over their compliance with these regulations. Any failure to comply with applicable regulations may result in fines and civil penalties, suspension of production, suspension or delay in product approval, product seizure or recall, or withdrawal of product approval, and would limit the availability of our product. Any manufacturing defect or error discovered after products have been produced and distributed could result in even more significant consequences, including costly recall procedures, re-stocking costs, damage to our reputation and potential for product liability claims.

If the commercial manufacturers upon whom we rely to manufacture one or more of our product candidates, and any future product candidate we may in-license, fail to deliver the required commercial quantities on a timely basis at commercially reasonable prices, we would likely be unable to meet demand for our products and we would lose potential revenues.

Our approach to the discovery and development of our product candidates is unproven, and we do not know whether we will be able to develop any products of commercial value.

Our products candidates are emerging technologies and, consequently, it is conceivable that such technologies may ultimately fail to identify commercially viable drugs to treat human patients with cancer or other diseases.

If serious adverse or unacceptable side effects are identified during the development of one or more of our product candidates or any future product candidate, we may need to abandon or limit our development of some of our product candidates.

If one or more of our product candidates or any future product candidate are associated with undesirable side effects in clinical trials or have characteristics that are unexpected, we may need to abandon their development or limit development to more narrow uses or subpopulations in which the undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk-benefit perspective. In our industry, many compounds that initially showed promise in early stage testing have later been found to cause side effects that prevented further development of the compound. In the event that our clinical trials reveal a high and unacceptable severity and prevalence of side effects, our trials could be suspended or terminated, and the FDA or comparable foreign regulatory authorities could order us to cease further development or deny approval of one or more of our product candidates or any future product candidate for any or all targeted indications. The FDA could also issue a letter requesting additional data or information prior to making a final decision regarding whether or not to approve a product candidate. The number of requests for additional data or information issued by the FDA in recent years has increased and has resulted in substantial delays in the approval of several new drugs. Undesirable side effects caused by one or more of our product candidates or any future product candidate could also result in the inclusion of unfavorable information in our product labeling, denial of regulatory approval by the FDA or other regulatory authorities for any or all targeted indications, and in turn prevent us from commercializing and generating revenues from the sale of that product candidate. Drug-related side effects could affect patient recruitment or the ability of enrolled patients to complete the trial and could result in potential product liability claims.

Additionally, if one or more of our product candidates or any future product candidate receives marketing approval and we or others later identify undesirable side effects caused by this product, a number of potentially significant negative consequences could result, including:

- regulatory authorities may require the addition of unfavorable labeling statements, specific warnings or a contraindication;
- regulatory authorities may suspend or withdraw their approval of the product, or require it to be removed from the market;
- we may be required to change the way the product is administered, conduct additional clinical trials or change the labeling of the product; or
- our reputation may suffer.

Any of these events could prevent us from achieving or maintaining market acceptance of any of our product candidates or any future product candidate or could substantially increase our commercialization costs and expenses, which in turn could delay or prevent us from generating significant revenues from its sale.

Even if one or more of our product candidates receives regulatory approval, it and any other products we may market will remain subject to substantial regulatory scrutiny.

One or more of our product candidates that we may license or acquire will also be subject to ongoing requirements and review of the FDA and other regulatory authorities. These requirements include labeling, packaging, storage, advertising, promotion, record-keeping and submission of safety and other post-market information and reports, registration and listing requirements, cGMP requirements relating to manufacturing, quality control, quality assurance and corresponding maintenance of records and documents, requirements regarding the distribution of samples to physicians and recordkeeping of the drug.

The FDA may also impose requirements for costly post-marketing studies or clinical trials and surveillance to monitor the safety or efficacy of the product. The FDA closely regulates the post-approval marketing and promotion of drugs to ensure drugs 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 off-label use and if we do not market our products for only their approved indications, we may be subject to enforcement action for off-label marketing. Violations of the FDCA relating to the promotion of prescription drugs may lead to investigations alleging violations of federal and state health care fraud and abuse laws, as well as state consumer protection laws.

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

- restrictions on such products, operations, 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 letters;

· withdrawal of the products from the market;

· refusal to approve pending applications or supplements to approved applications that we submit;

· recall of products;

· fines, restitution or disgorgement of profits;

· suspension or withdrawal of marketing or regulatory approvals;

· suspension of any ongoing clinical trials;

· refusal to permit the import or export of our products;

· product seizure; or

· injunctions or the imposition of civil or criminal penalties.

The FDA's policies may change, and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our product candidates. 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.

We will need to obtain FDA approval of any proposed product brand names, and any failure or delay associated with such approval may adversely impact our business.

A pharmaceutical product cannot be marketed in the US or other countries until we have completed a rigorous and extensive regulatory review processes, including approval of a brand name. Any brand names we intend to use for our product candidates will require approval from the FDA regardless of whether we have secured a formal trademark registration from the US Patent and Trademark Office (PTO). The FDA typically conducts a review of proposed product brand names, including an evaluation of potential for confusion with other product names. The FDA may also object to a product brand name if it believes the name inappropriately implies medical claims. If the FDA objects to any of our proposed product brand names, we may be required to adopt an alternative brand name for our product candidates. If we adopt an alternative brand name, we would lose the benefit of our existing trademark applications for such product candidate and may be required to expend significant additional resources in an effort to identify a suitable product brand name that would qualify under applicable trademark laws, not infringe the existing rights of third parties and be acceptable to the FDA. We may be unable to build a successful brand identity for a new trademark in a timely manner or at all, which would limit our ability to commercialize our product candidates.

Our current and future relationships with customers and third-party payors in the United States and elsewhere may be subject, directly or indirectly, to applicable anti-kickback, fraud and abuse, false claims, transparency, health information privacy and security and other healthcare laws and regulations, which could expose us to criminal sanctions, civil penalties, contractual damages, reputational harm, administrative burdens and diminished profits and future earnings.

Healthcare providers, physicians and third-party payors in the US and elsewhere will play a primary role in the recommendation and prescription of any product candidates for which we obtain marketing approval. Our future arrangements with third-party payors and customers may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations, including, without limitation, the federal Anti-Kickback Statute and the federal False Claims Act, which may constrain the business or financial arrangements and relationships through which we sell, market and distribute any product candidates for which we obtain marketing approval. In addition, we may be subject to transparency laws and patient privacy regulation by the federal and state governments and by governments in foreign jurisdictions in which we conduct our business. The applicable federal, state and foreign healthcare laws and regulations that may affect our ability to operate include, but are not necessarily limited to:

· the federal Anti-Kickback Statute, which prohibits, among other things, persons from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for, or the purchase, order or recommendation of, any good or service, for which payment may be made under federal and state healthcare programs, such as Medicare and Medicaid;

- federal civil and criminal false claims laws and civil monetary penalty laws, including the federal False Claims Act, which impose criminal and civil penalties, including civil whistleblower or *qui tam* actions, against individuals or entities for knowingly presenting, or causing to be presented, to the federal government, including the Medicare and Medicaid programs, claims for payment 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, which imposes criminal and civil liability for executing 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 of 2009, or HITECH, and their respective implementing regulations, which impose obligations on covered healthcare providers, health plans, and healthcare clearinghouses, as well as their business associates that create, receive, maintain or transmit individually identifiable health information for or on behalf of a covered entity, with respect to safeguarding the privacy, security and transmission of individually identifiable health information;

- the federal Open Payments program, which requires manufacturers of 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 annually to the Centers for Medicare & Medicaid Services, or CMS, information related to "payments or other transfers of value" made to physicians, which is defined to include doctors, dentists, optometrists, podiatrists and chiropractors, and teaching hospitals and applicable manufacturers and applicable group purchasing organizations to report annually to CMS ownership and investment interests held by the physicians and their immediate family members. Data collection began on August 1, 2013 with requirements for manufacturers to submit reports to CMS by March 31, 2014 and 90 days after the end each subsequent calendar year. Disclosure of such information was made by CMS on a publicly available website beginning in September 2014; and

- analogous state and foreign laws and regulations, such as state anti-kickback and false claims laws, which may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers; state and foreign laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government or otherwise restrict payments that may be made to healthcare providers; state and foreign laws that require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures; and state and foreign laws governing the privacy and security of health information in certain 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 may 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, including, without limitation, damages, fines, imprisonment, exclusion from participation in government healthcare programs, such as Medicare and Medicaid, and the curtailment or restructuring of our operations, which could have a material adverse effect on our business. If any of the physicians or other healthcare providers or entities with whom we expect to do business, including our collaborators, is found not to be in compliance with applicable laws, it may be subject to criminal, civil or administrative sanctions, including exclusions from participation in government healthcare programs, which could also materially affect our business.

Regulatory approval for any approved product is limited by the FDA to those specific indications and conditions for which clinical safety and efficacy have been demonstrated.

Any regulatory approval is limited to those specific diseases and indications for which a product is deemed to be safe and effective by the FDA. In addition to the FDA approval required for new formulations, any new indication for an approved product also requires FDA approval. If we are not able to obtain FDA approval for any desired future indications for our products, our ability to effectively market and sell our products may be reduced and our business may be adversely affected.

While physicians may choose to prescribe drugs for uses that are not described in the product's labeling and for uses that differ from those tested in clinical studies and approved by the regulatory authorities, our ability to promote the products is limited to those indications that are specifically approved by the FDA. These "off-label" uses are common across medical specialties and may constitute an appropriate treatment for some patients in varied circumstances. Regulatory authorities in the US generally do not regulate the behavior of physicians in their choice of treatments. Regulatory authorities do, however, restrict communications by pharmaceutical companies on the subject of off-label use. If our promotional activities fail to comply with these regulations or guidelines, we may be subject to warnings from, or enforcement action by, these authorities. In addition, our failure to follow FDA rules and guidelines relating to promotion and advertising may cause the FDA to suspend or withdraw an approved product from the market, require a recall or institute fines, or could result in disgorgement of money, operating restrictions, injunctions or criminal prosecution, any of which could harm our business.

We are subject to new legislation, regulatory proposals and managed care initiatives that may increase our costs of compliance and adversely affect our ability to market our products, obtain collaborators and raise capital.

In the US and some foreign jurisdictions, there have been a number of proposed and enacted legislative and regulatory changes regarding the healthcare system that could prevent or delay marketing approval of one or more of our product candidates, restrict or regulate post-approval activities and affect our ability to profitably sell any of our product candidates for which we obtain marketing approval.

Among policy makers and payors in the US and elsewhere, there is significant interest in promoting changes in healthcare systems with the stated goals of containing healthcare costs, improving quality and expanding access. In the US, the pharmaceutical industry has been a particular focus of these efforts and has been significantly affected by major legislative initiatives. In March 2010, President Obama signed into law the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Affordability Reconciliation Act, or collectively the PPACA, a sweeping law 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 the healthcare and health insurance industries, impose new taxes and fees on the health industry and impose additional health policy reforms.

Among the provisions of the PPACA of importance to our potential product candidates are:

- an annual, nondeductible fee on any entity that manufactures or imports specified branded prescription drugs and biologic agents, apportioned among these entities according to their market share in certain government healthcare programs;

- an increase in the statutory minimum rebates a manufacturer must pay under the Medicaid Drug Rebate Program to 23.1% and 13.0% of the average manufacturer price for branded and generic drugs, respectively;

- an increase in the statutory minimum rebates a manufacturer must pay under the Medicaid Drug Rebate Program to 23.1% and 13.0% of the average manufacturer price for branded and generic drugs, respectively;

- expansion of healthcare fraud and abuse laws, including the federal False Claims Act and the federal Anti-Kickback Statute, new government investigative powers and enhanced penalties for non-compliance;

- a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 50% point-of-sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period, as a condition for a manufacturer's outpatient drugs to be covered under Medicare Part D;

- extension of a manufacturer's Medicaid rebate liability to covered drugs dispensed to individuals who are enrolled in Medicaid managed care organizations;

- expansion of eligibility criteria for Medicaid programs by, among other things, allowing states to offer Medicaid coverage to additional individuals and by adding new mandatory eligibility categories for certain individuals with income at or below 138% of the federal poverty level, thereby potentially increasing a manufacturer's Medicaid rebate liability;

- expansion of the entities eligible for discounts under the Public Health Service pharmaceutical pricing program;

- the new requirements under the federal Open Payments program and its implementing regulations;

- a new requirement to annually report drug samples that manufacturers and distributors provide to physicians; and

- a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and conduct comparative clinical effectiveness research, along with funding for such research.

In addition, other legislative changes have been proposed and adopted since the PPACA was enacted. These changes include aggregate reductions to Medicare payments to providers of up to 2% per fiscal year that started in 2013. On March 1, 2013, the President signed an executive order implementing the 2% Medicare payment reductions, and on April 1, 2013, these reductions went into effect. In January 2013, President Obama signed into law the American Taxpayer Relief Act of 2012, 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.

We expect that the PPACA, 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 drug. Any reduction in reimbursement from Medicare or other government healthcare 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 drugs.

Legislative and regulatory proposals have been made to expand post-approval requirements and restrict sales and promotional activities for drugs. We cannot be sure whether additional legislative changes will be enacted, or whether the FDA regulations, guidance or interpretations will be changed, or what the impact of such changes on the marketing approvals of our product candidates, if any, may be. In addition, increased scrutiny by the US 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.

Public concern regarding the safety of drug products could delay or limit our ability to obtain regulatory approval, result in the inclusion of unfavorable information in our labeling, or require us to undertake other activities that may entail additional costs.

In light of widely publicized events concerning the safety risk of certain drug products, the FDA, members of the US Congress, the Government Accountability Office, medical professionals and the general public have raised concerns about potential drug safety issues. These events have resulted in the withdrawal of drug products, revisions to drug labeling that further limit use of the drug products and the establishment of risk management programs. The Food and Drug Administration Amendments Act of 2007, or FDAAA, grants significant expanded authority to the FDA, much of which is aimed at improving the safety of drug products before and after approval. In particular, the new law authorizes the FDA to, among other things, require post-approval studies and clinical trials, mandate changes to drug labeling to reflect new safety information and require risk evaluation and mitigation strategies for certain drugs, including certain currently approved drugs. It also significantly expands the federal government's clinical trial registry and results databank, which we expect will result in significantly increased government oversight of clinical trials. Under the FDAAA, companies that violate these and other provisions of the new law are subject to substantial civil monetary penalties, among other regulatory, civil and criminal penalties. The increased attention to drug safety issues may result in a more cautious approach by the FDA in its review of data from our clinical trials. Data from clinical trials may receive greater scrutiny, particularly with respect to safety, which may make the FDA or other regulatory authorities more likely to require additional preclinical studies or clinical trials. If the FDA requires us to conduct additional preclinical studies or clinical trials prior to approving any of our product candidates, our ability to obtain approval of this product candidate will be delayed. If the FDA requires us to provide additional clinical or preclinical data following the approval of any of our product candidates, the indications for which this product candidate is approved may be limited or there may be specific warnings or limitations on dosing, and our efforts to commercialize our product candidates may be otherwise adversely impacted.

If we experience delays or difficulties in the enrollment of patients in clinical trials, our receipt of necessary regulatory approvals could be delayed or prevented.

We may not be able to initiate or continue clinical trials for one or more of our product candidates if we are unable to locate and enroll a sufficient number of eligible patients to participate in these trials as required by the FDA or similar regulatory authorities outside the United States. Some of our competitors have ongoing clinical trials for product candidates that treat the same indications as our product candidates, and patients who would otherwise be eligible for our clinical trials may instead enroll in clinical trials of our competitors' product candidates. Available therapies for the indications we are pursuing can also affect enrollment in our clinical trials. Patient enrollment is affected by other factors including, but not necessarily limited to:

- the severity of the disease under investigation;
- the eligibility criteria for the study in question;
- the perceived risks and benefits of the product candidate under study;
- the efforts to facilitate timely enrollment in clinical trials;
- the patient referral practices of physicians;
- the ability to monitor patients adequately during and after treatment; and
- the proximity and availability of clinical trial sites for prospective patients.

Our inability to enroll a sufficient number of patients for our clinical trials would result in significant delays and could require us to abandon one or more clinical trials altogether. Enrollment delays in our clinical trials may result in increased development costs for our product candidate or future product candidates, which would cause the value of our company to decline and limit our ability to obtain additional financing.

Our product candidates are in scientific areas of intense competition from many large pharmaceutical and biotechnology companies, many of which are significantly further along in development or are already on the market with competing products. We expect competition for our product candidates will intensify, and new products may emerge that provide different or better therapeutic alternatives for our targeted indications.

The biotechnology and pharmaceutical industries are subject to rapid and intense technological change. We face, and will continue to face, competition in the development and marketing of our product candidates from academic institutions, government agencies, research institutions and biotechnology and pharmaceutical companies. There can be no assurance that developments by others will not render one or more of our product candidates obsolete or noncompetitive. Furthermore, new developments, including the development of other drug technologies and methods of preventing the incidence of disease, occur in the pharmaceutical industry at a rapid pace. These developments may render one or more of our product candidates obsolete or noncompetitive.

Competitors may seek to develop alternative formulations that do not directly infringe on our in-licensed patent rights. The commercial opportunity for one or more of our product candidates could be significantly harmed if competitors are able to develop alternative formulations outside the scope of our in-licensed patents. Compared to us, many of our potential competitors have substantially greater:

· capital resources;

· development resources, including personnel and technology;

· clinical trial experience;

· regulatory experience;

· expertise in prosecution of intellectual property rights; and

· manufacturing, distribution and sales and marketing experience.

As a result of these factors, our competitors may obtain regulatory approval of their products more rapidly than we are able to or may obtain patent protection or other intellectual property rights that limit our ability to develop or commercialize one or more of our product candidates. Our competitors may also develop drugs that are more effective, safe, useful and less costly than ours and may be more successful than us in manufacturing and marketing their products.

Our commercial success depends upon us attaining significant market acceptance of our product candidates, if approved for sale, among physicians, patients, healthcare payors and major operators of cancer and other clinics.

Even if we obtain regulatory approval for one or more of our product candidates, the product may not gain market acceptance among physicians, health care payors, patients and the medical community, which are critical to commercial success. Market acceptance of any product candidate for which we receive approval depends on a number of factors, including, but not necessarily limited to:

· the efficacy and safety as demonstrated in clinical trials;

· the timing of market introduction of such product candidate as well as competitive products;

· the clinical indications for which the drug is approved;

· acceptance by physicians, major operators of cancer clinics and patients of the drug as a safe and effective treatment;

· the safety of such product candidate seen in a broader patient group, including its use outside the approved indications;

· the availability, cost and potential advantages of alternative treatments, including less expensive generic drugs;

· the availability of adequate reimbursement and pricing by third-party payors and government authorities;

· the relative convenience and ease of administration of the product candidate for clinical practices;

· the product labeling or product insert required by the FDA or regulatory authority in other countries;

· the approval, availability, market acceptance and reimbursement for a companion diagnostic, if any;

· the prevalence and severity of adverse side effects; and

· the effectiveness of our sales and marketing efforts.

If any product candidate that we develop does not provide a treatment regimen that is as beneficial as, or is not perceived as being as beneficial as, the current standard of care or otherwise does not provide patient benefit, that product candidate, if approved for commercial sale by the FDA or other regulatory authorities, likely will not achieve market acceptance. Our ability to effectively promote and sell any approved products will also depend on pricing and cost-effectiveness, including our ability to produce a product at a competitive price and our ability to obtain sufficient third-party coverage or reimbursement. If any product candidate is approved but does not achieve an adequate level of acceptance by physicians, patients and third-party payors, our ability to generate revenues from that product would be substantially reduced. In addition, our efforts to educate the medical community and third-party payors on the benefits of our product candidates may require significant resources, may be constrained by FDA rules and policies on product promotion, and may never be successful.

If approved, our product candidates will face competition from less expensive generic products of competitors, and, if we are unable to differentiate the benefits of our product candidates over these less expensive alternatives, we may never generate meaningful product revenues.

Generic therapies are typically sold at lower prices than branded therapies and are generally preferred by hospital formularies and managed care providers of health services. We anticipate that, if approved, our product candidates will face increasing competition in the form of generic versions of branded products of competitors that have lost or will lose their patent exclusivity. In the future, we may face additional competition from a generic form when the patents covering it begin to expire, or earlier if the patents are successfully challenged. If we are unable to demonstrate to physicians and payers that the key differentiating features of our product candidates translate to overall clinical benefit or lower cost of care, we may not be able to compete with generic alternatives.

Reimbursement may be limited or unavailable in certain market segments for our product candidates, which could make it difficult for us to sell our products profitably.

There is significant uncertainty related to the third-party coverage and reimbursement of newly approved drugs. Such third-party payors include government health programs such as Medicare, managed care providers, private health insurers and other organizations. We intend to seek approval to market our product candidates in the US, the EU and other selected foreign jurisdictions. Market acceptance and sales of our product candidates in both domestic and international markets will depend significantly on the availability of adequate coverage and reimbursement from third-party payors for any of our product candidates and may be affected by existing and future health care reform measures. Government and other third-party payors are increasingly attempting to contain healthcare costs by limiting both coverage and the level of reimbursement for new drugs and, as a result, they may not cover or provide adequate payment for our product candidates. These payors may conclude that our product candidates are less safe, less effective or less cost-effective than existing or future introduced products, and third-party payors may not approve our product candidates for coverage and reimbursement or may cease providing coverage and reimbursement for these product candidates.

Obtaining coverage and reimbursement approval for a product from a government or other third-party payor is a time consuming and costly process that could require us to provide to the payor supporting scientific, clinical and cost-effectiveness data for the use of our products. We may not be able to provide data sufficient to gain acceptance with respect to coverage and reimbursement. If reimbursement of our future products is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, we may be unable to achieve or sustain profitability.

In some foreign countries, particularly in the EU, the pricing of prescription pharmaceuticals is subject to governmental control. In these countries, pricing negotiations with governmental authorities can take considerable time after the receipt of marketing approval for a product candidate. To obtain reimbursement or pricing approval in some countries, we may be required to conduct additional clinical trials that compare the cost-effectiveness of our product candidates to other available therapies. If reimbursement of our product candidates is unavailable or limited in scope or amount in a particular country, or if pricing is set at unsatisfactory levels, we may be unable to achieve or sustain profitability of our products in such country.

If we are unable to establish sales, marketing and distribution capabilities or to enter into agreements with third parties to market and sell our product candidates, we may not be successful in commercializing our product candidates if and when they are approved.

We currently do not have a marketing or sales organization for the marketing, sales and distribution of pharmaceutical products. In order to commercialize any product candidate that receives marketing approval, we would need to build marketing, sales, distribution, managerial and other non-technical capabilities or make arrangements with third parties to perform these services, and we may not be successful in doing so. In the event of successful development and regulatory approval of one or more of our product candidates or any future product candidate, we expect to build a targeted specialist sales force to market or co-promote the product. There are risks involved with establishing our own sales, marketing and distribution capabilities. For example, recruiting and training a sales force is expensive and time consuming and could delay any product launch. If the commercial launch of a product candidate for which we recruit a sales force and establish marketing capabilities is delayed or does not occur for any reason, we would have prematurely or unnecessarily incurred these commercialization expenses. This may be costly, and our investment would be lost if we cannot retain or reposition our sales and marketing personnel.

Factors that may inhibit our efforts to commercialize our products on our own include, but are not necessarily limited to:

- our inability to recruit, train and retain adequate numbers of effective sales and marketing personnel;

- the inability of sales personnel to obtain access to physicians or persuade adequate numbers of physicians to prescribe any future products;

- the lack of complementary or other products to be offered by sales personnel, which may put us at a competitive disadvantage from the perspective of sales efficiency relative to companies with more extensive product lines; and

- unforeseen costs and expenses associated with creating an independent sales and marketing organization.

As an alternative to establishing our own sales force, we may choose to partner with third parties that have well-established direct sales forces to sell, market and distribute our products.

We rely, and expect to continue to rely, on third parties to conduct our preclinical studies and clinical trials, and those third parties may not perform satisfactorily, including failing to meet deadlines for the completion of such trials or complying with applicable regulatory requirements.

We rely on third-party contract research organizations and site management organizations to conduct some of our preclinical studies and all of our clinical trials for our product candidates and for any future product candidate. We expect to continue to rely on third parties, such as contract research organizations, site management organizations, clinical data management organizations, medical institutions and clinical investigators, to conduct some of our preclinical studies and all of our clinical trials. The agreements with these third parties might terminate for a variety of reasons, including a failure to perform by the third parties. If we need to enter into alternative arrangements, that could delay our product development activities.

Our reliance on these third parties for research and development activities will reduce our control over these activities but will not relieve us of our responsibilities. For example, we will remain responsible for ensuring that each of our preclinical studies and clinical trials are conducted in accordance with the general investigational plan and protocols for the trial and for ensuring that our preclinical studies are conducted in accordance with good laboratory practice (GLP) as appropriate. Moreover, the FDA requires us to comply with standards, commonly referred to as good clinical practices (GCPs) for conducting, recording and reporting the results of clinical trials to assure that data and reported results are credible and accurate and that the rights, integrity and confidentiality of trial participants are protected. Regulatory authorities enforce these requirements through periodic inspections of trial sponsors, clinical investigators and trial sites. If we or any of our clinical research organizations fail to comply with applicable GCPs, the clinical data generated in our clinical trials may be deemed unreliable and the FDA or comparable foreign regulatory authorities may require us to perform additional clinical trials before approving our marketing applications. We cannot assure you that upon inspection by a given regulatory authority, such regulatory authority will determine that any of our clinical trials complies with GCP regulations. In addition, our clinical trials must be conducted with product produced under cGMP regulations. Our failure to comply with these regulations may require us to repeat clinical trials, which would delay the regulatory approval process. We also are required to register ongoing clinical trials and post the results of completed clinical trials on a government-sponsored database, ClinicalTrials.gov, within specified timeframes. Failure to do so can result in fines, adverse publicity and civil and criminal sanctions.

The third parties with whom we have contracted to help perform our preclinical studies or clinical trials may also have relationships with other entities, some of which may be our competitors. If these third parties do not successfully carry out their contractual duties, meet expected deadlines or conduct our preclinical studies or clinical trials in accordance with regulatory requirements or our stated protocols, we will not be able to obtain, or may be delayed in obtaining, marketing approvals for our product candidates and will not be able to, or may be delayed in our efforts to, successfully commercialize our product candidates.

If any of our relationships with these third-party contract research organizations or site management organizations terminates, we may not be able to enter into arrangements with alternative contract research organizations or site management organizations or to do so on commercially reasonable terms. Switching or adding additional contract research organizations or site management organizations involves additional cost and requires management time and focus. In addition, there is a natural transition period when a new contract research organization or site management organization commences work. As a result, delays could occur, which could compromise our ability to meet our desired development timelines. Though we carefully manage our relationships with our contract research organizations or site management organizations, there can be no assurance that we will not encounter similar challenges or delays in the future.

We contract with third parties for the manufacture of our product candidates for preclinical and clinical testing and expect to continue to do so for commercialization. This reliance on third parties increases the risk that we will not have sufficient quantities of our product candidates or any future product candidate or such quantities at an acceptable cost, which could delay, prevent or impair our development or commercialization efforts.

We do not have any manufacturing facilities or manufacturing personnel. We rely, and expect to continue to rely, on third parties for the manufacture of our product candidates for preclinical and clinical testing, as well as for commercial manufacture if any of our product candidates receive marketing approval. This reliance on third parties increases the risk that we will not have sufficient quantities of our product candidates or any future product candidate or such quantities at an acceptable cost or quality, which could delay, prevent or impair our development or commercialization efforts.

We also expect to rely on third-party manufacturers or third-party collaborators for the manufacture of commercial supply of any product candidates for which our collaborators or we obtain marketing approval. We may be unable to establish any agreements with third-party manufacturers or to do so on acceptable terms. Even if we are able to establish agreements with third-party manufacturers, reliance on third-party manufacturers entails additional risks, including, but not necessarily limited to:

· reliance on the third party for regulatory compliance and quality assurance;

· the possible breach of the manufacturing agreement by the third party;

· manufacturing delays if our third-party manufacturers give greater priority to the supply of other products over our product candidates or otherwise do not satisfactorily perform according to the terms of the agreement between us;

· the possible misappropriation of our proprietary information, including our trade secrets and know-how; and

· the possible termination or nonrenewal of the agreement by the third party at a time that is costly or inconvenient for us.

We rely on our third-party manufacturers to produce or purchase from third-party suppliers the materials and equipment necessary to produce our product candidates for our pre-clinical and clinical trials. There are a limited number of suppliers for raw materials and equipment that we use (or that are used on our behalf) to manufacture our drugs, and there may be a need to assess alternate suppliers to prevent a possible disruption of the manufacture of the materials and equipment necessary to produce our product candidates for our pre-clinical and clinical trials, and if approved, ultimately for commercial sale. We do not have any control over the process or timing of the acquisition of these raw materials or equipment by our third-party manufacturers. Any significant delay in the supply of a product candidate, or the raw material components thereof, for an ongoing pre-clinical or clinical trial due to the need to replace a third-party manufacturer could considerably delay completion of our pre-clinical or clinical trials, product testing and potential regulatory approval of our product candidates. If our manufacturers or we are unable to purchase these raw materials or equipment after regulatory approval has been obtained for our product candidates, the commercial launch of our product candidates would be delayed or there would be a shortage in supply, which would impair our ability to generate revenues from the sale of our product candidates.

The facilities used by our contract manufacturers to manufacture our product candidates must be approved by the FDA pursuant to inspections that will be conducted after we submit an NDA to the FDA. We do not control the manufacturing process of, and are completely dependent on, our contract manufacturers for compliance with cGMP regulations for manufacture of our product candidates. Third-party manufacturers may not be able to comply with the cGMP regulations or similar regulatory requirements outside the United States. Our failure, or the failure of our third-party manufacturers, to comply with applicable regulations could result in sanctions being imposed on us, including clinical holds, fines, injunctions, civil penalties, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of product candidates or products, operating restrictions and criminal prosecutions, any of which could significantly and adversely affect supplies of our products.

One or more of the product candidates that we may develop may compete with other product candidates and products for access to manufacturing facilities. There are a limited number of manufacturers that operate under cGMP regulations and that might be capable of manufacturing for us. Any performance failure on the part of our existing or future manufacturers could delay clinical development or marketing approval. We do not currently have arrangements in place for redundant supply or a second source for bulk drug substance. If our current contract manufacturers cannot perform as agreed, we may be required to replace such manufacturers. We may incur added costs and delays in identifying and qualifying any replacement manufacturers. The DEA restricts the importation of a controlled substance finished drug product when the same substance is commercially available in the United States, which could reduce the number of potential alternative manufacturers for one or more of our product candidates.

Our current and anticipated future dependence upon others for the manufacture of our product candidates or products may adversely affect our future profit margins and our ability to commercialize any products that receive marketing approval on a timely and competitive basis.

We also expect to rely on other third parties to store and distribute drug supplies for our clinical trials. Any performance failure on the part of our distributors could delay clinical development or marketing approval of our product candidates or commercialization of our products, producing additional losses and depriving us of potential product revenue.

We rely on clinical data and results obtained by third parties that could ultimately prove to be inaccurate or unreliable.

As part of our strategy to mitigate development risk, we seek to develop product candidates with validated mechanisms of action and we utilize biomarkers to assess potential clinical efficacy early in the development process. This strategy necessarily relies upon clinical data and other results obtained by third parties that may ultimately prove to be inaccurate or unreliable. Further, such clinical data and results may be based on products or product candidates that are significantly different from our product candidates or any future product candidate. If the third-party data and results we rely upon prove to be inaccurate, unreliable or not applicable to our product candidates or future product candidate, we could make inaccurate assumptions and conclusions about our product candidates and our research and development efforts could be compromised.

If we breach any of the agreements under which we license rights to one or more of product candidates from others, we could lose the ability to continue to develop and commercialize such product candidate.

Because we have in-licensed the rights to all of our product candidates from COH, and in the future will continue to in-license from additional third parties, if there is any dispute between us and our licensor regarding our rights under our license agreement, our ability to develop and commercialize these product candidates may be adversely affected. Any uncured, material breach under our license agreement could result in our loss of exclusive rights to our product candidate and may lead to a complete termination of our related product development efforts.

We may not be able to manage our business effectively if we are unable to attract and retain key personnel.

We may not be able to attract or retain qualified management and commercial, scientific and clinical personnel in the future due to the intense competition for qualified personnel among biotechnology, pharmaceutical and other businesses. If we are not able to attract and retain necessary personnel to accomplish our business objectives, we may experience constraints that will significantly impede the achievement of our development objectives, our ability to raise additional capital and our ability to implement our business strategy.

Our employees may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements, which could have a material adverse effect on our business.

We are exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include intentional failures to comply with FDA regulations, provide accurate information to the FDA, comply with manufacturing standards we have established, comply with federal and state health-care fraud and abuse laws and regulations, 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, 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. Employee misconduct could also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to our reputation. The precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business and results of operations, including the imposition of significant fines or other sanctions.

We face potential product liability exposure, and if successful claims are brought against us, we may incur substantial liability for one or more of our product candidates or a future product candidate we may license or acquire and may have to limit their commercialization.

The use of one or more of our product candidates and any future product candidate we may license or acquire in clinical trials and the sale of any products for which we obtain marketing approval expose us to the risk of product liability claims. For example, we may be sued if any product we develop allegedly causes injury or is found to be otherwise unsuitable during clinical testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, negligence, strict liability or a breach of warranties. Product liability claims might be brought against us by consumers, health care providers or others using, administering or selling our products. If we cannot successfully defend ourselves against these claims, we will incur substantial liabilities. Regardless of merit or eventual outcome, liability claims may result in:

- withdrawal of clinical trial participants;
- termination of clinical trial sites or entire trial programs;
- decreased demand for any product candidates or products that we may develop;
- initiation of investigations by regulators;
- impairment of our business reputation;
- costs of related litigation;
- substantial monetary awards to patients or other claimants;
- loss of revenues;
- reduced resources of our management to pursue our business strategy; and
- the inability to commercialize our product candidate or future product candidates.

We will obtain limited product liability insurance coverage for any and all of our upcoming clinical trials. However, our insurance coverage may not reimburse us or may not be sufficient to reimburse us for any expenses or losses we may suffer. Moreover, insurance coverage is becoming increasingly expensive, and, in the future, we may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts to protect us against losses due to liability. When needed we intend to expand our insurance coverage to include the sale of commercial products if we obtain marketing approval for one or more of our product candidates in development, but we may be unable to obtain commercially reasonable product liability insurance for any products approved for marketing. On occasion, large judgments have been awarded in class action lawsuits based on drugs that had unanticipated side effects. A successful product liability claim or series of claims brought against us could cause our stock price to fall and, if judgments exceed our insurance coverage, could decrease our cash and adversely affect our business.

Our future growth depends on our ability to identify and acquire or in-license products and if we do not successfully identify and acquire or in-license related product candidates or integrate them into our operations, we may have limited growth opportunities.

An important part of our business strategy is to continue to develop a pipeline of product candidates by acquiring or in-licensing products, businesses or technologies that we believe are a strategic fit with our focus on novel combinations of CAR-T cells with of immuno-oncology antibodies and small molecule kinase inhibitors. Future in-licenses or acquisitions, however, may entail numerous operational and financial risks, including, but not necessarily limited to:

- exposure to unknown liabilities;
- disruption of our business and diversion of our management's time and attention to develop acquired products or technologies;
- difficulty or inability to secure financing to fund development activities for such acquired or in-licensed technologies in the current economic environment;
- incurrence of substantial debt or dilutive issuances of securities to pay for acquisitions;
- higher than expected acquisition and integration costs;
- increased amortization expenses;
- difficulty and cost in combining the operations and personnel of any acquired businesses with our operations and personnel;
- impairment of relationships with key suppliers or customers of any acquired businesses due to changes in management and ownership; and
- inability to retain key employees of any acquired businesses.

We have limited resources to identify and execute the acquisition or in-licensing of third-party products, businesses and technologies and integrate them into our current infrastructure. In particular, we may compete with larger pharmaceutical companies and other competitors in our efforts to establish new collaborations and in-licensing opportunities. These competitors likely will have access to greater financial resources than us and may have greater expertise in identifying and evaluating new opportunities. Moreover, we may devote resources to potential acquisitions or in-licensing opportunities that are never completed, or we may fail to realize the anticipated benefits of such efforts.

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 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.

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 are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. Our operations involve the use of hazardous and flammable materials, including chemicals and biological materials. Our operations also produce hazardous waste products. We generally contract with third parties for the disposal of these materials and wastes. We cannot eliminate the risk of contamination or injury from these materials. Although we believe that the safety procedures for handling and disposing of these materials comply with the standards prescribed by these laws and regulations, we cannot eliminate the risk of accidental contamination or injury from these materials. In the event of contamination or injury resulting from our use of hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. We also could incur significant costs associated with civil or criminal fines and penalties 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. We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us in connection with our storage or disposal of biological, hazardous or radioactive materials.

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

Our business and operations would suffer in the event of system failures.

Despite the implementation of security measures, our internal computer systems are vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failures. Any system failure, accident or security breach that causes interruptions in our operations could result in a material disruption of our drug development programs. For example, the loss of clinical trial data from completed clinical trials for one or more of our product conducts could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. To the extent that any disruption or security breach results in a loss or damage to our data or applications, or inappropriate disclosure of confidential or proprietary information, we may incur liability and the further development of one or more of our product candidates may be delayed.

We are partly reliant on the City of Hope National Medical Center for research and development and early clinical testing of certain of our product candidates.

A substantial portion of our research and development has been conducted by COH pursuant to a sponsored research agreement executed between Mustang and COH in March 2015. We have limited control over the nature or timing of COH's research and limited visibility into its day-to-day activities. Our future success is heavily dependent on the results of research and development efforts of Dr. Stephen Forman and his laboratory team at COH.

CAR-T is a new approach to cancer treatment that presents significant challenges.

We have concentrated our research and development efforts on CAR-T technology, and our future success is highly dependent on the successful development of T cell immunotherapies in general and our CAR-T technology and product candidates in particular. Because CAR-T is a new approach to cancer immunotherapy and cancer treatment generally, developing and commercializing our product candidates subjects us to a number of challenges, including, but not necessarily limited to:

- obtaining regulatory approval from the FDA and other regulatory authorities that may have very limited experience with the commercial development of genetically modified T cell therapies for cancer;
- developing and deploying consistent and reliable processes for engineering a patient's T cells ex vivo and infusing the engineered T cells back into the patient;
- conditioning patients with chemotherapy in conjunction with delivering each of our products, which may increase the risk of adverse side effects of our products;
- educating medical personnel regarding the potential side effect profile of each of our products;
- developing processes for the safe administration of these products, including long-term follow-up for all patients who receive our product candidates;
- sourcing clinical and, if approved, commercial supplies for the materials used to manufacture and process our product candidates;
- developing a manufacturing process and distribution network with a cost of goods that allows for an attractive return on investment;
- establishing sales and marketing capabilities after obtaining any regulatory approval to gain market acceptance, and obtaining adequate coverage, reimbursement and pricing by third-party payors and government authorities; and
- developing therapies for types of cancers beyond those addressed by our current product candidates.

Product candidates, even if successfully developed and commercialized, may be effective only in combating certain specific types of cancer, and the market for drugs designed to combat such cancer type(s) may be small and unprofitable.

There are many different types of cancer, and a treatment that is effective against one type of cancer may not be effective against another. CAR-T or other technologies we pursue may only be effective in combatting specific types of cancer but not others. Even if one or more of our products proves to be an effective treatment against a given type of cancer, the number of patients suffering from such cancer may be small, in which case potential sales from a drug designed to combat such cancer would be limited.

Risks Related to Intellectual Property

If we are unable to obtain and maintain patent protection for our technology and products or if the scope of the patent protection obtained is not sufficiently broad, our competitors could develop and commercialize technology and products similar or identical to ours, and our ability to successfully commercialize our technology and products may be impaired.

Our commercial success will depend in part on obtaining and maintaining patent protection and trade secret protection in the US and other countries with respect to our product candidates or any future product candidate that we may license or acquire and the methods we use to manufacture them, as well as successfully defending these patents and trade secrets against third-party challenges. We seek to protect our proprietary position by filing patent applications in the United States and abroad related to our product candidates. We will only be able to protect our technologies from unauthorized use by third parties to the extent that valid and enforceable patents or trade secrets cover them.

The patent prosecution 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. It is also possible that we will fail to identify any patentable aspects of our research and development output, and, if we do, an opportunity to obtain patent protection may have passed. If our licensors or we fail to obtain or maintain patent protection or trade secret protection for one or more of product candidates or any future product candidate we may license or acquire, third parties may be able to access our proprietary information, which could impair our ability to compete in the market and adversely affect our ability to generate revenues and achieve profitability. Moreover, should we enter into other collaborations we may be required to consult with or cede control to collaborators regarding the prosecution, maintenance and enforcement of licensed patents. Therefore, these patents and applications may not be prosecuted and enforced in a manner consistent with the best interests of our business.

The patent position of biotechnology and pharmaceutical companies generally is highly uncertain, involves complex legal and factual questions and has in recent years been the subject of much litigation. In addition, no consistent policy regarding the breadth of claims allowed in pharmaceutical or biotechnology patents has emerged to date in the US. The patent situation outside the US is even more uncertain. The laws of foreign countries may not protect our rights to the same extent as the laws of the US. For example, European patent law restricts the patentability of methods of treatment of the human body more than US law does. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the US and other jurisdictions are typically not published until 18 months after a first filing, if at all. Therefore, we cannot know with certainty whether we or our licensors were the first to make the inventions claimed in patents or pending patent applications that we own or licensed, or that we or our licensors were the first to file for patent protection of such inventions. In the event that a third party has also filed a US patent application relating to our product candidates or a similar invention, depending upon the priority dates claimed by the competing parties, we may have to participate in interference proceedings declared by the PTO to determine priority of invention in the US. The costs of these proceedings could be substantial and it is possible that our efforts to establish priority of invention would be unsuccessful, resulting in a material adverse effect on our US patent position. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain. Our pending and future patent applications may not result in patents being issued which protect our technology or products, in whole or in part, or which effectively prevent others from commercializing competitive technologies and products. Changes in either the patent laws or interpretation of the patent laws in the US and other countries may diminish the value of our patents or narrow the scope of our patent protection. For example, the federal courts of the US have taken an increasingly dim view of the patent eligibility of certain subject matter, such as naturally occurring nucleic acid sequences, amino acid sequences and certain methods of utilizing same, which include their detection in a biological sample and diagnostic conclusions arising from their detection. Such subject matter, which had long been a staple of the biotechnology and biopharmaceutical industry to protect their discoveries, is now considered, with few exceptions, ineligible in the first place for protection under the patent laws of the US. Accordingly, we cannot predict the breadth of claims that may be allowed or enforced in our patents or in those licensed from a third-party.

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

Moreover, we may be subject to a third-party preissuance submission of prior art to the PTO, or become involved in opposition, derivation, reexamination,*inter partes* review, post-grant review or interference proceedings challenging our patent rights or the patent rights of others. An adverse determination in any such submission, patent office trial, proceeding or litigation could reduce the scope of, render unenforceable, or invalidate, our patent rights, allow third parties to commercialize our technology or products and compete directly with us, without payment to us, or result in our inability to manufacture or commercialize products without infringing third-party patent rights. 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.

Even if our patent applications issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors from competing with us or otherwise provide us with any competitive advantage. Our competitors may be able to circumvent our owned or licensed patents by developing similar or alternative technologies or products in a non-infringing manner.

The issuance of a patent does not foreclose challenges to its inventorship, scope, validity or enforceability. Therefore, our owned and licensed patents may be challenged in the courts or patent offices in the United States and abroad. Such challenges may result in loss of exclusivity or in patent claims being narrowed, invalidated or held unenforceable, in whole or in part, 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 products. Given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such product candidates might expire before or shortly after such product candidates are commercialized. 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.

We depend on our licensors for the maintenance and enforcement of intellectual property covering certain of our product candidates and have limited control, if any, over the amount or timing of resources that our licensors devote on our behalf, or whether any financial difficulties experienced by our licensors could result in their unwillingness or inability to secure, maintain and enforce patents protecting certain of our product candidates.

We depend on our licensors to protect the proprietary rights covering our product candidates and we have limited, if any, control over the amount or timing of resources that they devote on our behalf, or the priority they place on, maintaining patent rights and prosecuting patent applications to our advantage.

Our licensors, depending on the patent or application, are responsible for maintaining issued patents and prosecuting patent applications. We cannot be sure that they will perform as required. Should they decide they no longer want to maintain any of the patents licensed to us, they are required to afford us the opportunity to do so at our expense. If our licensors do not perform, and if we do not assume the maintenance of the licensed patents in sufficient time to make required payments or filings with the appropriate governmental agencies, we risk losing the benefit of all or some of those patent rights. Moreover, our licensors may experience serious difficulties related to their overall business or financial stability, and they may be unwilling or unable to continue to expend the financial resources required to maintain and prosecute these patents and patent applications. While we intend to take actions reasonably necessary to enforce our patent rights, we depend, in part, on our licensors to protect a substantial portion of our proprietary rights.

Our licensors may also be notified of alleged infringement and be sued for infringement of third-party patents or other proprietary rights. We may have limited, if any, control or involvement over the defense of these claims, and our licensors could be subject to injunctions and temporary or permanent exclusionary orders in the US or other countries. Our licensors are not obligated to defend or assist in our defense against third-party claims of infringement. We have limited, if any, control over the amount or timing of resources, if any, that our licensors devote on our behalf or the priority they place on defense of such third-party claims of infringement.

Because of the uncertainty inherent in any patent or other litigation involving proprietary rights, we or our licensors may not be successful in defending claims of intellectual property infringement alleged by third parties, which could have a material adverse effect on our results of operations. Regardless of the outcome of any litigation, defending the litigation may be expensive, time-consuming and distracting to management.

Because it is difficult and costly to protect our proprietary rights, we may not be able to ensure their protection.

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:

- our licensors might not have been the first to make the inventions covered by each of our pending patent applications and issued patents;
- our licensors might not have been the first to file patent applications for these inventions;
- others may independently develop similar or alternative technologies or duplicate our product candidates or any future product candidate technologies;
- it is possible that none of the pending patent applications licensed to us will result in issued patents;
- the issued patents covering our product candidates or any future product candidate may not provide a basis for market exclusivity for active products, may not provide us with any competitive advantages, or may be challenged by third parties;
- we may not develop additional proprietary technologies that are patentable; or
- patents of others may have an adverse effect on our business.

We may become involved in lawsuits to protect or enforce our patents or other intellectual property, which could be expensive, time consuming and unsuccessful.

Competitors may infringe our issued patents or other intellectual property. To counter infringement or unauthorized use, we may be required to file one or more actions for patent infringement, which can be expensive and time consuming. Any claims we assert against accused infringers could provoke these parties to assert counterclaims against us alleging that we infringe their patents. In addition, in a patent infringement proceeding, a court may decide that a patent of ours is invalid or unenforceable, in whole or in part, construe the patent's claims narrowly or 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. An adverse result in any litigation proceeding could put one or more of our patents at risk of being invalidated, rendered unenforceable, or interpreted narrowly.

If we are sued for infringing intellectual property rights of third parties, it will be costly and time consuming, and an unfavorable outcome in any litigation would harm our business.

Our ability to develop, manufacture, market and sell one or more of our product candidates or any future product candidate that we may license or acquire depends upon our ability to avoid infringing the proprietary rights of third parties. Numerous US and foreign issued patents and pending patent applications, which are owned by third parties, exist in the general fields of fully human immuno-oncology targeted antibodies and cover the use of numerous compounds and formulations in our targeted markets. Because of the uncertainty inherent in any patent or other litigation involving proprietary rights, we and our licensors may not be successful in defending intellectual property claims asserted by third parties, which could have a material adverse effect on our results of operations. Regardless of the outcome of any litigation, defending the litigation may be expensive, time-consuming and distracting to management. In addition, because patent applications can take many years to issue, there may be currently pending applications that are unknown to us, which may later result in issued patents that one or more of our product candidates may infringe. There could also be existing patents of which we are not aware that one or more of our product candidates may infringe, even if only inadvertently.

There is a substantial amount of litigation involving patent and other intellectual property rights in the biotechnology and biopharmaceutical industries generally. If a third-party claims that we infringe their patents or misappropriated their technology, we could face a number of issues, including:

- infringement and other intellectual property claims which, with or without merit, can be expensive and time consuming to litigate and can divert management's attention from our core business;
- substantial damages for past infringement which we may have to pay if a court decides that our product infringes a competitor's patent;
- a court prohibiting us from selling or licensing our product unless the patent holder licenses the patent to us, which it would not be required to do;
- if a license is available from a patent holder, we may have to pay substantial royalties or grant cross licenses to our patents; and
- redesigning our processes so they do not infringe, which may not be possible or could require substantial funds and time.

Intellectual property litigation could cause us to spend substantial resources and distract our personnel from their normal responsibilities.

Even if resolved in our favor, 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, it could have a substantial adverse effect on the price of our common stock. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing or distribution activities. We may not have sufficient financial or other resources to conduct such litigation or proceedings adequately. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could compromise our ability to compete in the marketplace.

We may need to license certain intellectual property from third parties, and such licenses may not be available or may not be available on commercially reasonable terms.

A third party may hold intellectual property, including patent rights that are important or necessary to the development and commercialization of our products. It may be necessary for us to use the patented or proprietary technology of third parties to commercialize our products, in which case we would be required to obtain a license from these third parties on commercially reasonable terms, or our business could be harmed, possibly materially.

If we fail to comply with our obligations in our intellectual property licenses and funding arrangements with third parties, we could lose rights that are important to our business.

We are currently a party to license agreements with the City of Hope and the Regents of the University of California. In the future, we may become party to licenses that are important for product development and commercialization. If we fail to comply with our obligations under current or future license and funding agreements, our counterparties may have the right to terminate these agreements, in which event we might not be able to develop, manufacture or market any product or utilize any technology that is covered by these agreements or may face other penalties under the agreements. Such an occurrence could materially and adversely affect the value of a product candidate being developed under any such agreement or could restrict our drug discovery activities. Termination of these agreements or reduction or elimination of our rights under these agreements may result in our having to negotiate new or reinstated agreements with less favorable terms, or cause us to lose our rights under these agreements, including our rights to important intellectual property or technology.

We may be subject to claims that our employees have wrongfully used or disclosed alleged trade secrets of their former employers.

As is common in the biotechnology and pharmaceutical industry, we employ individuals who were previously employed at other biotechnology or pharmaceutical companies, including our competitors or potential competitors. Although no claims against us are currently pending, we may be subject to claims that we or these employees have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of their former employers. Litigation may be necessary to defend against these claims. Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to management.

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

In addition to seeking patent protection for our product candidates or any future product candidate, we also rely on trade secrets, including unpatented know-how, technology and other proprietary information, to maintain our competitive position, particularly where we do not believe patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. We limit disclosure of such trade secrets where possible but we also seek to protect these trade secrets, in part, by entering into non-disclosure and confidentiality agreements with parties who do have access to them, such as our employees, our licensors, corporate collaborators, outside scientific collaborators, contract manufacturers, consultants, advisors and other third parties. We also enter into confidentiality and invention or patent assignment agreements with our employees and consultants. Despite these efforts, any of these parties may breach the agreements and may unintentionally or willfully disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, some courts inside and outside the United States are less willing or unwilling to protect trade secrets. Moreover, if any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent them, or those to whom they communicate it, from using that technology or information to compete with us. If any of our trade secrets were to be disclosed to or independently developed by a competitor, our competitive position would be harmed.

Risks Related to Our Finances and Capital Requirements

We have incurred significant losses since our inception. We expect to incur losses for the foreseeable future, and may never achieve or maintain profitability.

We are an emerging growth company with a limited operating history. We have focused primarily on in-licensing and developing our product candidates, with the goal of supporting regulatory approval for these product candidates. We have incurred losses since our inception in March 2015, and have an accumulated deficit of $25.9 million as of June 30, 2017. We expect to continue to incur significant operating losses for the foreseeable future. We also do not anticipate that we will achieve profitability for a period of time after generating material revenues, if ever. If we are unable to generate revenues, we will not become profitable and may be unable to continue operations without continued funding.

Because of the numerous risks and uncertainties associated with developing pharmaceutical products, we are unable to predict the timing or amount of increased expenses or when or if, we will be able to achieve profitability. Our net losses may fluctuate significantly from quarter to quarter and year to year. We anticipate that our expenses will increase substantially if:

- one or more of our product candidates are approved for commercial sale, due to our ability to establish the necessary commercial infrastructure to launch this product candidate without substantial delays, including hiring sales and marketing personnel and contracting with third parties for warehousing, distribution, cash collection and related commercial activities;
- we are required by the FDA or foreign regulatory authorities, to perform studies in addition to those currently expected;
- there are any delays in completing our clinical trials or the development of any of our product candidates;
- we execute other collaborative, licensing or similar arrangements and the timing of payments we may make or receive under these arrangements;
- there are variations in the level of expenses related to our future development programs;
- there are any product liability or intellectual property infringement lawsuits in which we may become involved;
- there are any regulatory developments affecting product candidates of our competitors; and
- one or more of our product candidates receives regulatory approval.

Our ability to become profitable depends upon our ability to generate revenue. To date, we have not generated any revenue from our development stage products, and we do not know when, or if, we will generate any revenue. Our ability to generate revenue depends on a number of factors, including, but not limited to, our ability to:

· obtain regulatory approval for one or more of our product candidates, or any future product candidate that we may license or acquire;

· manufacture commercial quantities of one or more of our product candidates or any future product candidate, if approved, at acceptable cost levels; and

· develop a commercial organization and the supporting infrastructure required to successfully market and sell one or more of our product candidates or any future product candidate, if approved.

Even 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 depress the value of our company and could impair our ability to raise capital, expand our business, maintain our research and development efforts, diversify our product offerings or even continue our operations. A decline in the value of our company could also cause you to lose all or part of your investment.

Our short operating history makes it difficult to evaluate our business and prospects.

We were incorporated in March 2015 and have only been conducting operations with respect to our product candidates since March 2015. Our operations to date have been limited to preclinical operations and the in-licensing of our product candidates. We have not yet demonstrated an ability to successfully complete clinical trials, obtain regulatory approvals, manufacture a commercial scale product, or arrange for a third party to do so on our behalf, or conduct sales and marketing activities necessary for successful product commercialization. Consequently, any predictions about our future performance may not be as accurate as they could be if we had a history of successfully developing and commercializing pharmaceutical products.

In addition, as a young business, we may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown factors. We will need to expand our capabilities to support commercial activities. We may not be successful in adding such capabilities.

We expect our financial condition and operating results to continue to fluctuate significantly from quarter to quarter and year to year due to a variety of factors, many of which are beyond our control. Accordingly, you should not rely upon the results of any past quarterly period as an indication of future operating performance.

We do not have any products that are approved for commercial sale and therefore do not expect to generate any revenues from product sales in the foreseeable future, if ever.

We have not generated any product related revenues to date, and do not expect to generate any such revenues for at least the next several years, if at all. To obtain revenues from sales of our product candidates, we must succeed, either alone or with third parties, in developing, obtaining regulatory approval for, manufacturing and marketing products with commercial potential. We may never succeed in these activities, and we may not generate sufficient revenues to continue our business operations or achieve profitability.

We will require substantial additional funding which may not be available to us on acceptable terms, or at all. If we fail to raise the necessary additional capital, we may be unable to complete the development and commercialization of our product candidates, or continue our development programs.

Our operations have consumed substantial amounts of cash since inception. We expect to significantly increase our spending to advance the preclinical and clinical development of our product candidates and launch and commercialize any product candidates for which we receive regulatory approval, including building our own commercial organizations to address certain markets. We will require additional capital for the further development and commercialization of our product candidates, as well as to fund our other operating expenses and capital expenditures. As of June 30, 2017, we had $73.8 million in cash and short term investments (certificates of deposit). We cannot provide any assurance that we will be able to raise funds to complete the development of our product.

We cannot be certain that additional funding will be available on acceptable terms, or at all. If we are unable to raise additional capital in sufficient amounts or on terms acceptable to us we may have to significantly delay, scale back or discontinue the development or commercialization of one or more of our product candidates. We may also seek collaborators for one or more of our current or future product candidates at an earlier stage than otherwise would be desirable or on terms that are less favorable than might otherwise be available. Any of these events could significantly harm our business, financial condition and prospects.

Our future funding requirements will depend on many factors, including, but not limited to:

- the timing, design and conduct of, and results from, pre-clinical and clinical trials for our product candidates;
- the potential for delays in our efforts to seek regulatory approval for our product candidates, and any costs associated with such delays;
- the costs of establishing a commercial organization to sell, market and distribute our product candidates;
- the rate of progress and costs of our efforts to prepare for the submission of an NDA for any product candidates that we may in-license or acquire in the future, and the potential that we may need to conduct additional clinical trials to support applications for regulatory approval;
- the costs of filing, prosecuting, defending and enforcing any patent claims and other intellectual property rights associated with our product candidates, including any such costs we may be required to expend if our licensors are unwilling or unable to do so;
- the cost and timing of securing sufficient supplies of our product candidates from our contract manufacturers for clinical trials and in preparation for commercialization;
- the effect of competing technological and market developments;
- the terms and timing of any collaborative, licensing, co-promotion or other arrangements that we may establish;
- if one or more of our product candidates are approved, the potential that we may be required to file a lawsuit to defend our patent rights or regulatory exclusivities from challenges by companies seeking to market generic versions of one or more of our product candidates; and
- the success of the commercialization of one or more of our product candidates.

Future capital requirements will also depend on the extent to which we acquire or invest in additional complementary businesses, products and technologies, but we currently have no commitments or agreements relating to any of these types of transactions.

In order to carry out our business plan and implement our strategy, we anticipate that we will need to obtain additional financing from time to time and may choose to raise additional funds through strategic collaborations, licensing arrangements, public or private equity or debt financing, bank lines of credit, asset sales, government grants, or other arrangements. We cannot be sure that any additional funding, if needed, will be available on terms favorable to us or at all. Furthermore, any additional equity or equity-related financing may be dilutive to our stockholders, and debt or equity financing, if available, may subject us to restrictive covenants and significant interest costs. If we obtain funding through a strategic collaboration or licensing arrangement, we may be required to relinquish our rights to certain of our product candidates or marketing territories.

Our inability to raise capital when needed would harm our business, financial condition and results of operations, and could cause our stock value to decline or require that we wind down our operations altogether.

Raising additional capital may cause dilution to our existing stockholders, restrict our operations or require us to relinquish proprietary rights.

Until such time, if ever, as we can generate substantial product revenue, we expect to finance our cash needs through a combination of equity offerings, debt financings, grants and license and development agreements in connection with any collaborations. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a stockholder. Debt financing and preferred equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends.

If we raise additional funds through collaborations, strategic alliances or marketing, distribution or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

We will continue to incur significant 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.

We intend to become a listed and traded public company. As a public company, we will incur significant legal, accounting and other expenses under the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, as well as rules subsequently implemented by the SEC, and the rules of any stock exchange on which we become listed. These rules impose various requirements on public companies, including requiring establishment and maintenance of effective disclosure and financial controls and appropriate corporate governance practices. Our management and other personnel have devoted and will continue to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations increase our legal and financial compliance costs and make some activities more time-consuming and costly. For example, these rules and regulations make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees or as executive officers.

The Sarbanes-Oxley Act requires, among other things, that we maintain effective internal controls for financial reporting and disclosure controls and procedures. As a result, we are required to periodically perform an evaluation of our internal controls over financial reporting to allow management to report on the effectiveness of those controls, as required by Section 404 of the Sarbanes-Oxley Act. Additionally, our independent auditors are required to perform a similar evaluation and report on the effectiveness of our internal controls over financial reporting. These efforts to comply with Section 404 and related regulations have required, and continue to require, the commitment of significant financial and managerial resources. While we anticipate maintaining the integrity of our internal controls over financial reporting and all other aspects of Section 404, we cannot be certain that a material weakness will not be identified when we test the effectiveness of our control systems in the future. If a material weakness is identified, we could be subject to sanctions or investigations by the SEC or other regulatory authorities, which would require additional financial and management resources, costly litigation or a loss of public confidence in our internal controls, which could have an adverse effect on the market price of our stock.

Compliance with the Sarbanes-Oxley Act of 2002 will require substantial financial and management resources and may increase the time and costs of completing an acquisition.

A business that we identify as a potential acquisition target may not be in compliance with the provisions of the Sarbanes-Oxley Act regarding the adequacy of internal controls. The development of the internal controls of any such entity to achieve compliance with the Sarbanes-Oxley Act may increase the time and costs necessary to complete any such acquisition. Furthermore, any failure to implement required new or improved controls, or difficulties encountered in the implementation of adequate controls over our financial processes and reporting in the future, could harm our operating results or cause us to fail to meet our reporting obligations. Inferior internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our securities.

We are an "emerging growth company" and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our securities less attractive to investors.

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act (the "JOBS Act"). We will remain an "emerging growth company" for up to five years. However, if our non-convertible debt issued within a three-year period or revenues exceeds $1 billion, or the market value of our equity shares that are held by non-affiliates exceeds $700 million on the last day of the second fiscal quarter of any given fiscal year, we would cease to be an emerging growth company as of the following fiscal year. As an emerging growth company, we are not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, we have reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and we are exempt from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies, but any such an election to opt out is irrevocable. We have elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, will not adopt the new or revised standard until the time private companies are required to adopt the new or revised standard. This may make comparison of our financial statements with another public company, which is neither an emerging growth company nor an emerging growth company, which has opted out of using the extended transition period, difficult or impossible because of the potential differences in accounting standards used.

Our results of operations and liquidity needs could be materially negatively affected by market fluctuations and economic downturn.

Our results of operations could be materially negatively affected by economic conditions generally, both in the US and elsewhere around the world. Continuing concerns over inflation, energy costs, geopolitical issues, the availability and cost of credit, the US mortgage market and residential real estate market in the US have contributed to increased volatility and diminished expectations for the economy and the markets going forward. These factors, combined with volatile oil prices, declining business and consumer confidence and increased unemployment, have precipitated an economic recession and fears of a possible depression. Domestic and international equity markets continue to experience heightened volatility and turmoil. These events and the continuing market upheavals may have an adverse effect on us. In the event of a continuing market downturn, our results of operations could be adversely affected by those factors in many ways, including making it more difficult for us to raise funds if necessary, and our stock price may further decline.

Our ability to use our pre-change NOLs and other pre-change tax attributes to offset post-change taxable income or taxes may be subject to limitation.

We may, from time to time, carry net operating loss carryforwards ("NOLs") as deferred tax assets on our balance sheet. Under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, if a corporation undergoes an "ownership change" (generally defined as a greater than 50-percentage- point cumulative change (by value) in the equity ownership of certain stockholders over a rolling three-year period), the corporation's ability to use its pre-change NOLs and other pre-change tax attributes to offset its post-change taxable income or taxes may be limited. We may experience ownership changes in the future as a result of shifts in our stock ownership, some of which changes are outside our control. As a result, our ability to use our pre-change NOLs and other pre-change tax attributes to offset post-change taxable income or taxes may be subject to limitation.

Risks Relating to Securities Markets and Investment in Our Stock

Our stock may be subject to substantial price and volume fluctuations due to a number of factors, many of which are beyond our control and may prevent our stockholders from reselling our common stock at a profit.

The market prices for securities of biotechnology and pharmaceutical companies have historically been highly volatile, and the market has from time to time experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies.

Once listed and trading, the market price of our common stock is likely to be highly volatile and may fluctuate substantially due to many factors, including:

- announcements concerning the progress of our efforts to obtain regulatory approval for and commercialize our product candidates or any future product candidate, including any requests we receive from the FDA for additional studies or data that result in delays in obtaining regulatory approval or launching these product candidates, if approved;
- market conditions in the pharmaceutical and biotechnology sectors or the economy as a whole;
- price and volume fluctuations in the overall stock market;
- the failure of one or more of our product candidates or any future product candidate, if approved, to achieve commercial success;
- announcements of the introduction of new products by us or our competitors;
- developments concerning product development results or intellectual property rights of others;
- litigation or public concern about the safety of our potential products;
- actual fluctuations in our quarterly operating results, and concerns by investors that such fluctuations may occur in the future;
- deviations in our operating results from the estimates of securities analysts or other analyst comments;
- additions or departures of key personnel;
- health care reform legislation, including measures directed at controlling the pricing of pharmaceutical products, and third-party coverage and reimbursement policies;
- developments concerning current or future strategic collaborations; and
- discussion of us or our stock price by the financial and scientific press and in online investor communities.

Fortress controls a voting majority of our common stock.

Pursuant to the terms of the Class A Preferred Stock held by Fortress, Fortress is entitled to cast, for each share of Class A Preferred held by Fortress, the number of votes that is equal to one and one-tenth (1.1) times a fraction, the numerator of which is the sum of (A) the shares of outstanding common stock and (B) the whole shares of common stock into which the shares of outstanding Class A common shares and the Class A Preferred Stock are convertible and the denominator of which is the number of shares of outstanding Class A Preferred Stock. Accordingly, Fortress is able to control or significantly influence all matters requiring approval by our stockholders, including the election of directors and the approval of mergers or other business combination transactions. The interests of Fortress may not always coincide with the interests of other stockholders, and Fortress may take actions that advance its own interests and are contrary to the desires of our other stockholders. Moreover, this concentration of voting power may delay, prevent or deter a change in control of us even when such a change may be in the best interests of all stockholders, could deprive our stockholders of an opportunity to receive a premium for their common stock as part of a sale of Mustang or our assets, and might affect the prevailing market price of our common stock.

Fortress has the right to receive a significant grant of shares of our common stock annually which will result in the dilution of your holdings of common stock upon each grant, which could reduce their value. City of Hope has anti-dilution protection that could result in the dilution of your holding.

Under the terms of the Second Amended and Restated Founders Agreement, which became effective July 22, 2016, Fortress will receive a grant of shares of our common stock equal to two and one-half percent (2.5%) of the gross amount of any equity or debt financing. Additionally, the Class A Preferred Stock, as a class, will receive an annual dividend on March 13 th, payable in shares of common stock in an amount equal to two and one-half percent (2.5%) of our fully-diluted outstanding capital stock as of the business day immediately prior to March 13 th of such year. Fortress currently owns all outstanding shares of Class A Preferred Stock. These share issuances to Fortress and any other holder of Class A Preferred Stock will dilute your holdings in our common stock and, if the value of Mustang has not grown proportionately over the prior year, would result in a reduction in the value of your shares. The Second Amended and Restated Founders Agreement has a term of 15 years and renews automatically for subsequent one-year periods unless terminated by Fortress or upon a Change in Control (as defined in the Second Amended and Restated Founders Agreement).

The Class A common shares held by the City of Hope has anti-dilution protection that gives them the right to additional shares of stock under certain circumstances. The amount of shares received by COH will vary depending on the triggering event. If any shares are required to be issued to COH, your holdings in our common stock will be diluted and result in a reduction in the value of your shares.

We might have received better terms from unaffiliated third parties than the terms we receive in our agreements with Fortress.

The agreements we have entered into with Fortress include a Management Services Agreement and the Founders Agreement. While we believe the terms of these agreements are reasonable, they might not reflect terms that would have resulted from arm's-length negotiations between unaffiliated third parties. The terms of the agreements relate to, among other things, payment of a royalty on product sales and the provision of employment and transition services. We might have received better terms from third parties because, among other things, third parties might have competed with each other to win our business.

The dual roles of our officers and directors who also serve in similar roles with Fortress could create a conflict of interest and will require careful monitoring by our independent directors.

We share some directors with Fortress, and in addition, under the Management Services Agreement, we will also share some officers with Fortress. This could create conflicts of interest between the two companies in the future. While we believe that the Founders Agreement and the Management Services Agreement were negotiated by independent parties on both sides on arm's length terms, and the fiduciary duties of both parties were thereby satisfied, in the future situations may arise under the operation of both agreements that may create a conflict of interest. We will have to be diligent to ensure that any such situation is resolved by independent parties. In particular, under the Management Services Agreement, Fortress and its affiliates are free to pursue opportunities which could potentially be of interest to Mustang, and they are not required to notify Mustang prior to pursuing such opportunities. Any such conflict of interest or pursuit by Fortress of a corporate opportunity independent of Mustang could expose us to claims by our investors and creditors and could harm our results of operations.

We may become involved in securities class action litigation that could divert management's attention and harm our business.

The stock markets have from time to time experienced significant price and volume fluctuations that have affected the market prices for the common stock of biotechnology and pharmaceutical companies. These broad market fluctuations may cause the market price of our stock to decline. In the past, securities class action litigation has often been brought against a company following a decline in the market price of its securities. This risk is especially relevant for us because biotechnology and biopharmaceutical companies have experienced significant stock price volatility in recent years. We may become involved in this type of litigation in the future. Litigation often is expensive and diverts management's attention and resources, which could adversely affect our business.

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

In the final closing of the NSC Private Placement in first quarter of 2017, we issued 8,600,774 shares of common shares and warrants to purchase 2,150,193 shares of common stock to accredited investors in a private placement, for aggregate gross proceeds of $55.9 million. Pursuant to the terms of the private placement, we paid a cash fee of $5.6 million and issued a warrant to purchase 860,077 shares of common shares to an affiliate, National Securities Corporation, who acted as the placement agent.

We expect to use the net proceeds from the above transaction primarily for general corporate purposes, which may include financing our growth, developing new or existing product candidates, and funding capital expenditures, acquisitions and investments.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

Item 6. Exhibits

(b) Exhibits

Exhibit No.	Description
10.1	License Agreement dated May 31, 2017 by and between Mustang Bio, Inc. and City of Hope (CSI) ^
10.2	License Agreement dated May 31, 2017 by and between Mustang Bio, Inc. and City of Hope (PSCA) ^
10.3	License Agreement dated May 31, 2017 by and between Mustang Bio, Inc. and City of Hope (HER2 CAR) ^
10.4	License Agreement dated March 17, 2017 by and between Mustang Bio, Inc. and The Regents of the University of California (PSCA) ^
10.5	License Agreement dated February 17, 2017 by and between Mustang Bio, Inc. and City of Hope (IV-ICV) ^
31.1	Certification of Chairman, President and Chief Executive Officer (Principal Executive Officer), pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
31.2	Certification of Interim Chief Financial Officer (Principal Financial Officer), pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
32.1	Certification of Chairman, President and Chief Executive Officer (Principal Executive Officer), pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith).
32.2	Certification of Interim Chief Financial Officer (Principal Financial Officer), pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith).
101	The following financial information from the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2017, formatted in Extensible Business Reporting Language (XBRL): (i) the Condensed Balance Sheets, (ii) the Condensed Statements of Operations, (iii) the Condensed Statement of Stockholders' Equity, (iv) the Condensed Statements of Cash Flows, and (v) Notes to the Condensed Financial Statements (filed herewith).

^ Confidential treatment has been requested with respect to omitted portions of this exhibit.

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.

MUSTANG BIO, INC.

August 14, 2017

By: /s/ Manuel Litchman
Manuel Litchman, M.D., President and
Chief Executive Officer (Principal Executive Officer)

By: /s/ David J. Horin
David J. Horin
Interim Chief Financial Officer (Principal Financial Officer)

EXHIBIT INDEX

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CONFIDENTIAL TREATMENT REQUESTED. Confidential portions of this document have been redacted and have been separately filed with the Commission.

EXCLUSIVE LICENSE AGREEMENT

THIS EXCLUSIVE LICENSE AGREEMENT (the "**Agreement**") is made and entered into as of the 31 day of May, 2017 (the "**Effective Date**") by and between Mustang Bio, Inc. (f/k/a Mustang Therapeutics, Inc.), a Delaware corporation with a principal place of business at 2 Gansevoort, 9th Floor, New York, NY 10014 ("**Licensee**") and City of Hope, a California nonprofit public benefit corporation located at 1500 East Duarte Road, Duarte, California 91010 ("**City of Hope**" or "**COH**"). Licensee and COH are each sometimes referred to herein individually as a "**Party**" and collectively as the "**Parties**."

WHEREAS:

A. COH operates an academic research and medical center that encourages the use of its inventions, discoveries and intellectual property for the benefit of the public, and COH owns or Controls (as defined below) certain Patent Rights (as defined below) useful in the Field (as defined below);

B. The inventions covered by the Patent Rights were invented by Dr. Stephen Forman (the "**Investigator**") who, as of the Effective Date, is affiliated with COH;

C. The research may have been sponsored in part by the National Institute of Health, and as a consequence this license is subject to obligations to the United States Federal Government under 35 U.S.C. §§ 200-212 and applicable U.S. government regulations;

D. Licensee is a company dedicated to the commercial development and exploitation in the Field (as defined below) of products and services that incorporate one or more of the technologies described in the Patent Rights and therefore Licensee desires to obtain from COH a worldwide, exclusive license under the Patent Rights, on the terms and subject to the conditions set forth herein; and

E. COH and Licensee have entered into that certain Exclusive License Agreement, dated February 17, 2017, whereby COH granted to Licensee certain exclusive rights in certain patent rights related to spacer technology (the "**A&R Spacer License**").

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the amount and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE 1: DEFINITIONS

1.1 "**Affiliate**" of a Party means a Person that, directly or indirectly (through one or more intermediaries) controls, is controlled by, or is under common control with such Party. For purposes of this Section 1.1, "control" means (i) the direct or indirect ownership of 50 percent or more of the voting stock or other voting interests or interests in profits, or (ii) the ability to otherwise control or direct the decisions of board of directors or equivalent governing body thereof.

1.2 "**Business Day**" means any day, other than a Saturday, Sunday or day on which commercial banks located in Los Angeles, California, are authorized or required by law or regulation to close.

1.3 "**CAR**" means a chimeric antigen receptor.

1.4 "**Change of Control**" means (i) any transaction or series of related transactions following which the holders of Licensee's capital stock immediately prior to such transaction or series of related transactions collectively are the owners of less than fifty percent (50%) of the outstanding equity interests of Licensee entitled to (a) vote with respect to the election of directors (or positions having a similar function) or (b) receive the proceeds upon any sale, liquidation or dissolution of Licensee, (ii) a sale, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, of all or a material portion of Licensee's interest in the Licensed Product or Licensed Service or (iii) a sale, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, of all or a material portion of Licensee's right title, or interest in its assets taken as a whole.

1.5 "**COH CAR**" means a CAR that is licensed to Licensee by COH pursuant to an applicable license agreement between the Parties, including but not limited to, pursuant to this Agreement.

1.6 "**COH Confidential Information**" means Confidential Information disclosed or provided by, or on behalf of, COH to Licensee or its designees.

1.7 "**COH Spacer Technology**" means any spacer, hinge, or linker sequence(s) that is used to connect the extracellular ligand-binding domain to transmembrane and intracellular-signaling domains of an applicable CAR and that is covered by a Valid Claim under the Spacer Patent Rights.

1.8 "**Commercially Reasonable Efforts**" means the exercise of such efforts and commitment of such resources by Licensee, directly or through one or more Sublicensees, in a diligent manner consistent with organizations in the pharmaceutical industry for a comparable development or commercialization program at a similar stage of development or commercialization. In the event that Licensee or a Sublicensee with respect to a given Licensed Product or Licensed Service, has a program or product that competes with the programs contemplated by this Agreement with respect to such Licensed Product or Licensed Service, then "Commercially Reasonable Efforts" shall also mean efforts at least comparable to those efforts and resources expended by Licensee or its Sublicensee on the competing program and/or product or service.

1.9 "**Completion**" means, with respect to a particular clinical trial, the earlier of (i) the database lock or freeze related to the completion of treatment or examination of participants in such clinical trial or (ii) the dosing of the first patient in a clinical trial in a subsequent phase (e.g., with respect to a Phase 1 Clinical Trial, the Phase 1 Clinical Trial will be deemed completed in the event a patient is dosed in a Phase 2 Clinical Trial before a database lock in the related Phase 1 Clinical Trial).

1.10 "**Confidential Information**" means: (i) all information and materials (of whatever kind and in whatever form or medium) disclosed by or on behalf of a Party to the other Party (or its designee) in connection with this Agreement, whether prior to or during the term of this Agreement and whether provided orally, electronically, visually, or in writing; provided that all such information and materials initially disclosed in writing or electronically shall be clearly marked as "CONFIDENTIAL" and all such materials and information initially disclosed orally shall be reduced to writing and marked as "CONFIDENTIAL" within ten (10) days following the date of initial oral disclosure; (ii) all copies of the information and materials described in (i) above; and (iii) the existence and each of the terms and conditions of this Agreement; provided further that Confidential Information shall not include information and materials to the extent a Party can demonstrate through its contemporaneous written records that such information and materials are or have been:

(a) known to the receiving Party, or in the public domain, at the time of its receipt by a Party, or which thereafter becomes part of the public domain other than by virtue of a breach of this Agreement or the obligations of confidentiality under this Agreement;

(b) received without an obligation of confidentiality from a Third Party having the right to disclose without restrictions such information;

(c) independently developed by the receiving Party without use of or reference to Confidential

(d) Information disclosed by the other Party; or

(e) released from the restrictions set forth in this Agreement by the express prior written consent of the disclosing Party.

1.11 "**Control(s)**" or "**Controlled**" means the possession by a Party, as of the Effective Date, of rights sufficient to effect the grant of rights set forth in this Agreement without violating the terms of any agreement with any Third Party.

1.12 "**Covers**" or "**Covered by**," means with reference to a particular Licensed Product or Licensed Service that the manufacture, use, sale, offering for sale, or importation of such Licensed Product or performance of such Licensed Service would, but for ownership of, or a license granted under this Agreement to, the relevant Patent Right, infringe a Valid Claim under the Patent Rights in the country in which the activity occurs.

1.13 "**CTA**" means any Investigator-Initiated Clinical Research Support Agreement between Licensee and City of Hope National Medical Center relating to * that is materially consistent with the form set forth in Exhibit A and for which Licensee is paying * percent (*%) of costs.

*Confidential material redacted and filed separately with the Commission.

1.14 "**CTA Inventions**" means any patentable inventions, discoveries, and innovations conceived and reduced to practice by Institution Personnel solely relating to * used in connection with the Protocol.

1.15 "**Dispute**" means any controversy, claim or legal proceeding arising out of or relating to this Agreement, or the interpretation, breach, termination, or invalidity thereof.

1.16 "**EMA**" means the European Medicines Agency or any successor agency with responsibilities comparable to those of the European Medicines Agency.

1.17 "**European Union**" means any of the following countries in the European Union: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom, whether or not the countries identified above remain member states of the European Union.

1.18 "**Field**" means the treatment and diagnosis of all human diseases.

1.19 "**First Commercial Sale**" means, with respect to a particular Licensed Product or Licensed Service in a given county, the first arm's-length commercial sale of such Licensed Product or the first performance of such Licensed Service following Marketing Approval in such country by or under authority of Licensee or any Sublicensee to a Third Party who is not a Sublicensee.

1.20 "**FDA**" means the United States Food and Drug Administration or a successor agency in the United States with responsibilities comparable to those of the United States Food and Drug Administration.

1.21 "**GAAP**" means generally accepted accounting principles, consistently applied, as promulgated from time to time by the Financial Accounting Standards Board.

*Confidential material redacted and filed separately with the Commission.

1.22 "**Generic or Biosimilar Product**" means, with respect to any Licensed Product in the United States, any product that is eligible for submission and approved for marketing by the FDA as a therapeutic biologic product under Section 351(k) of the Public Health Service Act (and not eligible for submission for marketing approval to the FDA under Section 505(b)(2) or Section 505(j) of the Federal Food, Drug and Cosmetic Act), including an expression construct used in the manufacture of the therapeutic biologic product, where such product is highly similar to the reference product notwithstanding minor differences in clinically inactive components and for which there are no clinically meaningful differences between the biological product and the reference product in terms of the safety, purity, and potency of the product. With respect to Licensed Product in any country in the Territory other than the United States, a "Generic or Biosimilar Product" means any biologic product that is eligible for submission for approval under a law of a foreign jurisdiction, which is either similar to or a counterpart of the Public Health Service Act (and not eligible for submission for approval under a law of a foreign jurisdiction, which is either similar to or a counterpart of the Federal Food, Drug and Cosmetic Act), including an expression construct used in the manufacture of the therapeutic biologic product, requiring the biologic product to be similar to the reference medicine and not having any meaningful differences from the reference medicine in terms of quality, safety or efficacy.

1.23 "**Institution Personnel**" has the meaning set forth in Section 1 of the CTA.

1.24 "**Investigator**" has the meaning set forth in the Recitals.

1.25 "**License Year**" means each calendar year during the term of this Agreement; except that the first License Year shall commence on the Effective Date and end on December 31 of the calendar year in which the Effective Date occurs.

1.26 "**Licensed Product**" means a product (including kits, component sets or components thereof, regardless of concentration or formulation) that: (i) is Covered by a Valid Claim under the Patent Rights, (ii) is manufactured by a process or used in a method Covered by a Valid Claim under the Patent Rights, or (iii) contains, as an active ingredient, any substance the manufacture, use, offer for sale or sale of which is Covered by a Valid Claim under the Patent Rights. By way of clarification, "**Licensed Product**" shall include a product manufactured in a country in which such manufacture is Covered by a Valid Claim under the Patent Rights and thereafter exported to and sold in a country in which no Valid Claim under the Patent Rights exists.

1.27 "**Licensed Service**" means any service the performance of which would, but for the license granted herein, infringe a Valid Claim under the Patent Rights.

1.28 "**Licensee Confidential Information**" means Confidential Information disclosed or provided by, or on behalf of, Licensee to COH or its designees.

1.29 "**Marketing Approval**" means all approvals, licenses, registrations or authorizations of any federal, state or local Regulatory Authority, department, bureau or other governmental entity, necessary for the manufacturing, use, storage, import, transport, marketing and sale of Licensed Products or performance of Licensed Services in a country or regulatory jurisdiction.

1.30 "**Net Sales**" means the total gross amount invoiced by Licensee, its Affiliates and its Sublicensees (regardless of whether and when such invoices are actually paid) on the sale of Licensed Products and Licensed Services to Third Parties (including, without limitation, the provision of any product by Licensee, its Affiliates or any of its Sublicensee that incorporates a Licensed Product or Licensed Service but for clarity excluding documented sponsored research and/or development activities, valued at the actual direct cost of such activities on a fully burdened basis (including reasonable margin for overhead)), less the following items, as determined from the books and records of Licensee, its Affiliates or its Sublicensees:

(a) insurance, handling and transportation charges actually invoiced;

(b) amounts repaid, credited or allowed for rejection, return or recall;

(c) sales or other excise taxes or other governmental charges levied on or measured by the invoiced amount (including, without limitation, value added taxes);

(d) brokerage, customs and import duties or charges; and

(e) normal and customary trade and quantity discounts (including chargebacks and allowances) and rebates which relate to the Licensed Products or Licensed Services.

Sales of Licensed Products between or among Licensee, its Affiliates or its Sublicensees shall be excluded from the computation of Net Sales, except in those instances in which the purchaser is also the end-user of the Licensed Product sold. Further, transfers of reasonable quantities of Licensed Product by Licensee, any of its Affiliates or of its Sublicensee to a Third Party that is not a Sublicensee for use in the development of such Licensed Product (and not for resale) and transfers of industry standard quantities of Licensed Product for promotional purposes shall not be deemed a sale of such Licensed Product that gives rise to Net Sales for purposes of this Section 1.30.

1.31 "**Patent Rights**" means: (i) Patent Cooperation Treaty (PCT) application no. PCT/ * ;(ii) United States Provisional Application No. * ; (iii) patents, patent applications, continuation and divisional applications and foreign equivalents that claim the same invention(s) and priority date as the foregoing; (iv) continuation-in-part applications that repeat a substantial portion of any of the foregoing applications; (v) Letters Patent or the equivalent issued on any of the foregoing applications throughout the world; (vi) amendments, extensions, renewals, reissues, and re-examinations of any of the foregoing; and (vi) subject to Section 8.2.4, the CTA Inventions. Notwithstanding the foregoing, "**Patent Rights**" shall only include any continuation-in-part application to the extent that claims in such continuation-in-part application are supported in the specification of the parent application, unless otherwise mutually agreed to in writing by the parties to this Agreement.

1.32 "**Person**" means any person or entity, including any individual, trustee, corporation, partnership, trust, unincorporated organization, limited liability company, business association, firm, joint venture or governmental agency or authority.

1.33 "**Phase I Clinical Trial**" means, as to a specific Licensed Product or Licensed Service, a clinical study in a small group of people for the first time to evaluate its safety, determine a safe dosage range, and identify side effects in patients as described in 21 C.F.R. § 312.21(a); or a similar clinical study in a country other than the United States.

*Confidential material redacted and filed separately with the Commission.

1.34 "**Phase 2 Clinical Trial**" means, as to a specific Licensed Product or Licensed Service, a study in humans designed with the principal purpose of determining initial efficacy and dosing of such Licensed Product in patients for the indication(s) being studied as described in 21 C.F.R. § 312.21(b); or a similar clinical study in a country other than the United States.

1.35 "**Phase 3 Clinical Trial**" means, as to a specific Licensed Product or Licensed Service, a lawful study in humans of the efficacy and safety of such Licensed Product or Licensed Service, which is prospectively designed to demonstrate statistically whether such Licensed Product or Licensed Service is effective and safe for use in a particular indication in a manner sufficient to file an application to obtain Marketing Approval to market and sell that Licensed Product or Licensed Service in the United States or another country for the indication being investigated by the study, as described in 21 C.F.R. § 312.21(c); or similar clinical study in a country other than the United States.

1.36 "**Protocol**" has the meaning set forth in Section 1 of the CTA.

1.37 "**Regulatory Authority**" means, with respect to any country or jurisdiction, any court, agency, department, authority or other instrumentality of any international, multinational or supra-national, national, regional, province, state, county, city or other political subdivision having responsibility for granting Marketing Approvals in such country or jurisdiction, including the FDA in the United States and the EMA in the European Union.

1.38 "**Regulatory Exclusivity**" means any period of regulatory data protection or market exclusivity or similar regulatory protection afforded by the Regulatory Authorities in a jurisdiction, including any such periods listed in the FDA's Orange Book or periods under national implementations of Article 10 of Directive 2001/EC/83 (as amended), and all international equivalents, and any exclusivity afforded by restrictions on the granting by a Regulatory Authority of Marketing Approval to market a generic product.

1.39 "**Spacer Patent Rights**" means: (i) Patent Cooperation Treaty (PCT) application no. PCT/ * ;(ii) US patent application no.*; (iii) patents, patent applications, continuation and divisional applications and foreign equivalents that claim the same invention(s) and priority date as the foregoing; (iv) continuation-in-part applications that repeat a substantial portion of any of the foregoing applications; (v) Letters Patent or the equivalent issued on any of the foregoing applications throughout the world; (vi) amendments, extensions, renewals, reissues, and re-examinations of any of the foregoing; and (vii) any claim in a patent or patent application licensed to Licensee by COH pursuant to an applicable license agreement that claims (a) a COH CAR, and (b) the spacer, hinge, or linker sequence(s) that is used to connect the extracellular ligand-binding domain to transmembrane and intracellular-signaling domains of such COH CAR covered by a Valid Claim of any of the foregoing (i)-(vii). Notwithstanding the foregoing, "Spacer Patent Rights" shall only include any continuation-in-part application to the extent that claims in such continuation-in-part application are supported in the specification of the parent application, unless otherwise mutually agreed to in writing by the parties to this Agreement.

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1.40 "**Study Data**" means all results, data, analyses, reports, and other documentation relating to * resulting from, or generated in the course of or with respect to, the performance of the Protocol.

1.41 "**Sublicensee**" means any Affiliate of Licensee or Third Party which enters into an agreement with Licensee involving the grant to such Affiliate or Third Party of any rights under the license granted to Licensee pursuant to this Agreement.

1.42 "**Sublicense Revenues**" means all consideration, in whatever form, due from a Sublicensee in return for the grant of a sublicense of Licensee's rights hereunder, excluding consideration in the form of: (i) royalties received by Licensee and calculated wholly as a function of sales of Licensed Products or Licensed Services, (ii) payments or reimbursement for documented sponsored research and/or development activities, valued at the actual direct cost of such activities on a fully burdened basis (including reasonable margin for overhead), (iii) payment or reimbursement of reasonable patent expenses actually incurred or paid by Licensee and not otherwise reimbursed, or payment of patent expenses required to by paid by Licensee hereunder, (iv) payments for the purchase of equity in Licensee at the fair market value of such equity, and (v) payments recognized as Net Sales under this Agreement for which a royalty is payable to COH. By way of clarification, the principal amount of any loan or other extension of credit provided to Licensee or an Affiliate of Licensee in connection with the grant of a sublicense by Licensee that is other than an arm's-length credit relationship shall be deemed to constitute "Sublicense Revenues."

1.43 "**Territory**" means the entire world.

1.44 "**Third Party**" means a Person that is neither a Party to this Agreement nor an Affiliate of a Party.

1.45 "**Valid Claim**" means a claim of a pending patent application or an issued and unexpired patent included in, as applicable, the Patent Rights or the Spacer Patent Rights, in a particular jurisdiction, which claim has not, in such jurisdiction been finally rejected or been declared invalid or cancelled by the patent office or a court of competent jurisdiction in a decision that is no longer subject to appeal as a matter of right.

ARTICLE 2: DEVELOPMENT AND COMMERCIALIZATION EFFORTS

2 . 1 **Development and Commercialization Responsibilities**. Licensee shall have the sole right and responsibility for, and control over, all of its development, manufacturing and commercialization activities (including all regulatory activities) with respect to Licensed Products and Licensed Services in the Field.

2.2 **Licensee Diligence**. Licensee shall use Commercially Reasonable Efforts to develop and commercialize Licensed Products and Licensed Services in the Field, directly or through one or more Sublicensees. Without limiting the foregoing, if Licensee, directly or through one or Sublicensees, fails to accomplish any one of the "Diligence Milestones" set forth in this Section 2.2 by the date specified (each a "Deadline Date") corresponding to such Diligence Milestone, COH shall have the right, on notice to Licensee, to terminate this Agreement.

"**Deadline Date**"	"**Diligence Milestone**"
1. * (*) years from the Effective Date	Licensee to initiate * (with COH listed as the principal institution for such *). Licensee may extend this Deadline Date for up to * (*) additional * (*) month periods upon payment of $ * to COH for each * (*) month period.
2. * (*) years from the Effective Date	Licensee to initiate * (COH, at its option, shall be listed as a co-principal institution; provided however that COH and Licensee shall discuss in good faith C Off s right to be listed as a co-principal institution and the first institution to dose a patient for such *). Licensee may extend this Deadline Date for up to * (*) additional * (*) month periods upon payment of $ * to COH for each * (*) month period.

2 . 3 **Governance**. COH and Licensee shall each designate one individual to serve as the main point of contact for communications related to development and commercialization of Licensed Products and Licensed Services under this Agreement (each a "**Designated Representative**"). The initial Designated Representative of COH shall be George Megaw and the initial Designated Representative of Licensee shall be Michael S. Weiss. Each Party may replace its Designated Representative at any time upon prior notice to the other Party. Licensee shall keep COH reasonably informed as to progress in the development and commercialization of Licensed Products and Licensed Services. Without limiting the foregoing, on or before January 15 and July 15 of each year during the term of this Agreement, Licensee shall provide to COH a written report setting forth, in reasonable detail, its activities and achievements with respect to the development and commercialization of Licensed Products and Licensed Services during the preceding six months (the "**Semi-Annual Report**"). Each Semi-Annual Report shall also include the COH reference number, * . The Designated Representatives shall meet in person twice each calendar year to present and discuss the current Semi-Annual Report at such location arid date as mutually agreed. Each Party shall be responsible for all expenses incurred by its Designated Representative in the participation in such annual meetings. A copy of each Semi-Annual Report shall be provided, in addition to the persons set forth in Section 14.7, to: The Office of Technology Licensing, email: licensing@coh.org.

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2.4 **Clinical Trial Agreements**. Prior to the * (*) anniversary of the Effective Date, COH and Licensee shall enter into a CTA(s) that is materially consistent with the form set forth in **Exhibit A**.

ARTICLE 3: LICENSE GRANTS

3.1 **Grant of Rights**.

3.1.1 **Exclusive Patent License**. COH hereby grants to Licensee an exclusive royalty-bearing right and license under the Patent Rights to make, have made, use, offer for sale, sell and import Licensed Products and to perform Licensed Services, in the Field, in the Territory; **provided**, **however** the foregoing license does not include any right or license under any patent claim of the Patent Rights that includes a limitation directed toward the COH Spacer Technology. The Parties acknowledge and agree that Licensee is granted rights to practice such COH Spacer Technology pursuant to the A&R Spacer License.

3.1.2 **Exclusive Study Data License**. Subject to Section 8.2.4, COH hereby grants to Licensee an exclusive right and license under the Study Data to make, have made, use, offer for sale, sell and import Licensed Products and to perform Licensed Services, in the Field, in the Territory.

3.2 The foregoing grant of rights shall be subject to: (i) the retained rights of the U.S. Government in the Patent Rights pursuant to 35 U.S.C. §§ 200-212 and applicable U.S. government regulations, (ii) the royalty-free right of COH and its Affiliates to practice the Patent Rights and the Study Data for educational and research uses, (iii) the right of COH and its Affiliates to publicly disclose research results including, to the extent applicable, as specified in the Research Agreement, and (iv) the right of COH and its Affiliates to allow other non-profit institutions to use the Patent Rights and the Study Data for the same purposes as (ii) and (iii).

3.3 **No Implied Licenses**. Licensee acknowledges that the licenses granted in this Agreement are limited to the scope expressly granted and that, subject to the terms and conditions of this Agreement, all other rights under all Patent Rights, the Study Data, and other intellectual property rights Controlled by COH are expressly reserved to COH.

3.4 **Sublicensing**. Licensee shall have the right to sublicense its rights hereunder without the consent of COH, effective on notice to COH. The terms and conditions of each sublicense of Licensee's rights hereunder shall be consistent with this Agreement. A true and complete copy of each sublicense of Licensee's rights hereunder, as well as any amendment thereto, shall be delivered to COH promptly following the effective date of each such sublicense or amendment.

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3.5 **Effect of Termination on Sublicenses**.

3.5.1 In the event that this Agreement terminates at any time for any reason, each sublicense validly granted hereunder which is in good standing as of the effective date of such termination shall continue in effect as a direct license between COH (as licensor) and Sublicensee (as licensee), provided that: (i) such sublicense, as determined by COH in its reasonable and good faith discretion, contains or imposes on COH no material obligation or liability additional to those set forth in this Agreement, (ii) the Sublicensee delivers to COH, within * (*) days of the effective date of the termination of this Agreement, written acknowledgement that all payment and other obligations previously payable to Licensee under such sublicense shall thereafter be payable and due, and be paid directly to COH, and (iii) such Sublicensee (including its employees and contractors) is not at such time debarred or excluded or otherwise ineligible for participation in federally funded programs. All other sublicenses in existence as of the effective date of the termination of this Agreement which fail to satisfy the foregoing conditions shall, upon such termination, terminate.

3.5.2 Further and in addition to the requirements of Section 3.5.1, above, the conversion of a sublicense into a direct license between COH (as licensor) and Sublicensee (as licensee) upon termination of this Agreement shall require that either [A] or [B] (but not both), below, be satisfied:

[A] On the effective date of the termination of this Agreement:

(i) the Sublicensee is not a party to a proceeding in bankruptcy or insolvency filed by or against such Sublicensee, has not made a general assignment for the benefit of its creditors, and is not in litigation with COH or any Affiliate of COH, *and*

(ii) the effective royalty rate payable on Sublicensee's Net Sales of Licensed Products and Licensed Services, (2) the aggregate of other non-sale/royalty-based consideration due from Sublicensee, and (3) the other material terms and conditions of the sublicense are materially no less favorable to COH than the corresponding terms (excluding the stock grant due pursuant to Section 4.3, below) of this Agreement, **or**

[B] the terms and conditions of the sublicense had been approved by COH prior to its having been entered into by Licensee and the Sublicensee, such approval having been considered by COH expeditiously and not conditioned on the payment by Licensee of any additional consideration.

3.6 **Documentation of Licensed Services**. Licensee and its Sublicensees shall provide Licensed Services only pursuant to one or more written agreements which set forth, in reasonable detail, all consideration due to Licensee for the provision of such services. Licensee shall provide a true and complete copy of each such agreement to COH promptly following the effective date of such agreement.

*Confidential material redacted and filed separately with the Commission.

ARTICLE 4: PAYMENTS

4.1 **Up-Front Payment**. In consideration for the license to the Patent Rights, Licensee shall pay to COH a one-time non-refundable license fee of $ * within * (*) days after the Effective Date.

4.2 **License Maintenance Fee**. On or before the tenth Business Day after the end of each License Year (excluding the first License Year ending December 31, 2017), Licensee shall pay to COH a non-refundable license maintenance fee of $ * . The license maintenance fee paid in a given License Year shall be applied as credit against royalties otherwise due to COH pursuant to Section 4.4, below, during the License Year in which payment was made but may not be carried over and applied as credit against royalties due in subsequent years.

4.3 **Milestone Payments**. Within * (*) days after the occurrence of each "Milestone Event" set forth below, Licensee shall pay COH or its designee the amount indicated below:

Milestone Event	**Amount Due**
#1. Upon the * .	$ *
#2. Upon * .	$ *
#3. Upon * .	$ *
#4. Upon the * .	$ *
#5. Upon * .	$ *
#6. Upon the * .	$ *
#7. Upon * .	$ *
#8. Upon * .	$ *
#9. Upon * .	$ *
#10. Upon * .	$ *

In the event that * is received prior to the satisfaction of any prior * Event, then Licensee shall also pay the amount due for occurrence of all prior * Events not previously paid upon receiving such * (e.g., if * is received prior to * , Licensee shall pay COH $ *). The Parties agree that in the event that a clinical trial is conducted and is characterized as a *, then upon commencement of such trial, Licensee shall simultaneously pay the amounts due for occurrence of * and upon * shall be paid (e.g., * , Licensee shall pay to COH $ * upon commencement of such trial and $ * upon Completion of such trial). For clarity, each payment above shall be made only once, regardless of the number of Licensed Products or Licensed Services achieving each * Event.

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4.4 **Royalties**.

4.4.1 Base Royalties.

(a) Subject to Sections 4.4.2-4.4.5, and 4.5 below, Licensee shall pay to COH or its designee royalties in an amount equal to (i) * percent of Net Sales of Licensed Products up to $ * ; (ii) * percent of Net Sales of Licensed Products of $ * up to and including $ * ; and (iii) * percent of Net Sales of Licensed Products that exceed $ * .

(b) Subject to Sections 4.4.2-4.4.5, and 4.5 below, Licensee shall pay to COH or its designee royalties in an amount equal to (i) * percent of Net Sales of Licensed Services up to $ * ; (ii) * percent of Net Sales of Licensed Services of $ * up to and including $ * ; and (iii) * percent of Net Sales of Licensed Services that exceed $ * .

4.4.2 **Royalty Reduction Upon Loss of Patent Coverage or Regulatory Exclusivity** On a country-by-country, Licensed Product-by-Licensed Product, and Licensed Service-by-Licensed Service basis, the royalty rate payable under Section 4.4.1 on sales of such Licensed Product or performance of such Licensed Service in such country shall be reduced by * percent (* %) during any period when: (i) a particular Licensed Product or Licensed Service is not Covered by a Valid Claim of the Patent Rights in a country in which such Licensed Product is sold or Licensed Service is performed, and (ii) a particular Licensed Product or Licensed Service is not covered by a Regulatory Exclusivity in a country in which such Licensed Product is sold or Licensed Service is performed.

4.4.3 **Royalty Reduction Upon Launch Of Generic or Biosimilar Product** Notwithstanding anything to the contrary, if a Generic or Biosimilar Product corresponding to a Licensed Product or Licensed Service is launched in a particular country, then the royalty rates set forth in Section 4.4.1, as may be adjusted by Section 4.4.2, applicable to a particular Licensed Product or Licensed Service and a particular country will be reduced in accordance with the table below (each such reduction, a "**Reduction in Royalty**"). For purposes of the table below, the "**Percentage Reduction of Net Sales**" for any particular calendar quarter means the quotient (expressed as a percentage) obtained by dividing (A) the difference obtained by subtracting the Net Sales of the Licensed Product or Licensed Service in such country for such applicable calendar quarter from the Net Sales of the Licensed Product or Licensed Service in such country for the calendar quarter immediately prior to the calendar quarter in which the first commercial sale of the Generic or Biosimilar Product in such country occurred by (B) the Net Sales of the Licensed Product or Licensed Service in such country for the calendar quarter prior to the calendar quarter in which the first commercial sale of the Generic or Biosimilar Product in such country occurred. Once the applicable Percentage Reduction of Net Sales set forth in the table below has been attained for a particular country for a calendar quarter, the corresponding Reduction in Royalty set forth in the table below shall remain in place unless there is an additional Reduction in Royalty. Once a country experiences a * percent (* %) or greater Percentage Reduction of Net Sales for any given Licensed Product or Licensed Service, then Licensee shall have no further obligations to make any further payments to COH with regards to any Net Sales of such Licensed Product or Licensed Service in such country.

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Percentage Reduction of Net Sales	Reduction in Royalty
Less than * %	*
Greater than or equal to * % but less than * %	* %
Greater than or equal to * %	* % (*i.e.*, the royalty shall be * for the applicable Licensed Product or Licensed Service in the applicable country)

4.4.4 Minimum Annual Royalty. Beginning in the calendar year of Marketing Approval in any jurisdiction of the first Licensed Product or Licensed Service by Licensee or Sublicensees and if the total earned royalties paid by Licensee under Section 4.4.1, as adjusted by Sections 4.4.2, 4.4.3, and 4.5, in any such year cumulatively amounts to less than $ * for that calendar year ("Minimum Annual Royalty"), Licensee shall pay to COH on or before February 28 following the last quarter of such year the difference between the Minimum Annual Royalty and the total earned royalty paid by Licensee for such year under Section 4.4.1, as adjusted by Sections 4.4.2, 4.4.3, and 4.5; provided, however, that for the first year of commercial sales of the first Licensed Product or Licensed Services, the amount of Minimum Annual Royalty payable shall be pro-rated for the number of months remaining in that calendar year.

4.4.5 Royalty Term. Licensee's payment obligations under Section 4.4.1 (as adjusted by Sections 4.4.2, 4.4.3, and 4.5) shall expire, on a country-by-country, Licensed Product-by-Licensed Product basis, and Licensed Service-by-Licensed Service basis, on the later of (i) the last date on which there exists a Valid Claim of the Patent Rights Covering such Licensed Product or such Licensed Service in such country or (ii) the * (*) anniversary of the First Commercial Sale of such Licensed Product or such Licensed Service in such country (the "**Royalty Expiration Date**").

4.5 **Royalty Offsets**.

4.5.1 Third Parties. If, in Licensee's reasonable business judgment it is necessary to pay to a Third Party other than a Sublicensee consideration (whether in the form of a royalty or otherwise) for the right to make, have made, use, sell, offer for sale or import a Licensed Product or Licensed Service in a given jurisdiction, and if the aggregate royalty rates of any and all royalties payable to such Third Party licensors when combined with the royalty rate payable to COH exceeds * percent (* %) in the case of Net Sales of Licensed Products or Licensed Services, then Licensee shall have the right with respect to any period for which royalties are due (i.e., a calendar quarter or calendar year) to set off * percent (* %) of the aggregate royalties otherwise payable with respect to such period and such jurisdiction to such Third Party licensors against royalties that would otherwise be due to COH hereunder with respect to such period and jurisdiction; provided, however, that under no circumstances shall the royalty offsets permitted in this Section 4.5 result in the reduction of the effective adjusted royalty rate and the royalty amount otherwise due to COH in any period for which payment is due and in any jurisdiction pursuant to Section 4.4, above, by more than * percent (* %) (e.g., minimum effective adjusted royalty rate for Licensed Product or Licensed Services sales up to $ * shall be * percent).

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4.5.2 A&R Spacer License. In the event that royalties are due to COH by Licensee pursuant to Section 4.7(b) of the A&R Spacer License, then Licensee may set off such royalties payable to COH against the royalties payable to COH by Licensee pursuant to Section 4.4.1 of this Agreement.

4.6 **Sublicense Revenues**. Licensee shall pay to COH a percentage of all Sublicense Revenues within * (*) days after payment is received from the relevant Sublicensee, determined as follows:

(a) * percent (* %) of Sublicense Revenues if the Sublicense is granted prior to the Completion of a * ,

(b) * percent (* %) of all Sublicense Revenues if the Sublicense is granted prior to the Completion of a * ,

(c) * percent (* %) of all Sublicense Revenues if the Sublicense is granted prior to the Completion of a * , and

(d) * percent (* %) of all Sublicense Revenues if the Sublicense is granted after Completion a * .

If Sublicense Revenues are not in cash or cash equivalents, the percentage share payable to COH pursuant to this Section 4.6 shall be due, in COH's sole discretion, either in kind or in its cash equivalent.

4.7 **Timing of Royalty Payments**. Royalty payments due under Section 4.4, above, shall be paid annually within * (*) days following the end of each License Year until the first License Year in which aggregate Net Sales reach $ * . Thereafter, all royalty payments due under Section 4.4 shall be paid in quarterly installments, within * (*) days following the end of each calendar quarter.

4.8 **No Deductions from Payments**. Licensee is solely responsible for payment of any fee, royalty or other payment due to any Third Party not a Sublicensee in connection with the research, development, manufacture, distribution, use, sale, import or export of a Licensed Product or Licensed Service and, except as set forth in Section 4.5, above, Licensee shall not have the right to set off any amounts paid to such a Third Party, including fee, royalty or other payment, against any amount payable to COH hereunder.

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4.9 **Single Royalty**. Only a single royalty payment shall be due and payable on Net Sales of a Licensed Product or performance of a Licensed Service, regardless if such Licensed Product or Licensed Service is Covered by more than one Valid Claim under the Patent Rights.

ARTICLE 5: REPORTS, AUDITS AND FINANCIAL TERMS

5.1 **Royalty Reports**. Within * (*) days after the end of each calendar quarter in which a royalty payment under Article 4 is required to be made, Licensee shall send to COH a report of Net Sales of the Licensed Products and Licensed Services for which a royalty is due, which report sets forth for such calendar quarter the following information, on a Licensed Product-by-Licensed Product, Licensed Service-by-Licensed Service and country-by-country basis: (i) total Net Sales, (ii) total gross sales of Licensed Products and Licensed Services, (iii) the quantity of each Licensed Products sold and Licensed Services performed, (iv) the exchange rate used to convert Net Sales from the currency in which they are earned to United States dollars; and (v) the total royalty payments due. All royalty reports shall also include the COH reference number, * . A copy of each royalty report shall be provided, in addition to the persons set forth in Section 14.7, to: The Office of Technology Licensing, email: otl-royalties@coh.org.

5.2 **Additional Financial Terms**.

5.2.1 Currency. All payments to be made under this Agreement shall be made in United States dollars, unless expressly specified to the contrary herein. Net Sales outside of the United States shall be first determined in the currency in which they are earned and shall then be converted into an amount in United States dollars. All currency conversions shall use the conversion rate reported by Reuters, Ltd. on the last Business Day of the calendar quarter for which such payment is being determined.

5.2.2 Payment Method. Amounts due under this Agreement shall be paid in immediately available funds, by means of wire transfer to an account identified by COH.

5.2.3 Withholding of Taxes. Licensee may withhold from payments due to COH amounts for payment of any withholding tax that is required by law to be paid to any taxing authority with respect to such payments. Licensee shall provide to COH all relevant documents and correspondence, and shall also provide to COH any other cooperation or assistance on a reasonable basis as may be necessary to enable COH to claim exemption from such withholding taxes and to receive a full refund of such withholding tax or claim a foreign tax credit. Licensee shall give COH proper evidence from time to time as to the payment of such tax. The Parties shall cooperate with each other in seeking deductions under federal and state tax laws and any double taxation or other similar treaty or agreement from time to time in force.

5.2.4 Late Payments. Any amounts not paid on or before the date due under this Agreement are subject to interest from the date due through and including the date upon which payment is received. Interest is calculated, over the period between the date due and the date paid, at a rate equal to * percentage point (* %) over the "bank prime loan" rate, as such rate is published in the U.S. Federal Reserve Bulletin H.15 or successor thereto on the last Business Day of the applicable calendar quarter prior to the date on which such payment is due.

5.2.5 Blocked Currency. If, at any time, legal restrictions prevent the prompt remittance of part or all royalties with respect to any country where a Licensed Product is sold or Licensed Service provided, payment shall be made through such lawful means or methods as Licensee may determine. When in any country, the law or regulations prohibit both the transmittal and deposit of royalties or other payments, Licensee shall continue to report all such amounts, but may suspend payment for as long as such prohibition is in effect. As soon as such prohibition ceases to be in effect, all amounts that would have been obligated to be transmitted or deposited but for the prohibition, together with accrued interested thereon, shall promptly be transmitted to COH.

5.3 **Accounts and Audit**.

5.3.1 Records. Licensee shall keep, and shall require that each Sublicensee keep, full, true and accurate books of account containing the particulars of its Net Sales and the calculation of royalties. Licensee and its Sublicensees shall each keep such books of account and the supporting data and other records at its principal place of business. Such books and records must be maintained available for examination in accordance with this Section 5.3.1 for * (*) calendar years after the end of the calendar year to which they pertain, and otherwise as reasonably required to comply with GAAP.

5.3.2 Appointment of Auditor. COH may appoint an internationally-recognized independent accounting firm reasonably acceptable to Licensee to inspect the relevant books of account of Licensee and its Sublicensees to verify any reports or statements provided, or amounts paid or invoiced (as appropriate), by Licensee or its Sublicensees.

5.3.3 Procedures for Audit. COH may exercise its right to have Licensee's and its Sublicensees' relevant records examined only during the * (*) year period during which Licensee is required to maintain records, no more than once in any consecutive * (*) calendar quarters. Licensee and its Sublicensees are required to make records available for inspection only during regular business hours, only at such place or places where such records are customarily kept, and only upon receipt of at least * (*) days advance notice from COH.

5.3.4 Audit Report. The independent accountant will be instructed to provide to COH an audit report containing only its conclusions and methodology regarding the audit, and specifying whether the amounts paid were correct and, if incorrect, the amount of any underpayment or overpayment.

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5.3.5 Underpayment and Overpayment. After review of the auditor's report: (i) if there is an uncontested underpayment by Licensee for all of the periods covered by such auditor's report, then Licensee shall pay to COH the full amount of that uncontested underpayment, and (ii) if there is an uncontested overpayment for such periods, then COH shall provide to Licensee a credit against future payments (such credit equal to the full amount of that overpayment), or, if Licensee is not obligated to make any future payments, then COH shall pay to Licensee the full amount of that overpayment. Contested amounts are subject to dispute resolution under Article 12. If the total amount of any such underpayment (as agreed to by Licensee or as determined under Article 12) exceeds * percent of the amount previously paid by Licensee for the period subject to audit, then Licensee shall pay the reasonable costs for the audit. Otherwise, all costs of the audit shall be paid by COH.

ARTICLE 6: LICENSEE COVENANTS

6.1 Licensee covenants and agrees that:

6.1.1 During the period commencing on the Effective Date and ending on the * (*) anniversary of the Effective Date, both Dr. Lindsay A. Rosenwald and Michael S. Weiss will hold senior management positions of Licensee; provided, that, in the event of a Change of Control of Licensee, subsequent to such Change of Control, in the event that either Dr. Lindsay A. Rosenwald or Michael S. Weiss no longer holds a senior management position of Licensee both individuals must remain materially involved with the oversight and management of the development of Licensed Products during such period; provided further that in the event of the death of either of Dr. Rosenwald or Mr. Weiss, Licensee will be excused from observing this Section 6.1.1 with regard to the decedent; and

6.1.2 in conducting activities contemplated under this Agreement, it shall comply in all material respects with all applicable laws and regulations including, without limitation, those related to the manufacture, use, labeling importation and marketing of Licensed Products and Licensed Services.

ARTICLE 7: INTELLECTUAL PROPERTY; PATENT PROSECUTION, MAINTENANCE AND ENFORCEMENT.

7.1 **Patent Prosecution, Maintenance and Enforcement**.

7.1.1 COH shall be responsible for the preparation, filing, prosecution, and maintenance of all Patent Rights, using counsel of its choice. COH will timely provide Licensee with copies of all relevant documentation relating to such prosecution and Licensee shall keep such information confidential. In addition, COH shall instruct the patent counsel prosecuting Patent Rights to (i) copy Licensee on patent prosecution documents that are received from or filed with the United States Patent and Trademark Office ("**USPTO**") and foreign equivalent, as applicable; (ii) if requested by Licensee, provide Licensee with copies of draft submissions to the USPTO prior to filing; and (iii) give reasonable consideration to the comments and requests of Licensee or its patent counsel, provided that (a) COH reserves the sole right to make all final decisions with respect to the preparation, filing, prosecution and maintenance of such patent applications and patents; and (b) the patent counsel remains counsel to COH (and shall not jointly represent Licensee unless requested by Licensee and approved by COH, and an appropriate engagement letter and conflict waiver are in effect). All patents and patent applications in Patent Rights, to the extent assignable in whole or in part to COH, shall be assigned to COH.

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7.1.2 COH will not unreasonably refuse to amend any patent application in Patent Rights to include claims reasonably requested by Licensee to protect the products contemplated to be sold by Licensee under this Agreement. If Licensee informs COH of other countries or jurisdictions in which it wishes to obtain patent protection with respect to the Patent Rights, COH shall prepare, file, prosecute and maintain patent applications in such countries and any patents resulting therefrom (and, for the avoidance of doubt, such patent applications and patents shall be deemed included in the Patent Rights). On a country by country and patent by patent basis, Licensee may elect to surrender any patent or patent application in Patent Rights in any country upon * (*) days advance written notice to COH. Such notice shall relieve Licensee from the obligation to pay for future patent costs but shall not relieve Licensee from responsibility to pay patent costs incurred prior to the expiration of the * (*) day notice period. Such U.S. or foreign patent application or patent shall thereupon cease to be a Patent Right hereunder, Licensee shall have no further rights therein and COH shall be free to license its rights to that particular U.S. or foreign patent application or patent to any other party on any terms.

7.1.3 Each Party shall promptly provide written notice to the other in the event it becomes aware of any actual or probable infringement of any of the Patent Rights in or relevant to the Field or of any Third Party claim regarding the enforceability or validity of any Patent Rights ("Infringement Notice"). Licensee shall, in cooperation with COH, use reasonable efforts to terminate infringement without litigation.

7.1.4 If infringing activity has not been abated within * (*) days following the date the Infringement Notice takes effect, then Licensee may, following consultation with COH, in its sole discretion and at its sole expense, take action against any alleged infringer or in defense of such any claim, provided, that, Licensee has exclusive rights under this Agreement. Any recovery obtained by Licensee as the result of legal proceedings initiated and paid for by Licensee pursuant to this subsection (d), after deduction of Licensee's reasonable out-of-pocket expenses incurred in securing such recovery, shall be deemed to be Net Sales of Licensed Products and/or Licensed Services in the calendar quarter in which such recovery was received and royalties shall be due and payable thereon accordingly.

7.1.5 If COH is involuntarily joined in a suit initiated by Licensee, then the Licensee will pay any costs incurred by COH arising out of such suit, including but not limited to, reasonable legal fees of counsel that COH selects and retains to represent it in the suit.

7.1.6 In the event that Licensee declines either to cause such infringement to cease (e.g., by settlement or injunction) or to initiate and thereafter diligently maintain legal proceedings against the infringer other than as part of a mutually agreed upon bona fide strategy, developed with the guidance of outside patent counsel, to preserve the Patent Rights, COH may, in its sole discretion and at its sole expense, take action against such alleged infringer or in defense of any such Third Party claim. Any recovery obtained by COH as the result of any such legal proceedings shall be for the benefit of COH only.

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7.2 **Trademarks**. Licensee shall be responsible for the selection, registration, maintenance, and defense of all trademarks for use in connection with the sale or marketing of Licensed Products and Licensed Services in the Field in the Territory (the "Marks"), as well as all expenses associated therewith. All uses of the Marks by Licensee or a Sublicensee shall comply in all material respects with all applicable laws and regulations (including those laws and regulations particularly applying to the proper use and designation of trademarks in the applicable countries). Licensee shall not, without COH's prior written consent, use any trademarks or house marks of COH (including the COH corporate name), or marks confusingly similar thereto, in connection with Licensee commercialization of Licensed Products or Licensed Services under this Agreement in any promotional materials or applications or in any manner implying an endorsement by COH of Licensee or the Licensed Products or Licensed Services. Licensee shall own all Marks.

7.3 **Challenge to the Patent Rights by Licensee**.

7.3.1 COH may terminate this Agreement and, notwithstanding Section 3.4, above, all Sublicenses issued hereunder, upon written notice to Licensee in the event that Licensee or any of its Affiliates or Sublicensees directly or indirectly asserts a Patent Challenge. "**Patent Challenge**" means any challenge in a legal or administrative proceeding to the patentability, validity or enforceability of any of the Patent Rights (or any claim thereof), including by: (a) filing or pursuing a declaratory judgment action in which any of the Patent Rights is alleged to be invalid or unenforceable; (b) citing prior art against any of the Patent Rights, filing a request for or pursuing a re-examination of any of the Patent Rights (other than with COH's written agreement), or becoming a party to or pursuing an interference; or (c) filing or pursuing any re-examination, opposition, cancellation, nullity or other like proceedings against any of the Patent Rights; but excluding any challenge raised as a defense against a claim, action or proceeding asserted by COH against Licensee, its Affiliates or Sublicensees. In lieu of exercising its rights to terminate under this Section 7.3.1, COH may elect upon written notice to increase the payments due under all of Section 4 by * percent (* %), which election will be effective retroactively to the date of the commencement of the Patent Challenge. Licensee acknowledges and agrees that this Section 7.3.1 is reasonable, valid and necessary for the adequate protection of COH's interest in and to the Patent Rights, and that would not have granted to Licensee the licenses under those Patent Rights, without this Section 7.3.1.

7.3.2 Payment of COH Patent Expenses

(a) The Parties acknowledge that, prior to the Effective Date, COH incurred historic expenses with respect to the drafting, prosecution and maintenance of the Patent Rights. In consideration of such historic expenditures by COH, Licensee shall reimburse COH $ * in full reimbursement for such expenses. Licensee shall pay such expenses within * (*) days of the Effective Date.

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(b) After the Effective Date, COH shall provide to Licensee an annual invoice and reasonably detailed documentation with respect to COH's out-of-pocket expenses incurred with respect to such prosecution and maintenance for the previous License Year. Licensee shall reimburse COH for * percent (* %) of such expenses within * (*) days after receipt of such invoice and documentation.

7.4 **Marking**. Licensee and its Sublicensees shall mark all Licensed Products and all materials related to Licensed Services in such a matter as to conform with the patent laws of the country to which such Licensed Products are shipped or in which such products are sold and such Licensed Services performed.

ARTICLE 8: TERM AND TERMINATION

8.1 **Term and Expiration of Term**. The term of this Agreement (the "**Term**") shall commence on the Effective Date and, notwithstanding any other provision of this Agreement, unless sooner terminated by mutual agreement or pursuant to any other provision of this Agreement, this Agreement shall expire on a country-by-country basis, a Licensed Product-by-Licensed Product basis, and a Licensed Service-by-Licensed Service basis, on the applicable Royalty Expiration Date for each Licensed Product or each Licensed Service in each country (such expiry of the Term for a particular Licensed Product or a particular Licensed Service in a particular country hereinafter referred to as "**Expiration**" of this Agreement with respect to such Licensed Product or such Licensed Service in such country).

8.2 **Termination**.

8.2.1 **Material Breach**. Either Party may terminate this Agreement prior to its Expiration for any material breach by the other Party, provided, that, the Party seeking to terminate shall have first given the breaching Party notice of such material breach with reasonable particulars of the material breach, and the Party receiving the notice of the material breach shall have failed to cure that material breach within * (*) days after the date of receipt of such notice.

8.2.2 **Bankruptcy**. COH shall have the right to terminate this Agreement prior to its Expiration upon notice to Licensee, in the event that: (i) Licensee seeks protection of any bankruptcy or insolvency law other than with the prior consent of COH, or (ii) a proceeding in bankruptcy or insolvency is filed by or against Licensee and not withdrawn, removed or vacated within * (*) days of such filing, or there is adjudication by a court of competent jurisdiction that Licensee is bankrupt or insolvent.

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8.2.3 **Termination at Will by Licensee**. Licensee shall have the right to terminate this Agreement prior to its Expiration upon notice to COH without cause, effective no fewer than * (*) days following the date of such notice.

8.2.4 **Breach-Based Termination of CTA**. Licensee and COH hereby acknowledge and agree that in the event that COH terminates the CTA pursuant to Section 11(a) or Section 4(b) of the CTA, Licensee's rights to the CTA Inventions and the Study Data under this Agreement shall automatically terminate as of the effective date of termination of the CTA; provided, that in the event of any such termination of the CTA by COH, Licensee shall provide written notice to COH within * (*) days of such termination.

8.3 **Effect of Termination**.

8.3.1 Upon any termination of this Agreement pursuant to Section 8.2 (but for clarity, not in the case of its Expiration), all rights and licenses granted to Licensee under Article 4, if any, shall immediately terminate on and as of the effective date of termination as provided in Section 8.2, except that Licensee shall have the right to continue to sell Licensed Products manufactured prior to the effective date of such termination until the sooner of: (i) * (*) days after the effective date of termination, or (ii) the exhaustion of Licensee's inventory of Licensed Products.

8.3.2 Upon termination of this Agreement pursuant to Section 8.2 (but for clarity, not in the case of its Expiration):

(a) Each Party shall promptly return to the other Party all relevant records and materials in its possession or control containing or comprising the other Party's Confidential Information and to which the Party does not retain rights hereunder.

(b) Licensee shall discontinue making any representation regarding its status as a licensee of COH for Licensed Products and Licensed Services. Subject to Section 8.3.1, above, Licensee shall cease conducting any activities with respect to the marketing, promotion, sale or distribution of Licensed Products and Licensed Services.

8.3.3 Termination of this Agreement through any means and for any reason pursuant to Section 8.2 (but for clarity, not in the case of its Expiration), shall not relieve the Parties of any obligation accruing prior thereto, including the payment of all sums due and payable, and shall be without prejudice to the rights and remedies of either Party with respect to any antecedent breach of any of the provisions of this Agreement.

8.4 **Effect of Expiration**. In the event of Expiration of this Agreement for a particular Licensed Product (or Licensed Service) in a particular country pursuant to Section 8.1, the rights and licenses granted to Licensee under this Agreement with respect to the Study Data in such country shall become nonexclusive, perpetual, irrevocable, and royalty-free.

8.5 **Survival**. Sections 4.7, 5.1, 5.2, 5.3, 7.4, 8.3, 8.4, 8.5, Article 10, Article 11, Article 12, Sections 14.2, 14.4, 14.7, and 14.10 shall survive termination of this Agreement for any reason pursuant to Section 8.2 and Expiration pursuant to Section 8.1.

ARTICLE 9: REPRESENTATIONS AND WARRANTIES

9.1 **Mutual Representations and Warranties**. COH and Licensee each represents and warrants as follows:

9.1.1 It has the right and authority to enter into this Agreement and all action required to be taken on its behalf, its officers, directors, partners and stockholders necessary for the authorization, execution, and delivery of this Agreement and, the performance of all of its obligations hereunder, and this Agreement, when executed and delivered, will constitute valid and legally binding obligations of such Party, enforceable in accordance with its terms, subject to: (i) laws limiting the availability of specific performance, injunctive relief, and other equitable remedies; and (ii) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws now or hereafter in effect generally relating to or affecting creditors' rights generally;

9.1.2 Entry into this Agreement will not constitute a breach of any other agreement to which it is a party;

9.1.3 It has read this Agreement, with assistance from its counsel of choice. It understands all of this Agreement's terms. It has been given a reasonable amount of time to consider the contents of this Agreement before each Party executed it. It agrees that it is executing this Agreement voluntarily with full knowledge of this Agreement's legal significance; and

9.1.4 It has made such investigation of all matters pertaining to this Agreement that it deems necessary, and does not rely on any statement, promise, or representation, whether oral or written, with respect to such matters other than those expressly set forth herein. It agrees that it is not relying in any manner on any statement, promise, representation or understanding, whether oral, written or implied, made by any Party, not specifically set forth in this Agreement. It acknowledges that, after execution of this Agreement, it may discover facts different from or in addition to those which it now knows or believes to be true. Nevertheless, it agrees that this Agreement shall be and remain in full force and effect in all respects, notwithstanding such different or additional facts.

9.2 **Representations and Warranties of COH**. COH represents and warrants that, as of the Effective Date, to the actual knowledge of the Investigator and the Director of its Office of Technology Transfer without independent inquiry, COH has the full power and authority to grant the rights, licenses and privileges granted herein.

9.3 **Exclusions**. Nothing in this Agreement is or shall be construed as:

9.3.1 A warranty or representation by COH as to the validity or scope of any claim or patent or patent application within the Patent Rights;

9.3.2 A warranty or representation by COH that anything made, used, sold, or otherwise disposed of under any license granted in this Agreement is or will be free from infringement of any patent rights or other intellectual property right of any Third Party;

9.3.3 A grant by COH, whether by implication, estoppel, or otherwise, of any licenses or rights under any patents other than Patent Rights as defined herein, regardless of whether such patents are dominant or subordinate to Patent Rights;

9.3.4 An obligation on 'COH to bring or prosecute any suit or action against a third party for infringement of any of the Patent Rights;

9.3.5 An obligation to furnish any know-how not provided in Patent Rights or the Study Data; or

9.3.6 A representation or warranty of the ownership of the Patent Rights or the Study Data other than as set forth in Section 9.2, above.

9.4 **DISCLAIMER**. **NO WARRANTY IS GIVEN WITH RESPECT TO THE PATENT RIGHTS OR THE STUDY DATA, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, BY STATUTE OR OTHERWISE, AND THE PARTIES SPECIFICALLY DISCLAIM ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, VALIDITY OF THE PATENT RIGHTS OR NON-INFRINGEMENT OF THE INTELLECTUAL PROPERTY OR OTHER RIGHTS OF ANY THIRD PARTY. THE WARRANTIES SET FORTH IN SECTIONS 9.1 AND 9.2, ABOVE, ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, VALIDITY, NON-INFRINGEMENT AND ALL SUCH OTHER WARRANTIES ARE HEREBY EXPRESSLY DISCLAIMED**.

ARTICLE 10: INDEMNIFICATION

10.1 **Indemnification by Licensee**. Licensee shall defend, indemnify and hold harmless COH, its Affiliates, officers, directors, shareholders, employees and agents ("**COH Indemnitees**") from and against any and all Third Party liabilities, claims, suits, and expenses, including reasonable attorneys' fees (collectively, "**Losses**"), arising out of or are in any way attributable to: (1) the material breach of any representation or warranty made by Licensee under this Agreement, (ii) the research, development, marketing, approval, manufacture, packaging, labeling, handling, storage, transportation, use, distribution, promotion, marketing or sale of Licensed Products or Licensed Services by or on behalf of Licensee, any of its Affiliates or a Sublicensee or any other exercise of rights under this Agreement or pursuant to any sublicense, or (iii) the negligence, willful misconduct or failure to comply with applicable law by a Licensee Indemnitee or Sublicensee; in each case except to the extent that such Losses are caused directly by: (a) COH's material breach of any representation or warranty made by COH under this Agreement, (b) COH's material breach of its obligations under this Agreement, and/or (c) the gross negligence or willful misconduct of a COH Indemnitee.

10.2 **Indemnification by COH**. COH shall defend, indemnify and hold harmless Licensee and its Affiliates and their respective officers, directors, shareholders, employees and agents (collectively, the "**Licensee Indemnitees**") from and against any and all Losses caused directly by: (i) the material breach of any representation or warranty made by COH under this Agreement, or (ii) the gross negligence or willful misconduct of a COH Indemnitee, except to the extent that such Losses arise out of or are in any way attributable to: (a) the material breach of any representation or warranty made by Licensee under this Agreement, (b) the research, development, marketing, approval, manufacture, packaging, labeling, handling, storage, transportation, use, distribution, promotion, marketing or sale of Licensed Products or Licensed Services by or on behalf of Licensee or a Sublicensee, or (c) the negligence, willful misconduct or failure to comply with applicable law by a Licensee Indemnitee or a Sublicensee.

10.3 **Procedure**. The indemnities set forth in this Article 10 are subject to the condition that the Party seeking the indemnity shall forthwith notify the indemnifying Party on being notified or otherwise made aware of a liability, claim, suit, action or expense and that the indemnifying Party defend and control any proceedings with the other Party being permitted to participate at its own expense (unless there shall be a conflict of interest which would prevent representation by joint counsel, in which event the indemnifying Party shall pay for the other Party's counsel); provided, that, the indemnifying Party may not settle the liability, claim, suit, action or expense, or otherwise admit fault of the other Party or consent to any judgment, without the written consent of the other Party (such consent not to be unreasonably withheld). Notwithstanding the foregoing, no delay in the notification of the existence of any claim of Loss shall cause a failure to comply with this Section 10.3 as long as such delay shall not have materially impaired the rights of the indemnifying Party.

10.4 **Insurance**.

10.4.1 Within * (*) days following the Effective Date, Licensee shall procure at its sole expense and provide to COH evidence of comprehensive or commercial general liability insurance (contractual liability included) with limits of at least: (i) each occurrence, $* ; (ii) products/completed operations aggregate, $ * ; (iii) personal and advertising injury, $ * ; and general aggregate (commercial form only), $ * .

10.4.2 The foregoing policies will provide primary coverage to COH and shall name the COH Indemnitees as additional insureds, and shall remain in effect during the term of this Agreement and for * years following the termination or expiration of the term of this Agreement. The COH Indemnitees shall be notified in writing by Licensee not less than * (*) days prior to any modification, cancellation or non-renewal of such policy. Licensee's insurance must include a provision that the coverages will be primary and will not participate with nor will be excess over any valid and collective insurance or program of self-insurance carried or maintained by the COH Indemnitees. Such insurance coverage shall be maintained with an insurance company or companies having an A.M. Best's rating (or its equivalent) of A-XII or better.

10.4.3 Licensee expressly understands that the coverage limits in Section 10.4.1 do not in any way limit the Licensee's liability.

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10.5 **LIMITATION ON DAMAGES. NOTWITHSTANDING ANYTHING CONTAINED IN THIS AGREEMENT TO THE CONTRARY, EXCEPT IN RELATION TO LICENSEE'S INDEMNIFICATION OBLIGATIONS UNDER SECTION 10.1 AND ANY BREACH BY LICENSEE OF ARTICLE 11: (I) IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY SPECIAL, PUNITIVE, CONSEQUENTIAL, INDIRECT, OR INCIDENTAL DAMAGES (INCLUDING LOSS OF PROFITS, COSTS OF PROCURING SUBSTITUTE GOODS, LOST BUSINESS OR ENHANCED DAMAGES FOR INTELLECTUAL PROPERTY INFRINGEMENT) WHETHER BASED UPON BREACH OF WARRANTY, BREACH OF CONTRACT, NEGLIGENCE, STRICT LIABILITY IN TORT OR ANY OTHER LEGAL THEORY, AND (II) IN NO EVENT SHALL COH BE LIABLE TO LICENSEE FOR AN AGGREGATE AMOUNT IN EXCESS OF * OF THE TOTAL CONSIDERATION PAID TO COH HEREUNDER**.

ARTICLE 11: CONFIDENTIALITY

11.1 **Confidential Information**. During the term of this Agreement and for * (*) years thereafter without regard to the means of termination: (i) COH shall not use, for any purpose other than the purpose contemplated by this Agreement, or reveal or disclose to any Third Party Licensee Confidential Information; and (ii) Licensee shall not use, for any purpose other than the purpose contemplated by this Agreement, or reveal or disclose COH Confidential Information to any Third Party. The Parties shall take reasonable measures to assure that no unauthorized use or disclosure is made by others to whom access to such information is granted.

11.2 **Exceptions**. Notwithstanding the foregoing, a Party may use and disclose Confidential Information of the other Party as follows:

11.2.1 if required by applicable law, rule, regulation, government requirement and/or court order, provided, that, the disclosing Party promptly notifies the other Party of its notice of any such requirement and provides the other Party a reasonable opportunity to seek a protective order or other appropriate remedy and/or to waive compliance with the provisions of this Agreement;

11.2.2 to the extent such use and disclosure occurs in the filing or publication of any patent application or patent on inventions;

11.2.3 as necessary or desirable for securing any regulatory approvals, including pricing approvals, for any Licensed Products or Licensed Services, provided, that, the disclosing Party shall take all reasonable steps to limit disclosure of the Confidential Information outside such regulatory agency and to otherwise maintain the confidentiality of the Confidential Information;

11.2.4 to take any lawful action that it deems necessary to protect its interest under, or to enforce compliance with the terms and conditions of, this Agreement;

11.2.5 to the extent necessary, to its Affiliates, directors, officers, employees, consultants, vendors and clinicians under written agreements of confidentiality at least as restrictive as those set forth in this Agreement, who have a need to know such information in connection with such Party performing its obligations or exercising its rights under this Agreement; and

11.2.6 by Licensee, to actual and potential investors, licensees, Sublicensees, consultants, vendors and suppliers, and academic and commercial collaborators, under written agreements of confidentiality at least as restrictive as those set forth in this Agreement.

11.3 **Certain Obligations**. During the Term and for a period of * (*) years thereafter and subject to the exceptions set forth in Section 11.2, Licensee, with respect to COH Confidential Information, and COH, with respect to Licensee Confidential Information, agree:

11.3.1 to use such Confidential Information only for the purposes contemplated under this Agreement,

11.3.2 to treat such Confidential Information as it would its own proprietary information which in no event shall be less than a reasonable standard of care,

11.3.3 to take reasonable precautions to prevent the disclosure of such Confidential Information to a Third Party without written consent of the other Party, and

11.3.4 to only disclose such Confidential Information to those employees, agents and Third Parties who have a need to know such Confidential Information for the purposes set forth herein and who are subject to obligations of confidentiality no less restrictive than those set forth herein.

11.4 **Termination**. Upon termination of this Agreement pursuant to Section 8.2 (but for clarity, not in the case of its Expiration), and upon the request of the disclosing Party, the receiving Party shall promptly return to the disclosing Party or destroy all copies of Confidential Information received from such Party, and shall return or destroy, and document the destruction of, all summaries, abstracts, extracts, or other documents which contain any Confidential Information of the other Party in any form, except that each Party shall be permitted to retain a copy (or copies, as necessary) of such Confidential Information for archival purposes or to enforce or verify compliance with this Agreement, or as required by any applicable law or regulation.

ARTICLE 12: DISPUTE RESOLUTION

All Disputes shall be first referred to a Chief Strategy Officer of COH and the President of Licensee for resolution, prior to proceeding under the other provisions of this Article 12. A Dispute shall be referred to such executives upon one Party (the "**Initiating Party**") providing the other Party (the "**Responding Party**") with notice that such Dispute exists, together with a written statement describing the Dispute with reasonable specificity and proposing a resolution to such Dispute that the Initiating Party is willing to accept, if any. Within ten days after having received such statement and proposed resolution, if any, the Responding Party shall respond with a written statement that provides additional information, if any, regarding such Dispute, and proposes a resolution to such Dispute that the Responding Party is willing to accept, if any. In the event that such Dispute is not resolved within * (*) days after the Responding Party's receipt of the Initiating Party's notice, either Party may bring and thereafter maintain suit against the other with respect to such Dispute; provided, however, that the exclusive jurisdiction of any such suit shall be the state and federal courts located in Los Angeles County, California, and the Parties hereby consent to the exclusive jurisdiction and venue of such courts.

*Confidential material redacted and filed separately with the Commission.

ARTICLE 13: GOVERNMENTAL MATTERS

13.1 **Governmental Approval or Registration**. If this Agreement or any associated transaction is required by the law of any nation to be either approved or registered with any governmental agency, Licensee shall assume all legal obligations to do so. Licensee shall notify COH if it becomes aware that this Agreement is subject to a U.S. or foreign government reporting or approval requirement. Licensee shall make all necessary filings and pay all costs including fees, penalties and all other out-of-pocket costs associated with such reporting or approval process.

13.2 **Export Control Laws**. Licensee shall observe all applicable U.S. and foreign laws with respect to the transfer of Licensed Products and related technical data to foreign countries, including, without limitation, the International Traffic in Arms Regulations and the Export Administration Regulations.

13.3 **Preference for United States Industry**. If Licensee sells a Licensed Product in the U.S., Licensee shall manufacture said product substantially in the U.S.

ARTICLE 14: MISCELLANEOUS

14.1 **Assignment and Delegation**. Except as expressly provided in this Section 14.1, neither this Agreement nor any right or obligation hereunder shall be assignable in whole or in part, whether by operation of law, or otherwise by Licensee without the prior written consent of COH. Notwithstanding the foregoing, Licensee may assign or transfer its rights and obligations under this Agreement to a Person that succeeds to all or substantially all of that Party's business or assets, whether by sale, merger, operation of law or otherwise and provided that such Person agrees, in form and substance reasonably acceptable to COH, to be bound as a direct party to this Agreement in lieu of or in addition to Licensee and provided further that Licensee has complied with its obligations pursuant to Section 4.4. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the Parties hereto and their respective successors and permitted assignees. Any transfer or assignment of this Agreement in violation of this Section 14.1 shall be null and void.

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14.2 **Entire Agreement**. This Agreement contains the entire agreement between the Parties relating to the subject matter hereof, and all prior understandings, representations and warranties between the Parties are superseded by this Agreement.

14.3 **Amendments**. Changes and additional provisions to this Agreement shall be binding on the Parties only if agreed upon in writing and signed by the Parties.

14.4 **Applicable Law**. This Agreement shall be construed and interpreted in accordance with the laws of the State of California and all rights and remedies shall be governed by such laws without regard to principles of conflicts of law.

14.5 **Force Majeure**. If the performance of this Agreement or any obligations hereunder is prevented, restricted or interfered with by reason of earthquake, fire, flood or other casualty or due to strikes, riot, storms, explosions, acts of God, war, terrorism, or a similar occurrence or condition beyond the reasonable control of the Parties, the Party so affected shall, upon giving prompt notice to the other Parties, be excused from such performance during such prevention, restriction or interference, and any failure or delay resulting therefrom shall not be considered a breach of this Agreement.

14.6 **Severability**. The Parties do not intend to violate any public policy or statutory common law. However, if any sentence, paragraph, clause or combination of this Agreement is in violation of any law or is found to be otherwise unenforceable, such sentence, paragraph, clause or combination of the same shall be deleted and the remainder of this Agreement shall remain binding; provided, that, such deletion does not alter the basic purpose and structure of this Agreement.

14.7 **Notices**. All notices, requests, demands, and other communications relating to this Agreement shall be in writing in the English language and shall be delivered in person or by mail, international courier or facsimile transmission (with a confirmation copy forwarded by courier or mail). Notices sent by mail shall be sent by first class mail or the equivalent, registered or certified, postage prepaid, and shall be deemed to have been given on the date actually received. Notices sent by international courier shall be sent using a service which provides traceability of packages. Notices shall be sent as follows:

Notices to COH:

Office of Technology Licensing
City of Hope
1500 East Duarte Road
Duarte, CA 91010
Attn: Chief Strategy Officer
Fax: 626-301-8175

with a copy to:

Office of General Counsel
City of Hope
1500 East Duarte Road
Duarte, CA 91010
Attn: General Counsel
Fax: 626-301-8863

Notices to Licensee:

Mustang Bio, Inc.
2 Gansevoort, 9th Floor
New York, NY 10014
Attn: CEO

with a copy to:

Mustang Bio, Inc.
2 Gansevoort, 9th Floor
New York, NY 10014
Attn: Corporate Secretary

Either Party may change its address for notices or facsimile number at any time by sending notice to the other Party.

14.8 **Independent Contractor**. Nothing herein shall create any association, partnership, joint venture, fiduciary duty or the relation of principal and agent between the Parties hereto, it being understood that each Party is acting as an independent contractor, and neither Party shall have the authority to bind the other or the other's representatives in any way.

14.9 **Waiver**. No delay on the part of either Party hereto in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any power or right hereunder preclude other or further exercise thereof or the exercise of any other power or right. No waiver of this Agreement or any provision hereof shall be enforceable against any Party hereto unless in writing, signed by the Party against whom such waiver is claimed, and shall be limited solely to the one event.

14.10 **Interpretation**. This Agreement has been prepared jointly and no rule of strict construction shall be applied against either Party. In this Agreement, the singular shall include the plural and vice versa and the word "including" shall be deemed to be followed by the phrase "without limitation." The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

14.11 **Counterparts**. This Agreement may be executed in counterparts, each of which together shall constitute one and the same Agreement. For purposes of executing this agreement, a facsimile copy or an emailed PDF of this Agreement, including the signature pages, will be deemed an original.

14.12 **Licensee Certification**. Licensee certifies to COH, under penalty of perjury, that Licensee has not been convicted of a criminal offense related to health care, is not currently debarred, excluded or otherwise ineligible for participation in federally funded health care programs and has not arranged or contracted (by employment or otherwise) with any employee, contractor, or agent that it knew or should have known are excluded from participation in any federal health care program, and will not knowingly arrange or contract with any such individuals or entities during the term of this Agreement. Licensee agrees to notify COH in writing immediately of any threatened, proposed or actual conviction relating to health care, of any threatened, proposed or actual debarment or exclusion from participation in federally funded programs, of Licensee or any officer or director of Licensee. Any breach of this Section 14.12 by Licensee shall be grounds for termination of this Agreement by COH in accordance with Section 8.2.1.

14.13 **Publicity**. Neither Party may issue a press releases or otherwise disclose the existence or terms of this Agreement without the prior written consent of the other Party; provided, however, that once the existence or any terms or conditions of this Agreement has been publicly disclosed in a manner mutually and reasonably agreed-to by the Parties, either Party may republish the facts previously disclosed without the prior consent of the other Party. COH may, in its sole discretion and without the approval of Licensee, publicly disclose the existence of this Agreement and the overall potential value of the Agreement to COH, so long as the detailed and specific terms and conditions of this Agreement are not disclosed. If a third party inquires whether a license is available, COH may disclose the existence of the Agreement and the extent of its grant in Section 3.1 to such third party, but will not disclose the name of the Licensee, except where COH is required to release information under either the California Public Records Act or other applicable law.

14.14 **No Third Party Beneficiaries**. Except for the rights of the COH Indemnities pursuant to Article 10, nothing in this Agreement, either express or implied, is intended to or shall confer upon any Third Party any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

* * * * *

IN WITNESS WHEREOF, the Parties have executed this Agreement by their duly authorized representatives.

MUSTANG BIO, INC.		CITY OF HOPE	
By:		By:	
Name:		Name:	
Title:		Title:	

EXHIBIT A

CTA

INVESTIGATOR-INITIATED
CLINICAL RESEARCH SUPPORT AGREEMENT

This Investigator-Initiated Clinical Research Support Agreement (this "**Agreement**") is made as of [_], 2017 ("Effective Date") by and between City of Hope National Medical Center (collectively, "**Institution**"), and [**INSERT**] ("**Corporation**"). The Institution and Corporation are each referred to herein as a "**Party**," and collectively, as the "**Parties**."

RECITALS

A. This Agreement is entered into to support the research and promote an increase in the useful clinical and scientific knowledge related to the Investigator-sponsored study conducted under an Institutional Review Board-approved investigator-initiated protocol entitled: "[**INSERT**]" (the "**Study**").

B. [**INSERT RELEVANT FUNDING INFORMATION, IF APPLICABLE**].

AGREEMENT

In consideration of the above, and of the mutual covenants and promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties further agree as follows:

1. **DEFINITIONS**:

a. "**Institution Personnel**" means Institutions' employees and medical staff performing Study activities hereunder.

b. "**Inventions**" means all inventions (whether patentable or not), discoveries and innovations, conceived and reduced to practice by Institution Personnel in connection with the performance of the Protocol under this Agreement.

c. "**Investigator**" means [**INSERT**].

d. "**Protocol**" means the Study protocol entitled: "[**INSERT**]", which has been approved by Institution's designated Institutional Review Board ("**IRB**"), including all amendments thereto.

2. **SCOPE OF WORK**: Institution agrees to perform the above titled Study in accordance with the Protocol attached to this Agreement and incorporated herein by reference. Institution shall ensure that such Study is performed in compliance with all applicable federal, state, and local statutes and regulations, with all Institutional requirements, and with all Protocol requirements, including those relating to the documentation and submission of information and reports to regulatory entities, including the FDA and Institution's designated IRB, and with this Agreement. Institution agrees and acknowledges that Corporation's support for the Study is not being used to reward Institution's support for any Corporation activities or to influence prescribing or formulary decisions at Institution.

3. **TERM**: The term of this Agreement will commence as of the Effective Date and will end upon delivery of a final study report for the Study from Institution to Corporation, unless terminated earlier as provided herein.

4. **PAYMENT AND SUPPORT**:

a. **Fees**: In consideration for the Study performed by Institution, Corporation shall be responsible for the payment schedule in accordance with Exhibit A-1 and Exhibit A-2. Checks shall be made payable to: **City of Hope National Medical Center** and sent to: 1500 East Duarte Road, Duarte, California 91010, Attention: Office of Clinical Trials Support Services. The Parties acknowledge that the fees set forth on Exhibits A-1 and A-2 are applicable to any subjects enrolled under the Protocol, without regard to specific stratum and/or strata that such subject may have been enrolled or will enroll.

b. **Termination for nonpayment**: In the event that Corporation fails to pay the initial payment or subsequent invoices in full as and when due under Exhibit A-1 and Exhibit A-2 (including any extension terms), Corporation and/or Institution shall have the right to terminate this Agreement (and such payment obligation) upon a * (*) day notification to the other Party, if such invoice is not paid within such * (*) day notice period.

c. **Breach for nonpayment**: hi the event Institution does not receive either full payment or a timely termination notice as described in Section 4(b), then Corporation shall owe to Institution a penalty of * dollars ($ *) per week until either full payment or a termination notice is received. The penalties described in this section shall automatically begin to accrue the first Monday following the failure to fully pay the amounts owed or receipt of a timely termination notice. In the event that Corporation remits payment following Corporation's sending of a termination notice, Corporation shall continue to be responsible for the penalties as described in this section up until the date the notice is received. Corporation shall pay any penalties within * (*) days of the day that the penalties began to accrue. Should such penalties be required, checks shall be made payable to: **City of Hope National Medical Center** and sent to: 1500 East Duarte Road, Duarte, California 91010, Attention: Office of Clinical Trials Support Services. Any payments made towards penalties, as described in this section, shall be nonrefundable.

5. **CONFIDENTIAL INFORMATION**:

a. For purposes of this Agreement, the term "**Confidential Information**" shall mean all written or oral information relating to the Study, including but not limited to Inventions; Study Data; know-how; technical and nontechnical materials; and compound samples and specifications, which Institution may disclose, or have disclosed on its behalf to Corporation pursuant to or related to the subject matter of this Agreement.

*Confidential material redacted and filed separately with the Commission.

b. Confidentiality: Corporation agrees to maintain Confidential Information in confidence with the same degree of care it holds its own confidential information, which shall be no less than a reasonable degree of care. Corporation will not use Confidential Information except for the exercise of its rights under this Agreement, as set forth in Sections 6 and 8. Corporation will disclose Confidential Information only to its and its affiliates' officers, consultants and employees directly concerned with the Study that are subject to written obligations of confidentiality sufficient to ensure Corporation's compliance with its confidentiality obligations hereunder, and (except as expressly permitted hereunder) will not disclose Confidential Information to any other third party nor use Confidential Information for any purpose, provided that Corporation shall be free to disclose Confidential Information as reasonably necessary to exercise its rights hereunder, provided such disclosure is, to the extent commercially reasonable, subject to obligations of confidentiality comparable to those set forth in this Section 5.

c. Exceptions to Confidentiality: Corporation's obligation of nondisclosure and the limitations upon the right to use Confidential Information shall not apply to the extent that Corporation can demonstrate that such Confidential Information: (a) is now, or hereafter becomes, through no act or failure to act on the part of Corporation, generally known or available to the public; (b) was known, without obligation of confidentiality, by Corporation before generation hereunder by Institution; (c) is hereafter rightfully obtained by Corporation from a third party, without breach by the third party of any obligation to Institution; or (d) is independently developed by or on behalf of Corporation without use or benefit of or reference to Confidential Information by persons who had no access to such Confidential Information. Corporation may disclose Confidential information if and to the extent that a disclosure thereof is required by applicable law, rule, or regulation, provided that Corporation uses reasonable efforts to limit the disclosure by means of a protective order or a request for confidential treatment and, to the extent reasonably practicable, provides Institution a reasonable opportunity to review the disclosure before it is made and to interpose its own objection to the disclosure.

d. HIPAA: Corporation will take appropriate measures to protect the confidentiality and security of all protected health information (as such term is defined in the Health Insurance Portability and Accountability Act) that it receives from Institution in connection with the Study. If, in connection with the Study or performance of this Agreement, Corporation comes into contact with individually identifiable health information relating to patients who are not Study subjects, Corporation agrees to maintain the confidentiality of such information, not use it for any purpose, immediately notify Institution and cooperate with Institution to return or destroy any such information. If Corporation is permitted to receive any individually identifiable information of Study subjects under the applicable informed consent form, Corporation shall only use and disclose such information as necessary for the Study and shall promptly notify Institution of any unauthorized use or disclosure. The obligations in this paragraph shall survive the termination of this Agreement indefinitely.

e. Survival: All obligations regarding Confidential Information under this Agreement shall survive the termination of this Agreement.

6. **USE OF DATA**: Corporation acknowledges that Institution owns all results, data, analyses, reports, and other documentation resulting from, or generated in the course of or with respect to, the performance of the Study as set forth in the Protocol (collectively, "**Study Data**"); provided, that Corporation shall have the right to use Study Data solely relating to [**INSERT**] used in connection with the Protocol and in accordance with **[INSERT LICENSE AGREEMENT**] (the "**License**").

7. **REPORTS**: Institution shall furnish to Corporation a comprehensive written report within * days after the completion of the Study. For the avoidance of doubt, such report, is considered Confidential Information subject to Section 5 of this Agreement. Failure by Institution to furnish such report to Corporation in a timely manner shall constitute a material breach of this agreement.

8. **PUBLICATION**: Institution and Corporation recognize the traditional freedom of all scientists to publish and present promptly the results of their research. Institution and Corporation also recognize that patent rights can be jeopardized by public disclosure prior to the filing of suitable patent applications and that confidential information can thereby be inadvertently disclosed. Therefore, Institution shall submit all proposed publications arising from research under this Agreement to Corporation before submission to a publisher for review. Corporation shall have * (*) days in which to review the publication, which may be extended for an additional * (*) days when Corporation discloses to Institution a reasonable need for such extension in order to file for patent protection.

9. **INVENTIONS & INTELLECTUAL PROPERTY**: Ownership of all Inventions shall follow inventorship in accordance with U.S. patent law. Institution shall promptly notify Corporation in writing and in reasonable detail of any Inventions solely relating to [**INSERT**] used in connection with the Protocol. Institution and Corporation agree that Corporation's rights to such Inventions shall be subject to the License. Notwithstanding the foregoing provisions, nothing in this Agreement is intended to, or should be construed to, conflict with federal law (including any Bayh-Dole or NIH obligations) or [**INSERT FUNDING SOURCE, IF APPLICABLE**] obligations that may arise with respect to Inventions resulting from research funded hereunder. Federal law or applicable law shall govern in the event of any inconsistency with this Section 9.

*Confidential material redacted and filed separately with the Commission.

10. **INDEMNIFICATION**:

a. Institution shall indemnify and hold Corporation and its (and its affiliates') directors, officers, agents, contractors and employees harmless from any claim, liability, loss or demand arising from (i) the negligence, recklessness or willful misconduct of Institution or any Institution Personnel in the conduct of the Study, and (ii) Institution's or any Institution Personnel's failure to comply with any applicable Law or regulations in the conduct of the Study.

b. Corporation agrees to indemnify and hold Institution, its affiliates, and their respective directors, officers, agents, medical staff, contractors and employees, including Investigator, harmless from any claim, liability, loss or demand arising from (i) Corporation's use of the results of the Study; (ii) any breach of this Agreement by Corporation or any of its agents, contractors or employees; (iii) the negligence, recklessness or willful misconduct of Corporation or any of its agents, contractors or employees in connection with the Study or this Agreement; and (iv) Corporation's or any of its agents', contractors' or employees' failure to comply with any applicable law or regulations.

c. The obligations of each Party under this Section are subject to: prompt notification to the indemnifying party by the indemnified party of any claim or suit; full control by the indemnifying party of any disposition or settlement of said claim or suit; and cooperation by the indemnified party with the indemnifying party regarding such disposition or settlement; provided, however, that, without the indemnified party's prior written approval (such approval not to be unreasonably withheld), the indemnifying party shall not settle or compromise any such claim or suit if such settlement or compromise would result in an admission of liability or wrongdoing or impose any obligation on the indemnified party.

11. **TERMINATION**:

a. If any Party breaches any material provision in this Agreement, the other Party may terminate this Agreement if the breaching Party does not cure the breach to the non-breaching Party's reasonable satisfaction within * (*) days after written notice to the breaching Party of the same. Such right of termination shall be in addition to any other rights the terminating Party may have, at law or equity, pursuant to this Agreement or otherwise.

b. Each Party may terminate this Agreement as noted in Section 4.

c. Each Party shall be entitled to terminate this Agreement at any time upon * (*) days' written notice to the other Party.

d. Each Party reserves the right to terminate this Agreement at any time effective immediately (i) if the authorization and approval to conduct the Study is withdrawn by the FDA, IRB, or other regulatory authority, or (ii) for bona fide safety concerns.

*Confidential material redacted and filed separately with the Commission.

e. In the event of termination (other than a termination by Corporation pursuant to Section 11(a) hereof), Corporation will reimburse the Institution for all actual costs and non-cancelable commitments properly incurred prior to receipt of notice of termination in the performance of the Study consistent with this Agreement. Any payments made by Corporation to Institution shall be nonrefundable.

12. **NOTICES**: All notices or other communications that are required or permitted hereunder shall be in writing and delivered personally, sent by email, sent by a nationally-recognized overnight courier or sent by registered or certified mail, postage prepaid, return receipt requested, to the addresses listed below or to such other addresses as each of the Parties may otherwise request. Any such communication shall be deemed to have been given (i) when delivered, if personally delivered or sent by facsimile or email on a business day, (ii) on the business day after dispatch, if sent by nationally-recognized overnight courier, and (iii) on the fifth business day following the date of mailing, if sent by mail.

If to Corporation: [**INSERT**]

If to Institution for contract or administrative matters:

City of Hope National Medical Center
1500 East Duarte Road
Duarte, California 91010
Attn: Office of Clinical Trials Support Services
Tel: 626-256-4673, ext. 64284
Email: CTSS-E@coh,org

If to Investigator for clinical or technical matters:

[**INSERT**]
1500 East Duarte Road
Duarte, California 91010
Tel: [**INSERT**]
Email: [**INSERT**]

13. **RELATIONSHIP OF THE PARTIES**: The execution of this Agreement shall not confer upon the Parties any interest or benefits other than those specifically set forth herein. In making and performing this Agreement, the Parties shall act at all times as independent entities, and nothing contained in this Agreement shall be construed or implied to create an agency, partnership or employer and employee relationship between Corporation and Institution, Investigator, or Institution's officers, employees, consultants or agents. Except as specifically provided herein, at no time shall either Party make commitments or incur any charges or expenses for or in the name of the other Party.

14. **INDEPENDENT RESEARCH**: Nothing in this Agreement shall be construed to limit the freedom of Institution or Investigator or other individuals participating in this Study, whether paid under this Agreement or not, to engage in research similar or competitive to the Study independently under other grants, contracts or agreements with parties other than Corporation. The Parties agree that, by executing this Agreement or performing hereunder, Institution and Investigator are not transferring or delegating any legal or regulatory obligations they may have under applicable law as the sponsors of such Study or holder of any IND or similar authorization to conduct such Study, and that, except as explicitly set forth in this Agreement, Corporation shall have no obligations or liabilities with respect to the Study or the performance thereof

15. **SURVIVAL**: Expiration or termination of this Agreement by any Party shall not affect the rights and obligations of the Parties accrued prior to the effective date of the expiration or termination. The provisions of Sections 1, 5, 9, 10, 15, 16, 17 and 21 shall survive the termination or expiration of this Agreement for any reason.

16. **COMPLIANCE WITH LAWS**: All parties shall comply in all material respects with the requirements of all applicable laws, rules, regulations and orders of any government authority in performing the Study including, without limitation, all U.S. Food and Drug Administration regulations relating to Good Clinical Practice and clinical trials.

17. **HUMAN SUBJECTS RESEARCH PROTECTION**: In the event of a Research Injury (as defined, below), Institution will make medical care available to Study subjects, when appropriate, as further set forth in the informed consent document approved by the IRB for this Study. "Research Injury" as used herein shall mean injury or illness sustained by a Study subject to the extent that such injury or illness is directly related to a Study procedure or the Study Drug.

18. **REPRESENTATIONS AND WARRANTIES**: The Institution and Corporation each represents and warrants that (i) it is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation; (ii) it has the right and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereunder; (iii) this Agreement is a legal, valid and binding agreement of the Party and enforceable against it; (iv) the execution and delivery of this Agreement will not, to each Party's knowledge, violate any statute, regulation or any other restriction upon the Party; and (v) it has secured all requisite authorizations and approvals necessary for the execution, delivery and performance of this Agreement. EXCEPT AS EXPRESSLY PROVIDED HEREIN, ALL STUDY DATA AND INVENTIONS PROVIDED, SUBMITTED OR GENERATED HEREUNDER BY THE INSTITUTION OR INSTITUTION PERSONNEL (INCLUDING WITHOUT LIMITATION THE INVESTIGATOR) IS PROVIDED, SUBMITTED OR GENERATED, AS APPLICABLE, "AS-IS" WITH NO WARRANTY OF ANY KIND, AND ALL SUCH WARRANTIES THEREIN, WHETHER STATUTORY, EXPRESS OR IMPLIED (AND INCLUDING WITHOUT LIMITATION WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY, TITLE AND NON-INFRINGEMENT OF THIRD PARTY RIGHTS), ARE HEREBY DISCLAIMED TO THE MAXIMUM EXTENT PERMISSIBLE BY LAW. THE PARTIES ACKNOWLEDGE THAT THE STUDY IS EXPERIMENTAL AND THE INSTITUTION DISCLAIMS ANY WARRANTY THAT IT WILL BE ABLE TO COMPLETE THE STUDY AS CONTEMPLATED BY THE PROTOCOL OR THAT THE STUDY WILL BE SUCCESSFUL, EXCEPT WITH RESPECT TO ANY INDEMNIFICATION OBLIGATIONS OF INSTITUTION AS SET FORTH IN THIS SECTION, (I) THE INSTITUTION SHALL HAVE NO LIABILITY TO CORPORATION FOR ANY LOST PROFITS, LOST OPPORTUNITIES, OR CONSEQUENTIAL, SPECIAL, INCIDENTAL, INDIRECT OR PUNITIVE DAMAGES, AND (II) THE INSTITUTION'S MAXIMUM LIABILITY TO CORPORATION SHALL NOT EXCEED THE AMOUNTS PAID BY CORPORATION TO THE INSTITUTION UNDER THIS AGREEMENT.

19. **DEBARMENT**: Corporation hereby certifies to Institution under penalty of perjury, that Corporation has not been convicted of a criminal offense related to health care and is not currently debarred, excluded or otherwise ineligible for participation in federally funded health care programs. Corporation agrees to notify Institution in writing immediately of any threatened, proposed or actual conviction relating to health care, or any threatened, proposed or actual debarment or exclusion from participation in federally funded health care programs, of the Corporation. Corporation will not employ or contract with individuals or entities excluded from participation in a federally funded program. Any breach of this section of this Agreement by Corporation shall be grounds for immediate termination of this Agreement by Institution.

20. **PUBLICITY**: Neither Party shall publicly use the other Party's name, nor issue any public statement about this Agreement or the Study, without the prior written permission of the other Party (which permission shall not be unreasonably withheld), except as required by law (and, in such case, only with prior prompt notice to the other Party); provided, however that Institution has the right to list the Study name and information on its Clinical Trials Online (CTOL) website system and, in order for the Institution to satisfy its governmental reporting obligations, it may disclose to governmental agencies the amount of support received from Corporation for the Study.

21. **ASSIGNMENT**: This Agreement and all rights and obligations hereunder are personal to the Parties and may not be assigned without the express written consent of the other Party, which consent will not be unreasonably withheld or delayed.

22. **CHOICE OF LAW AND JURISDICTION**: This Agreement shall be construed in accordance with the laws of the State of California. All actions arising wider this Agreement shall be brought exclusively in the state and federal courts sitting in Los Angeles County, California and each of the Parties hereby agrees to submit to the exclusive venue and personal jurisdiction of such courts.

23. **FORCE MAJEURE**: Failure of either Party to perform its obligations under this Agreement (except the obligation to make payments) shall not subject such Party to any liability or place such Party in breach of any term or condition of this agreement to the other Party if such failure is the result of any event beyond the reasonable control of such nonperforming Party, which may include, but is not limited to, acts of God, fire, explosion, flood, drought, war, riot, sabotage, embargo, strike or other labor trouble, failure in whole or in part of suppliers to deliver on schedule materials, equipment or machinery, interruption of or delay in transportation, a national health emergency or compliance with any order or regulation of any government entity acting with color of right. Any Corporation payments made to Institution prior to an event beyond the reasonable control of such nonperforming Party shall be nonrefundable.

24. **WAIVER**: The failure of a Party to enforce any breach or provision of this Agreement shall not constitute a continuing waiver of such breach or provision and such Party may at any time thereafter act upon or enforce such breach or provisions of this Agreement. Any waiver of breach executed by either Party shall affect only the specific breach and shall not operate as a waiver of any subsequent or preceding breach.

25. **TIME IS OF THE ESSENCE**: Time is of the essence with respect to the performance of this Agreement and each of its terms.

26. **FURTHER INSTRUMENTS AND ACTS**: Each Party shall execute and deliver such further instruments and do such further acts and things as reasonably may be required to carry out the intent and purpose of this Agreement.

27. **SEVERABILITY**: If any clause or provision of this Agreement is declared invalid or unenforceable by a court of competent jurisdiction or an arbitrator, such provision shall be severed and the remaining provisions of the Agreement shall continue in full force and effect. The Parties shall use their best efforts to agree upon a valid and enforceable provision as a substitute for the severed provision, taking into account the intent of this Agreement.

28. **COUNTERPARTS**: This Agreement may be executed in any number of counterparts, each of which shall be an original as against the Party whose signature appears thereon, but all of which taken together shall constitute but one and the same instrument.

29. **ENTIRE AGREEMENT**: This Agreement, including any exhibits and appendices attached hereto, sets forth the entire agreement between Corporation and Institution as to its subject matter, and supersedes any and all other discussions, negotiations and representations of any kind by and among the Parties. None of the terms of this Agreement shall be amended except in writing signed by both Parties; provided, however, that the Protocol may be amended by Institution as reasonably necessary. Institution shall promptly provide to Corporation a copy of any Protocol amendment. If there is any conflict between the provisions of the final study Protocol, as it may be amended, and those of this Agreement, the provisions of this Agreement shall govern; provided, however, that the provisions of the Protocol shall govern with respect to the performance of the Study. Nothing herein shall supersede, modify, alter, amend or otherwise change each Party's respective rights, liability or obligations under the License or the Sponsored Research Agreement.

Signature page follows

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by duly authorized representatives as of the Effective Date.

Corporation	**Institution**
By: _____	By: _____
Name: _____	Name: Ashley Baker Lee
Title: _____	Title: SVP, Research Operations

As Investigator to this Agreement, I attest that I have read the Agreement in its entirety, and that I consent to the terms herein:

Investigator

By: _____
Name: [**INSERT**]

EXHIBIT A-I

CITY OF HOPE NATIONAL MEDICAL CENTER PAYMENT TERMS

Unless otherwise specified, the amounts below are payable by Corporation (or its designee) to Institution pursuant to Section 4 of the Agreement, arid will be made as follows:

Initial Payment to Institution:

Within * (*) days of execution of this Agreement, Corporation will pay to Institution a one-time, non-refundable payment in the sum of [**INSERT**], the total initial start-up fees payment due pursuant to this Agreement.

If the Study is terminated and the termination is not the result of i) the Institution's failure to enroll any eligible subjects according to the terms of the Agreement or ii) a violation by the Institution of the Agreement, the Protocol or any applicable laws or regulations, then Corporation shall reimburse Institution for the actual start-up costs incurred up to the date of termination.

Invoiceable Payments to Institution:

After Initial Payment has been made, subsequent payments for costs associated with the screening and evaluation of the patient prior to the initiation of treatment shall be invoiced to Corporation.

Payment Timing and Invoicing:

With respect to the invoiceable payments to institution outlined in Exhibit A-2, Institution shall submit an invoice every quarter to Corporation for those costs. Corporation shall have * (*) days in which to pay those costs.

Invoice Information:

The Institution will reference do [**INSERT**] as invoicee, and invoices must be made out to the following (do not send invoices here):

ALL STUDY INVOICES ARE TO BE SENT TO [**INSERT**] AT ADDRESS BELOW.

Invoices must contain an accurate itemization of all fees, supporting documentation, site invoice reference number, PO number (if available), and must specify the following information:

Reference: [**INSERT**]

Attention: [**INSERT**]

*Confidential material redacted and filed separately with the Commission.

Original invoices pertaining to this Study should be submitted for reimbursement as follows:

Email (preferred): [**INSERT**]

Paper Invoices: [**INSERT**]

For invoicing questions, please contact the following:

Attention: [**INSERT**]

Email: [**INSERT**]

Phone Number: [**INSERT**]

EXHIBIT A-2

[CITY OF HOPE NATIONAL MEDICAL CENTER BUDGET]

Exhibit 10.2

CONFIDENTIAL TREATMENT REQUESTED. Confidential portions of this document have been redacted and have been separately filed with the Commission.

EXCLUSIVE LICENSE AGREEMENT

THIS EXCLUSIVE LICENSE AGREEMENT (the "**Agreement**") is made and entered into as of the 31ST day of May, 2017 (the "**Effective Date**") by and between Mustang Bio, Inc. (f/k/a Mustang Therapeutics, Inc.), a Delaware corporation with a principal place of business at 2 Gansevoort, 9th Floor, New York, NY 10014 ("**Licensee**") and City of Hope, a California nonprofit public benefit corporation located at 1500 East Duarte Road, Duarte, California 91010 ("**City of Hope**" or "**COH**"). Licensee and COH are each sometimes referred to herein individually as a "**Party**" and collectively as the "**Parties**."

WHEREAS:

COH operates an academic research and medical center that encourages the use of its inventions, discoveries and intellectual property for the benefit of the public, and COH owns or Controls (as defined below) certain Patent Rights (as defined below) useful in the Field (as defined below);

The inventions covered by the Patent Rights were invented by Dr. Stephen Forman (the "Investigator") who, as of the Effective Date, is affiliated with COH;

The research may have been sponsored in part by the National Institute of Health, and as a consequence this license is subject to obligations to the United States Federal Government under 35 U.S.C. §§ 200-212 and applicable U.S. government regulations;

The research was sponsored in part by a grant from the Prostate Cancer Foundation (the "PCF Grant"), and as a consequence this Agreement is subject to certain obligations under the PCF Grant;

Licensee is a company dedicated to the commercial development and exploitation in the Field (as defined below) of products and services that incorporate one or more of the technologies described in the Patent Rights and therefore Licensee desires to obtain from COH a worldwide, exclusive license under the Patent Rights, on the terms and subject to the conditions set forth herein; and

COH and Licensee have entered into that certain Exclusive License Agreement, dated February 17, 2017, whereby COH granted to Licensee certain exclusive rights in certain patent rights related to spacer technology (the "**A&R Spacer License**").

NOW, **THEREFORE**, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the amount and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE 1: DEFINITIONS

1.1 "**Affiliate**" of a Party means a Person that, directly or indirectly (through one or more intermediaries) controls, is controlled by, or is under common control with such Party. For purposes of this Section 1.1, "control" means (i) the direct or indirect ownership of 50 percent or more of the voting stock or other voting interests or interests in profits, or (ii) the ability to otherwise control or direct the decisions of board of directors or equivalent governing body thereof.

1.2 "**Business Day**" means any day, other than a Saturday, Sunday or day on which commercial banks located in Los Angeles, California, are authorized or required by law or regulation to close.

1.3 "**CAR**" means a chimeric antigen receptor.

1.4 "**Change of Control**" means (i) any transaction or series of related transactions following which the holders of Licensee's capital stock immediately prior to such transaction or series of related transactions collectively are the owners of less than fifty percent (50%) of the outstanding equity interests of Licensee entitled to (a) vote with respect to the election of directors (or positions having a similar function) or (b) receive the proceeds upon any sale, liquidation or dissolution of Licensee, (ii) a sale, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, of all or a material portion of Licensee's interest in the Licensed Product or Licensed Service or (iii) a sale, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, of all or a material portion of Licensee's right title, or interest in its assets taken as a whole.

1.5 "**COH CAR**" means a CAR that is licensed to Licensee by COH pursuant to an applicable license agreement between the Parties, including but not limited to, pursuant to this Agreement.

1.6 "**COH Confidential Information**" means Confidential Information disclosed or provided by, or on behalf of, COH to Licensee or its designees.

1.7 "**COH Spacer Technology**" means any spacer, hinge, or linker sequence(s) that is used to connect the extracellular ligand-binding domain to transmembrane and intracellular-signaling domains of an applicable CAR and that is covered by a Valid Claim under the Spacer Patent Rights.

1.8 "**Commercially Reasonable Efforts**" means the exercise of such efforts and commitment of such resources by Licensee, directly or through one or more Sublicensees, in a diligent manner consistent with organizations in the pharmaceutical industry for a comparable development or commercialization program at a similar stage of development or commercialization. In the event that Licensee or a Sublicensee with respect to a given Licensed Product or Licensed Service, has a program or product that competes with the programs contemplated by this Agreement with respect to such Licensed Product or Licensed Service, then "Commercially Reasonable Efforts" shall also mean efforts at least comparable to those efforts and resources expended by Licensee or its Sublicensee on the competing program and/or product or service.

1.9 "**Completion**" means, with respect to a particular clinical trial, the earlier of (i) the database lock or freeze related to the completion of treatment or examination of participants in such clinical trial or (ii) the dosing of the first patient in a clinical trial in a subsequent phase (e.g., with respect to a Phase 1 Clinical Trial, the Phase 1 Clinical Trial will be deemed completed in the event a patient is dosed in a Phase 2 Clinical Trial before a database lock in the related Phase 1 Clinical Trial).

1.10 "**Confidential Information**" means: (i) all information and materials (of whatever kind and in whatever form or medium) disclosed by or on behalf of a Party to the other Party (or its designee) in connection with this Agreement, whether prior to or during the term of this Agreement and whether provided orally, electronically, visually, or in writing; provided that all such information and materials initially disclosed in writing or electronically shall be clearly marked as "CONFIDENTIAL" and all such materials and information initially disclosed orally shall be reduced to writing and marked as "CONFIDENTIAL" within ten (10) days following the date of initial oral disclosure; (ii) all copies of the information and materials described in (i) above; and (iii) the existence and each of the terms and conditions of this Agreement; provided further that Confidential Information shall not include information and materials to the extent a Party can demonstrate through its contemporaneous written records that such information and materials are or have been:

(a) known to the receiving Party, or in the public domain, at the time of its receipt by a Party, or which thereafter becomes part of the public domain other than by virtue of a breach of this Agreement or the obligations of confidentiality under this Agreement;

(b) received without an obligation of confidentiality from a Third Party having the right to disclose without restrictions such information;

(c) independently developed by the receiving Party without use of or reference to Confidential Information disclosed by the other Party; or

(d) released from the restrictions set forth in this Agreement by the express prior written consent of the disclosing Party.

1.11 "**Control(s)**" or "**Controlled**" means the possession by a Party, as of the Effective Date, of rights sufficient to effect the grant of rights set forth in this Agreement without violating the terms of any agreement with any Third Party.

1.12 "**Covers**" or "**Covered by**," means with reference to a particular Licensed Product or Licensed Service that the manufacture, use, sale, offering for sale, or importation of such Licensed Product or performance of such Licensed Service would, but for ownership of, or a license granted under this Agreement to, the relevant Patent Right, infringe a Valid Claim under the Patent Rights in the country in which the activity occurs.

1.13 "**CTA**" means any Investigator-Initiated Clinical Research Support Agreement between Licensee and City of Hope National Medical Center relating to * that is materially consistent with the form set forth in Exhibit A and for which Licensee is paying * percent (* %) of costs.

1.14 "**CTA Inventions**" means any patentable inventions, discoveries, and innovations conceived and reduced to practice by Institution Personnel solely relating to * used in connection with the Protocol.

1.15 "**Dispute**" means any controversy, claim or legal proceeding arising out of or relating to this Agreement, or the interpretation, breach, termination, or invalidity thereof.

1.16 "**EMA**" means the European Medicines Agency or any successor agency with responsibilities comparable to those of the European Medicines Agency.

1.17 "**European Union**" means any of the following countries in the European Union: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom, whether or not the countries identified above remain member states of the European Union.

1.18 "**Field**" means the treatment and diagnosis of all human diseases.

1.19 "**First Commercial Sale**" means, with respect to a particular Licensed Product or Licensed Service in a given country, the first arm's-length commercial sale of such Licensed Product or the first performance of such Licensed Service following Marketing Approval in such country by or under authority of Licensee or any Sublicensee to a Third Party who is not a Sublicensee.

1.20 "**FDA**" means the United States Food and Drug Administration or a successor agency in the United States with responsibilities comparable to those of the United States Food and Drug Administration.

1.21 "**GAAP**" means generally accepted accounting principles, consistently applied, as promulgated from time to time by the Financial Accounting Standards Board.

1.22 "**Generic or Biosimilar Product**" means, with respect to any Licensed Product in the United States, any product that is eligible for submission and approved for marketing by the FDA as a therapeutic biologic product under Section 351(k) of the Public Health Service Act (and not eligible for submission for marketing approval to the FDA under Section 505(b)(2) or Section 505(j) of the Federal Food, Drug and Cosmetic Act), including an expression construct used in the manufacture of the therapeutic biologic product, where such product is highly similar to the reference product notwithstanding minor differences in clinically inactive components and for which there are no clinically meaningful differences between the biological product and the reference product in terms of the safety, purity, and potency of the product. With respect to Licensed Product in any country in the Territory other than the United States, a "Generic or Biosimilar Product" means any biologic product that is eligible for submission for approval under a law of a foreign jurisdiction, which is either similar to or a counterpart of the Public Health Service Act (and not eligible for submission for approval under a law of a foreign jurisdiction, which is either similar to or a counterpart of the Federal Food, Drug and Cosmetic Act), including an expression construct used in the manufacture of the therapeutic biologic product, requiring the biologic product to be similar to the reference medicine and not having any meaningful differences from the reference medicine in terms of quality, safety or efficacy.

*Confidential material redacted and filed separately with the Commission.

1.23 "**Institution Personnel**" has the meaning set forth in Section 1 of the CTA.

1.24 "**Investigator**" has the meaning set forth in the Recitals.

1.25 "**License Year**" means each calendar year during the term of this Agreement; except that the first License Year shall commence on the Effective Date and end on December 31 of the calendar year in which the Effective Date occurs.

1.26 "**Licensed Product**" means a product (including kits, component sets or components thereof, regardless of concentration or formulation) that: (i) is Covered by a Valid Claim under the Patent Rights, (ii) is manufactured by a process or used in a method Covered by a Valid Claim under the Patent Rights, or (iii) contains, as an active ingredient, any substance the manufacture, use, offer for sale or sale of which is Covered by a Valid Claim under the Patent Rights. By way of clarification, "Licensed Product" shall include a product manufactured in a country in which such manufacture is Covered by a Valid Claim under the Patent Rights and thereafter exported to and sold in a country in which no Valid Claim under the Patent Rights exists.

1.27 "**Licensed Service**" means any service the performance of which would, but for the license granted herein, infringe a Valid Claim under the Patent Rights.

1.28 "**Licensee Confidential Information**" means Confidential Information disclosed or provided by, or on behalf of, Licensee to COH or its designees.

1.29 "**Marketing Approval**" means all approvals, licenses, registrations or authorizations of any federal, state or local Regulatory Authority, department, bureau or other governmental entity, necessary for the manufacturing, use, storage, import, transport, marketing and sale of Licensed Products or performance of Licensed Services in a country or regulatory jurisdiction.

1.30 "**Net Sales**" means the total gross amount invoiced by Licensee, its Affiliates and its Sublicensees (regardless of whether and when such invoices are actually paid) on the sale of Licensed Products and Licensed Services to Third Parties (including, without limitation, the provision of any product by Licensee, its Affiliates or any of its Sublicensee that incorporates a Licensed Product or Licensed Service but for clarity excluding documented sponsored research and/or development activities, valued at the actual direct cost of such activities on a fully burdened basis (including reasonable margin for overhead)), less the following items, as determined from the books and records of Licensee, its Affiliates or its Sublicensees:

(a) insurance, handling and transportation charges actually invoiced;

(b) amounts repaid, credited or allowed for rejection, return or recall;

(c) sales or other excise taxes or other governmental charges levied on or measured by the invoiced amount (including, without limitation, value added taxes);

(d) brokerage, customs and import duties or charges; and

(e) normal and customary trade and quantity discounts (including chargebacks and allowances) and rebates which relate to the Licensed Products or Licensed Services.

Sales of Licensed Products between or among Licensee, its Affiliates or its Sublicensees shall be excluded from the computation of Net Sales, except in those instances in which the purchaser is also the end-user of the Licensed Product sold. Further, transfers of reasonable quantities of Licensed Product by Licensee, any of its Affiliates or of its Sublicensee to a Third Party that is not a Sublicensee for use in the development of such Licensed Product (and not for resale) and transfers of industry standard quantities of Licensed Product for promotional purposes shall not be deemed a sale of such Licensed Product that gives rise to Net Sales for purposes of this Section 1.30.

1.31 "**Patent Rights**" means: (i) Patent Cooperation Treaty (PCT) application no. PCT/*;(ii) patents, patent applications, continuation and divisional applications and foreign equivalents that claim the same invention(s) and priority date as the foregoing; (iii) continuation-in-part applications that repeat a substantial portion of any of the foregoing applications; (iv) Letters Patent or the equivalent issued on any of the foregoing applications throughout the world; (v) amendments, extensions, renewals, reissues, and re-examinations of any of the foregoing; and (vi) subject to Section 8.2.4, the CTA Inventions. Notwithstanding the foregoing, "Patent Rights" shall only include any continuation-in-part application to the extent that claims in such continuation-in-part application are supported in the specification of the parent application, unless otherwise mutually agreed to in writing by the parties to this Agreement.

1.32 "**Person**" means any person or entity, including any individual, trustee, corporation, partnership, trust, unincorporated organization, limited liability company, business association, firm, joint venture or governmental agency or authority.

1.33 "**Phase I Clinical Trial**" means, as to a specific Licensed Product or Licensed Service, a clinical study in a small group of people for the first time to evaluate its safety, determine a safe dosage range, and identify side effects in patients as described in 21 C.F.R. § 312.21(a); or a similar clinical study in a country other than the United States.

1.34 "**Phase 2 Clinical Trial**" means, as to a specific Licensed Product or Licensed Service, a study in humans designed with the principal purpose of determining initial efficacy and dosing of such Licensed Product in patients for the indication(s) being studied as described in 21 C.F.R. § 312.21(b); or a similar clinical study in a country other than the United States.

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1.35 "**Phase 3 Clinical Trial**" means, as to a specific Licensed Product or Licensed Service, a lawful study in humans of the efficacy and safety of such Licensed Product or Licensed Service, which is prospectively designed to demonstrate statistically whether such Licensed Product or Licensed Service is effective and safe for use in a particular indication in a manner sufficient to file an application to obtain Marketing Approval to market and sell that Licensed Product or Licensed Service in the United States or another country for the indication being investigated by the study, as described in 21 C.F.R. § 312.21(c); or similar clinical study in a country other than the United States.

1.36 "**Protocol**" has the meaning set forth in Section 1 of the CTA.

1.37 "**Regulatory Authority**" means, with respect to any country or jurisdiction, any court, agency, department, authority or other instrumentality of any international, multinational or supra-national, national, regional, province, state, county, city or other political subdivision having responsibility for granting Marketing Approvals in such country or jurisdiction, including the FDA in the United States and the EMA in the European Union.

1.38 "**Regulatory Exclusivity**" means any period of regulatory data protection or market exclusivity or similar regulatory protection afforded by the Regulatory Authorities in a jurisdiction, including any such periods listed in the FDA's Orange Book or periods under national implementations of Article 10 of Directive 2001/EC/83 (as amended), and all international equivalents, and any exclusivity afforded by restrictions on the granting by a Regulatory Authority of Marketing Approval to market a generic product.

1.39 "**Spacer Patent Rights**" means: (i) Patent Cooperation Treaty (PCT) application no. PCT/ * ; (ii) US patent application no. * ; (iii) patents, patent applications, continuation and divisional applications and foreign equivalents that claim the same invention(s) and priority date as the foregoing; (iv) continuation-in-part applications that repeat a substantial portion of any of the foregoing applications; (v) Letters Patent or the equivalent issued on any of the foregoing applications throughout the world; (vi) amendments, extensions, renewals, reissues, and re-examinations of any of the foregoing; and (vii) any claim in a patent or patent application licensed to Licensee by COH pursuant to an applicable license agreement that claims (a) a COH CAR, and (b) the spacer, hinge, or linker sequence(s) that is used to connect the extracellular ligand-binding domain to transmembrane and intracellular-signaling domains of such COH CAR covered by a Valid Claim of any of the foregoing (i)-(vii). Notwithstanding the foregoing, "Spacer Patent Rights" shall only include any continuation-in-part application to the extent that claims in such continuation-in-part application are supported in the specification of the parent application, unless otherwise mutually agreed to in writing by the parties to this Agreement.

1.40 "**Study Data**" means all results, data, analyses, reports, and other documentation relating to * resulting from, or generated in the course of or with respect to, the performance of the Protocol.

*Confidential material redacted and filed separately with the Commission.

1.41 "**Sublicensee**" means any Affiliate of Licensee or Third Party which enters into an agreement with Licensee involving the grant to such Affiliate or Third Party of any rights under the license granted to Licensee pursuant to this Agreement.

1.42 "**Sublicense Revenues**" means all consideration, in whatever form, due from a Sublicensee in return for the grant of a sublicense of Licensee's rights hereunder, excluding consideration in the form of: (i) royalties received by Licensee and calculated wholly as a function of sales of Licensed Products or Licensed Services, (ii) payments or reimbursement for documented sponsored research and/or development activities, valued at the actual direct cost of such activities on a fully burdened basis (including reasonable margin for overhead), (iii) payment or reimbursement of reasonable patent expenses actually incurred or paid by Licensee and not otherwise reimbursed, or payment of patent expenses required to by paid by Licensee hereunder, (iv) payments for the purchase of equity in Licensee at the fair market value of such equity, and (v) payments recognized as Net Sales under this Agreement for which a royalty is payable to COH.

By way of clarification, the principal amount of any loan or other extension of credit provided to Licensee or an Affiliate of Licensee in connection with the grant of a sublicense by Licensee that is other than an arm's-length credit relationship shall be deemed to constitute "Sublicense Revenues."

1.43 "**Territory**" means the entire world.

1.44 "**Third Party**" means a Person that is neither a Party to this Agreement nor an Affiliate of a Party.

1.45 "**Valid Claim**" means a claim of a pending patent application or an issued and unexpired patent included in, as applicable, the Patent Rights or the Spacer Patent Rights, in a particular jurisdiction, which claim has not, in such jurisdiction been finally rejected or been declared invalid or cancelled by the patent office or a court of competent jurisdiction in a decision that is no longer subject to appeal as a matter of right.

ARTICLE 2: DEVELOPMENT AND COMMERCIALIZATION EFFORTS

2.1 **Development and Commercialization Responsibilities**. Licensee shall have the sole right and responsibility for, and control over, all of its development, manufacturing and commercialization activities (including all regulatory activities) with respect to Licensed Products and Licensed Services in the Field.

2.2 **Licensee Diligence**. Licensee shall use Commercially Reasonable Efforts to develop and commercialize Licensed Products and Licensed Services in the Field, directly or through one or more Sublicensees. Without limiting the foregoing, if Licensee, directly or through one or Sublicensees, fails to accomplish any one of the "Diligence Milestones" set forth in this Section 2.2 by the date specified (each a "Deadline Date") corresponding to such Diligence Milestone, COH shall have the right, on notice to Licensee, to terminate this Agreement.

"Deadline Date"	"**Diligence Milestone**"
1. * (*) years from the Effective Date	Licensee to initiate * (with COH listed as the principal institution for such *). Licensee may extend this Deadline Date for up to * (*) additional * (*) month periods upon payment of $ * to COH for each * (*) month period.
2. * (*) years from the Effective Date	Licensee to initiate * (COH, at its option, shall be listed as a co-principal institution; provided however that COH and Licensee shall discuss in good faith COH's right to be listed as a co-principal institution and the first institution to *). Licensee may extend this Deadline Date for up to * (*) additional * (*) month periods upon payment of $* to COH for each * (*) month period.

2 . 3 **Governance**. COH and Licensee shall each designate one individual to serve as the main point of contact for communications related to development and commercialization of Licensed Products and Licensed Services under this Agreement (each a "**Designated Representative**"). The initial Designated Representative of COH shall be George Megaw and the initial Designated Representative of Licensee shall be Michael S. Weiss. Each Party may replace its Designated Representative at any time upon prior notice to the other Party. Licensee shall keep COH reasonably informed as to progress in the development and commercialization of Licensed Products and Licensed Services. Without limiting the foregoing, on or before January 15 and July 15 of each year during the term of this Agreement, Licensee shall provide to COH a written report setting forth, in reasonable detail, its activities and achievements with respect to the development and commercialization of Licensed Products and Licensed Services during the preceding * months (the "**Semi-Annual Report**"). Each Semi-Annual Report shall also include the COH reference number, *. The Designated Representatives shall meet in person twice each calendar year to present and discuss the current Semi-Annual Report at such location and date as mutually agreed. Each Party shall be responsible for all expenses incurred by its Designated Representative in the participation in such annual meetings. A copy of each Semi-Annual Report shall be provided, in addition to the persons set forth in Section 14.7, to: The Office of Technology Licensing, email: licensing@coh.org.

*Confidential material redacted and filed separately with the Commission.

2.4 **Clinical Trial Agreements**. Prior to the * (*) anniversary of the Effective Date, COH and Licensee shall enter into a CTA(s) that is materially consistent with the form set forth in Exhibit A.

ARTICLE 3: LICENSE GRANTS

3.1 **Grant of Rights**.

3.1.1 Exclusive Patent License. COH hereby grants to Licensee an exclusive royalty-bearing right and license under the Patent Rights to make, have made, use, offer for sale, sell and import Licensed Products and to perform Licensed Services, in the Field, in the Territory; **provided**, **however**, the foregoing license does not include any right or license under any patent claim of the Patent Rights that includes a limitation directed toward the COH Spacer Technology. The Parties acknowledge and agree that Licensee is granted rights to practice such COH Spacer Technology pursuant to the A&R Spacer License.

3.1.2 Exclusive Study Data License. Subject to Section 8.2.4, COH hereby grants to Licensee an exclusive right and license under the Study Data to make, have made, use, offer for sale, sell and import Licensed Products and to perform Licensed Services, in the Field, in the Territory.

3.2 The foregoing grant of rights shall be subject to: (i) the retained rights of the U.S. Government in the Patent Rights pursuant to 35 U.S.C. §§ 200-212 and applicable U.S. government regulations, (ii) the royalty-free right of COH and its Affiliates to practice the Patent Rights and the Study Data for educational and research uses, (iii) the right of COH and its Affiliates to publicly disclose research results including, to the extent applicable, as specified in the Research Agreement, and (iv) the right of COH and its Affiliates to allow other non-profit institutions to use the Patent Rights and the Study Data for the same purposes as (ii) and (iii).

3.3 **No Implied Licenses**. Licensee acknowledges that the licenses granted in this Agreement are limited to the scope expressly granted and that, subject to the terms and conditions of this Agreement, all other rights under all Patent Rights, the Study Data, and other intellectual property rights Controlled by COH are expressly reserved to COH.

3.4 **Sublicensing**. Licensee shall have the right to sublicense its rights hereunder without the consent of COH, effective on notice to COH. The terms and conditions of each sublicense of Licensee's rights hereunder shall be consistent with this Agreement. A true and complete copy of each sublicense of Licensee's rights hereunder, as well as any amendment thereto, shall be delivered to COH promptly following the effective date of each such sublicense or amendment.

3.5 **Effect of Termination on Sublicenses**.

3.5.1 In the event that this Agreement terminates at any time for any reason, each sublicense validly granted hereunder which is in good standing as of the effective date of such termination shall continue in effect as a direct license between COH (as licensor) and Sublicensee (as licensee), provided that: (i) such sublicense, as determined by COH in its reasonable and good faith discretion, contains or imposes on COH no material obligation or liability additional to those set forth in this Agreement, (ii) the Sublicensee delivers to COH, within * (*) days of the effective date of the termination of this Agreement, written acknowledgement that all payment and other obligations previously payable to Licensee under such sublicense shall thereafter be payable and due, and be paid directly to COH, and (iii) such Sublicensee (including its employees and contractors) is not at such time debarred or excluded or otherwise ineligible for participation in federally funded programs. All other sublicenses in existence as of the effective date of the termination of this Agreement which fail to satisfy the foregoing conditions shall, upon such termination, terminate.

3.5.2 Further and in addition to the requirements of Section 3.5.1, above, the conversion of a sublicense into a direct license between COH (as licensor) and Sublicensee (as licensee) upon termination of this Agreement shall require that either [A] or [B] (but not both), below, be satisfied:

[A] On the effective date of the termination of this Agreement:

(i) the Sublicensee is not a party to a proceeding in bankruptcy or insolvency filed by or against such Sublicensee, has not made a general assignment for the benefit of its creditors, and is not in litigation with COH or any Affiliate of COH, and

(ii) the effective royalty rate payable on Sublicensee's Net Sales of Licensed Products and Licensed Services, (2) the aggregate of other non-sale/royalty-based consideration due from Sublicensee, and (3) the other material terms and conditions of the sublicense are materially no less favorable to COH than the corresponding terms (excluding the stock grant due pursuant to Section 4.3, below) of this Agreement, or

[B] the terms and conditions of the sublicense had been approved by COH prior to its having been entered into by Licensee and the Sublicensee, such approval having been considered by COH expeditiously and not conditioned on the payment by Licensee of any additional consideration.

3.6 **Documentation of Licensed Services**. Licensee and its Sublicensees shall provide Licensed Services only pursuant to one or more written agreements which set forth, in reasonable detail, all consideration due to Licensee for the provision of such services. Licensee shall provide a true and complete copy of each such agreement to COH promptly following the effective date of such agreement.

*Confidential material redacted and filed separately with the Commission.

ARTICLE 4: PAYMENTS

4.1 **Up-Front Payment**. In consideration for the license to the Patent Rights, Licensee shall pay to COH a one-time non-refundable license fee of $*within * (*) days after the Effective Date.

4.2 **License Maintenance Fee**. On or before the tenth Business Day after the end of each License Year (excluding the first License Year ending December 31, 2017), Licensee shall pay to COH a non-refundable license maintenance fee of $ *. The license maintenance fee paid in a given License Year shall be applied as credit against royalties otherwise due to COH pursuant to Section 4.4, below, during the License Year in which payment was made but may not be carried over and applied as credit against royalties due in subsequent years.

4.3 **Milestone Payments**. Within * (*) days after the occurrence of each "**Milestone Event**" set forth below, Licensee shall pay COH or its designee the amount indicated below:

Milestone Event	**Amount Due**
#1. Upon the * .	$ *
#2. Upon * .	$ *
#3. Upon * .	$ *
#4. Upon the * .	$ *
#5. Upon * .	$ *
#6. Upon the * .	$ *
#7. Upon * .	$ *
#8. Upon * .	$ *
#9. Upon * .	$ *
#10. Upon * .	$ *

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In the event that * is received prior to the satisfaction of any prior * Event, then Licensee shall also pay the amount due for occurrence of all prior * Events not previously paid upon receiving such * (e.g., if * is received prior to *, Licensee shall pay COH $ *). The Parties agree that in the event that a clinical trial is conducted and is characterized as a *, then upon commencement of such trial, Licensee shall simultaneously pay the amounts due for occurrence of *, and upon * shall be paid (e.g., if a *, Licensee shall pay to COH $* upon commencement of such trial and $ * upon Completion of such trial). For clarity, each payment above shall be made only once, regardless of the number of Licensed Products or Licensed Services achieving each * Event.

4.4 **Royalties**.

4.4.1 Base Royalties.

(a) Subject to Sections 4.4.2-4.4.5, and 4.5 below, Licensee shall pay to COH or its designee royalties in an amount equal to (i) *percent of Net Sales of Licensed Products up to $ * ; (ii) * percent of Net Sales of Licensed Products of $ * up to and including $ * ; and (iii) * percent of Net Sales of Licensed Products that exceed $ * .

(b) Subject to Sections 4.4.2-4.4.5, and 4.5 below, Licensee shall pay to COH or its designee royalties in an amount equal to (i) * percent of Net Sales of Licensed Services up to $ * ; (ii) * percent of Net Sales of Licensed Services of $ * up to and including $ * ; and (iii) * percent of Net Sales of Licensed Services that exceed $ * .

4.4.2 Royalty Reduction Upon Loss of Patent Coverage or Regulatory Exclusivity. On a country-by-country, Licensed Product-by-Licensed Product, and Licensed Service-by-Licensed Service basis, the royalty rate payable under Section 4.4.1 on sales of such Licensed Product or performance of such Licensed Service in such country shall be reduced by * percent (* %) during any period when: (i) a particular Licensed Product or Licensed Service is not Covered by a Valid Claim of the Patent Rights in a country in which such Licensed Product is sold or Licensed Service is performed, and (ii) a particular Licensed Product or Licensed Service is not covered by a Regulatory Exclusivity in a country in which such Licensed Product is sold or Licensed Service is performed.

4.4.3 Royalty Reduction Upon Launch Of Generic or Biosimilar Product Notwithstanding anything to the contrary, if a Generic or Biosimilar Product corresponding to a Licensed Product or Licensed Service is launched in a particular country, then the royalty rates set forth in Section 4.4.1, as may be adjusted by Section 4.4.2, applicable to a particular Licensed Product or Licensed Service and a particular country will be reduced in accordance with the table below (each such reduction, a "**Reduction in Royalty**"). For purposes of the table below, the "**Percentage Reduction of Net Sales**" for any particular calendar quarter means the quotient (expressed as a percentage) obtained by dividing (A) the difference obtained by subtracting the Net Sales of the Licensed Product or Licensed Service in such country for such applicable calendar quarter from the Net Sales of the Licensed Product or Licensed Service in such country for the calendar quarter immediately prior to the calendar quarter in which the first commercial sale of the Generic or Biosimilar Product in such country occurred by (B) the Net Sales of the Licensed Product or Licensed Service in such country for the calendar quarter prior to the calendar quarter in which the first commercial sale of the Generic or Biosimilar Product in such country occurred. Once the applicable Percentage Reduction of Net Sales set forth in the table below has been attained for a particular country for a calendar quarter, the corresponding Reduction in Royalty set forth in the table below shall remain in place unless there is an additional Reduction in Royalty. Once a country experiences a * percent (* %) or greater Percentage Reduction of Net Sales for any given Licensed Product or Licensed Service, then Licensee shall have no further obligations to make any further payments to COH with regards to any Net Sales of such Licensed Product or Licensed Service in such country.

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4.4.4 Minimum Annual Royalty. Beginning in the calendar year of Marketing Approval in any jurisdiction of the first Licensed Product or Licensed Service by Licensee or Sublicensees and if the total earned royalties paid by Licensee under Section 4.4.1, as adjusted by Sections 4.4.2, 4.4.3, and 4.5, in any such year cumulatively amounts to less than $* for that calendar year ("**Minimum Annual Royalty**"), Licensee shall pay to COH on or before February 28 following the last quarter of such year the difference between the Minimum Annual Royalty and the total earned royalty paid by Licensee for such year under Section 4.4.1, as adjusted by Sections 4.4.2, 4.4.3, and 4.5; provided, however, that for the first year of commercial sales of the first Licensed Product or Licensed Services, the amount of Minimum Annual Royalty payable shall be pro-rated for the number of months remaining in that calendar year.

4.4.5 Royalty Term. Licensee's payment obligations under Section 4.4.1 (as adjusted by Sections 4.4.2, 4.4.3, and 4.5) shall expire, on a country-by-country, Licensed Product-by-Licensed Product basis, and Licensed Service-by-Licensed Service basis, on the later of (i) the last date on which there exists a Valid Claim of the Patent Rights Covering such Licensed Product or such Licensed Service in such country or (ii) the * (*) anniversary of the First Commercial Sale of such Licensed Product or such Licensed Service in such country (the "Royalty Expiration Date").

4.5 **Royalty Offsets**.

4.5.1 Third Parties. If, in Licensee's reasonable business judgment it is necessary to pay to a Third Party other than a Sublicensee consideration (whether in the form of a royalty or otherwise) for the right to make, have made, use, sell, offer for sale or import a Licensed Product or Licensed Service in a given jurisdiction, and if the aggregate royalty rates of any and all royalties payable to such Third Party licensors when combined with the royalty rate payable to COH exceeds * percent (* %) in the case of Net Sales of Licensed Products or Licensed Services, then Licensee shall have the right with respect to any period for which royalties are due (i.e., a calendar quarter or calendar year) to set off * percent (* %) of the aggregate royalties otherwise payable with respect to such period and such jurisdiction to such Third Party licensors against royalties that would otherwise be due to COH hereunder with respect to such period and jurisdiction; provided, however, that under no circumstances shall the royalty offsets permitted in this Section 4.5 result in the reduction of the effective adjusted royalty rate and the royalty amount otherwise due to COH in any period for which payment is due and in any jurisdiction pursuant to Section 4.4, above, by more than * percent (* %) (e.g., minimum effective adjusted royalty rate for Licensed Product or Licensed Services sales up to $ * shall be * percent).

*Confidential material redacted and filed separately with the Commission.

4.5.2 A&R Spacer License. In the event that royalties are due to COH by Licensee pursuant to Section 4.7(b) of the A&R Spacer License, then Licensee may set off such royalties payable to COH against the royalties payable to COH by Licensee pursuant to Section 4.4.1 of this Agreement.

4.6 **Sublicense Revenues**. Licensee shall pay to COH a percentage of all Sublicense Revenues within * (*) days after payment is received from the relevant Sublicensee, determined as follows:

(a) * percent (* %) of Sublicense Revenues if the Sublicense is granted prior to the *,

(b) * percent (* %) of all Sublicense Revenues if the Sublicense is granted prior to the *,

(c) * percent (* %) of all Sublicense Revenues if the Sublicense is granted prior to the *, and

(d) * percent (* %) of all Sublicense Revenues if the Sublicense is granted after *.

(e) If Sublicense Revenues are not in cash or cash equivalents, the percentage share payable to COH pursuant to this Section 4.6 shall be due, in COH's sole discretion, either in kind or in its cash equivalent.

4.7 **Timing of Royalty Payments**. Royalty payments due under Section 4.4, above, shall be paid annually within * (*) days following the end of each License Year until the first License Year in which aggregate Net Sales reach $ *. Thereafter, all royalty payments due under Section 4.4 shall be paid in quarterly installments, within * (*) days following the end of each calendar quarter.

4.8 **No Deductions from Payments**. Licensee is solely responsible for payment ofany fee, royalty or other payment due to any Third Party not a Sublicensee in connection with the research, development, manufacture, distribution, use, sale, import or export of a Licensed Product or Licensed Service and, except as set forth in Section 4.5, above, Licensee shall not have the right to set off any amounts paid to such a Third Party, including fee, royalty or other payment, against any amount payable to COH hereunder.

4.9 **Single Royalty**. Only a single royalty payment shall be due and payable on Net Sales of a Licensed Product or performance of a Licensed Service, regardless if such Licensed Product or Licensed Service is Covered by more than one Valid Claim under the Patent Rights.

*Confidential material redacted and filed separately with the Commission.

ARTICLE 5: REPORTS, AUDITS AND FINANCIAL TERMS

5.1 **Royalty Reports**. Within * (*) days after the end of each calendar quarter in which a royalty payment under Article 4 is required to be made, Licensee shall send to COH a report of Net Sales of the Licensed Products and Licensed Services for which a royalty is due, which report sets forth for such calendar quarter the following information, on a Licensed Product-by-Licensed Product, Licensed Service-by-Licensed Service and country-by-country basis: (i) total Net Sales, (ii) total gross sales of Licensed Products and Licensed Services, (iii) the quantity of each Licensed Products sold and Licensed Services performed, (iv) the exchange rate used to convert Net Sales from the currency in which they are earned to United States dollars; and (v) the total royalty payments due. All royalty reports shall also include the COH reference number, *. A copy of each royalty report shall be provided, in addition to the persons set forth in Section 14.7, to: The Office of Technology Licensing, email: otl-royalties@coh.org.

5.2 **Additional Financial Terms**.

5.2.1 **Currency**. All payments to be made under this Agreement shall be made in United States dollars, unless expressly specified to the contrary herein. Net Sales outside of the United States shall be first determined in the currency in which they are earned and shall then be converted into an amount in United States dollars. All currency conversions shall use the conversion rate reported by Reuters, Ltd. on the last Business Day of the calendar quarter for which such payment is being determined.

5.2.2 **Payment Method**. Amounts due under this Agreement shall be paid in immediately available funds, by means of wire transfer to an account identified by COH.

5.2.3 **Withholding of Taxes**. Licensee may withhold from payments due to COH amounts for payment of any withholding tax that is required by law to be paid to any taxing authority with respect to such payments. Licensee shall provide to COH all relevant documents and correspondence, and shall also provide to COH any other cooperation or assistance on a reasonable basis as may be necessary to enable COH to claim exemption from such withholding taxes and to receive a full refund of such withholding tax or claim a foreign tax credit. Licensee shall give COH proper evidence from time to time as to the payment of such tax. The Parties shall cooperate with each other in seeking deductions under federal and state tax laws and any double taxation or other similar treaty or agreement from time to time in force.

5.2.4 **Late Payments**. Any amounts not paid on or before the date due under this Agreement are subject to interest from the date due through and including the date upon which payment is received. Interest is calculated, over the period between the date due and the date paid, at a rate equal to * percentage point (* %) over the "bank prime loan" rate, as such rate is published in the U.S. Federal Reserve Bulletin H.15 or successor thereto on the last Business Day of the applicable calendar quarter prior to the date on which such payment is due.

5.2.5 **Blocked Currency**. If, at any time, legal restrictions prevent the prompt remittance of part or all royalties with respect to any country where a Licensed Product is sold or Licensed Service provided, payment shall be made through such lawful means or methods as Licensee may determine. When in any country, the law or regulations prohibit both the transmittal and deposit of royalties or other payments, Licensee shall continue to report all such amounts, but may suspend payment for as long as such prohibition is in effect. As soon as such prohibition ceases to be in effect, all amounts that would have been obligated to be transmitted or deposited but for the prohibition, together with accrued interested thereon, shall promptly be transmitted to COH.

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5.3 **Accounts and Audit.**

5.3.1 **Records**. Licensee shall keep, and shall require that each Sublicensee keep, full, true and accurate books of account containing the particulars of its Net Sales and the calculation of royalties. Licensee and its Sublicensees shall each keep such books of account and the supporting data and other records at its principal place of business. Such books and records must be maintained available for examination in accordance with this Section 5.3.1 for * (*) calendar years after the end of the calendar year to which they pertain, and otherwise as reasonably required to comply with GAAP.

5.3.2 **Appointment of Auditor**. COH may appoint an internationally-recognized independent accounting firm reasonably acceptable to Licensee to inspect the relevant books of account of Licensee and its Sublicensees to verify any reports or statements provided, or amounts paid or invoiced (as appropriate), by Licensee or its Sublicensees.

5.3.3 **Procedures for Audit**. COH may exercise its right to have Licensee's and its Sublicensees' relevant records examined only during the * (*) year period during which Licensee is required to maintain records, no more than once in any consecutive * (*) calendar quarters. Licensee and its Sublicensees are required to make records available for inspection only during regular business hours, only at such place or places where such records are customarily kept, and only upon receipt of at least * (*) days advance notice from COH.

5.3.4 **Audit Report**. The independent accountant will be instructed to provide to COH an audit report containing only its conclusions and methodology regarding the audit, and specifying whether the amounts paid were correct and, if incorrect, the amount of any underpayment or overpayment.

5.3.5 **Underpayment and Overpayment**. After review of the auditor's report: (i) if there is an uncontested underpayment by Licensee for all of the periods covered by such auditor's report, then Licensee shall pay to COH the full amount of that uncontested underpayment, and (ii) if there is an uncontested overpayment for such periods, then COH shall provide to Licensee a credit against future payments (such credit equal to the full amount of that overpayment), or, if Licensee is not obligated to make any future payments, then COH shall pay to Licensee the full amount of that overpayment. Contested amounts are subject to dispute resolution under Article 12. If the total amount of any such underpayment (as agreed to by Licensee or as determined under Article 12) exceeds * percent of the amount previously paid by Licensee for the period subject to audit, then Licensee shall pay the reasonable costs for the audit. Otherwise, all costs of the audit shall be paid by COH.

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ARTICLE 6: LICENSEE COVENANTS

6.1 Licensee covenants and agrees that:

6.1.1 During the period commencing on the Effective Date and ending on the * (*) anniversary of the Effective Date, both Dr. Lindsay A. Rosenwald and Michael S. Weiss will hold senior management positions of Licensee; provided, that, in the event of a Change of Control of Licensee, subsequent to such Change of Control, in the event that either Dr. Lindsay A. Rosenwald or Michael S. Weiss no longer holds a senior management position of Licensee both individuals must remain materially involved with the oversight and management of the development of Licensed Products during such period- provided further that in the event of the death of either of Dr. Rosenwald or Mr. Weiss, Licensee will be excused from observing this Section 6.1.1 with regard to the decedent;

6.1.2 in conducting activities contemplated under this Agreement, it shall comply in all material respects with all applicable laws and regulations including, without limitation, those related to the manufacture, use, labeling importation and marketing of Licensed Products and Licensed Services; and

6.1.3 without limiting the foregoing and notwithstanding any other provision in this Agreement, Licensee acknowledges and agrees that it is an exclusive Licensee under this Agreement and agrees (i) to be subject to all obligations applicable to the PCF Grant, and (ii) to assist COH as necessary to ensure COH remains in compliance with any obligations applicable to the PCF Grant.

ARTICLE 7: INTELLECTUAL PROPERTY; PATENT PROSECUTION, MAINTENANCE AND ENFORCEMENT.

7.1 **Patent Prosecution, Maintenance and Enforcement**.

7.1.1 COH shall be responsible for the preparation, filing, prosecution, and maintenance of all Patent Rights, using counsel of its choice. COH will timely provide Licensee with copies of all relevant documentation relating to such prosecution and Licensee shall keep such information confidential. In addition, COH shall instruct the patent counsel prosecuting Patent Rights to (i) copy Licensee on patent prosecution documents that are received from or filed with the United States Patent and Trademark Office ("USPTO") and foreign equivalent, as applicable; (ii) if requested by Licensee, provide Licensee with copies of draft submissions to the USPTO prior to filing; and (iii) give reasonable consideration to the comments and requests of Licensee or its patent counsel, provided that (a) COH reserves the sole right to make all final decisions with respect to the preparation, filing, prosecution and maintenance of such patent applications and patents; and (b) the patent counsel remains counsel to COH (and shall not jointly represent Licensee unless requested by Licensee and approved by COH, and an appropriate engagement letter and conflict waiver are in effect). All patents and patent applications in Patent Rights, to the extent assignable in whole or in part to COH, shall be assigned to COH.

7.1.2 COH will not unreasonably refuse to amend any patent application in Patent Rights to include claims reasonably requested by Licensee to protect the products contemplated to be sold by Licensee under this Agreement. If Licensee informs COH of other countries or jurisdictions in which it wishes to obtain patent protection with respect to the Patent Rights, COH shall prepare, file, prosecute and maintain patent applications in such countries and any patents resulting therefrom (and, for the avoidance of doubt, such patent applications and patents shall be deemed included in the Patent Rights). On a country by country and patent by patent basis, Licensee may elect to surrender any patent or patent application in Patent Rights in any country upon * (*) days advance written notice to COH. Such notice shall relieve Licensee from the obligation to pay for future patent costs but shall not relieve Licensee from responsibility to pay patent costs incurred prior to the expiration of the * (*) day notice period. Such U.S. or foreign patent application or patent shall thereupon cease to be a Patent Right hereunder, Licensee shall have no further rights therein and COH shall be free to license its rights to that particular U.S. or foreign patent application or patent to any other party on any terms.

7.1.3 Each Party shall promptly provide written notice to the other in the event it becomes aware of any actual or probable infringement of any of the Patent Rights in or relevant to the Field or of any Third Party claim regarding the enforceability or validity of any Patent Rights ("Infringement Notice"). Licensee shall, in cooperation with COH, use reasonable efforts to terminate infringement without litigation.

7.1.4 If infringing activity has not been abated within * (*) days following the date the Infringement Notice takes effect, then Licensee may, following consultation with COH, in its sole discretion and at its sole expense, take action against any alleged infringer or in defense of such any claim, provided, that, Licensee has exclusive rights under this Agreement. Any recovery obtained by Licensee as the result of legal proceedings initiated and paid for by Licensee pursuant to this subsection (d), after deduction of Licensee's reasonable out-of-pocket expenses incurred in securing such recovery, shall be deemed to be Net Sales of Licensed Products and/or Licensed Services in the calendar quarter in which such recovery was received and royalties shall be due and payable thereon accordingly.

7.1.5 If COH is involuntarily joined in a suit initiated by Licensee, then the Licensee will pay any costs incurred by COH arising out of such suit, including but not limited to, reasonable legal fees of counsel that COH selects and retains to represent it in the suit.

7.1.6 In the event that Licensee declines either to cause such infringement to cease (e.g., by settlement or injunction) or to initiate and thereafter diligently maintain legal proceedings against the infringer other than as part of a mutually agreed upon bona fide strategy, developed with the guidance of outside patent counsel, to preserve the Patent Rights, COH may, in its sole discretion and at its sole expense, take action against such alleged infringer or in defense of any such Third Party claim. Any recovery obtained by COH as the result of any such legal proceedings shall be for the benefit of COH only.

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7.2 **Trademarks**. Licensee shall be responsible for the selection, registration, maintenance, and defense of all trademarks for use in connection with the sale or marketing of Licensed Products and Licensed Services in the Field in the Territory (the "**Marks**"), as well as all expenses associated therewith. All uses of the Marks by Licensee or a Sublicensee shall comply in all material respects with all applicable laws and regulations (including those laws and regulations particularly applying to the proper use and designation of trademarks in the applicable countries). Licensee shall not, without COH's prior written consent, use any trademarks or house marks of COH (including the COH corporate name), or marks confusingly similar thereto, in connection with Licensee commercialization of Licensed Products or Licensed Services under this Agreement in any promotional materials or applications or in any manner implying an endorsement by COH of Licensee or the Licensed Products or Licensed Services. Licensee shall own all Marks.

7.3 **Challenge to the Patent Rights by Licensee**.

7.3.1 COH may terminate this Agreement and, notwithstanding Section 3.4, above, all Sublicenses issued hereunder, upon written notice to Licensee in the event that Licensee or any of its Affiliates or Sublicensees directly or indirectly asserts a Patent Challenge. "**Patent Challenge**" means any challenge in a legal or administrative proceeding to the patentability, validity or enforceability of any of the Patent Rights (or any claim thereof), including by: (a) filing or pursuing a declaratory judgment action in which any of the Patent Rights is alleged to be invalid or unenforceable; (b) citing prior art against any of the Patent Rights, filing a request for or pursuing a re-examination of any of the Patent Rights (other than with COH's written agreement), or becoming a party to or pursuing an interference; or (c) filing or pursuing any re-examination, opposition, cancellation, nullity or other like proceedings against any of the Patent Rights; but excluding any challenge raised as a defense against a claim, action or proceeding asserted by COH against Licensee, its Affiliates or Sublicensees. In lieu of exercising its rights to terminate under this Section 7.3.1, COH may elect upon written notice to increase the payments due under all of Section 4 by * percent (* %), which election will be effective retroactively to the date of the commencement of the Patent Challenge. Licensee acknowledges and agrees that this Section 7.3.1 is reasonable, valid and necessary for the adequate protection of COH's interestin and to the Patent Rights, and that would not have granted to Licensee the licenses under those Patent Rights, without this Section 7.3.1.

7.3.2 **Payment of COH Patent Expenses**.

(a) The Parties acknowledge that, prior to the Effective Date, COH incurred historic expenses with respect to the drafting, prosecution and maintenance of the Patent Rights. In consideration of such historic expenditures by COH, Licensee shall reimburse COH $ * in full reimbursement for such expenses. Licensee shall pay such expenses within * (*) days of the Effective Date.

(b) After the Effective Date, COH shall provide to Licensee an annual invoice and reasonably detailed documentation with respect to COH's out-of-pocket expenses incurred with respect to such prosecution and maintenance for the previous License Year. Licensee shall reimburse COH for * percent (* %) of such expenses within * (*) days after receipt of such invoice and documentation.

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7.4 **Marking**. Licensee and its Sublicensees shall mark all Licensed Products and all materials related to Licensed Services in such a matter as to conform with the patent laws of the country to which such Licensed Products are shipped or in which such products are sold and such Licensed Services performed.

ARTICLE 8: TERM AND TERMINATION

8.1 **Term and Expiration of Term**. The term of this Agreement (the "**Term**") shall commence on the Effective Date and, notwithstanding any other provision of this Agreement, unless sooner terminated by mutual agreement or pursuant to any other provision of this Agreement, this Agreement shall expire on a country-by-country basis, a Licensed Product-by-Licensed Product basis, and a Licensed Service-by-Licensed Service basis, on the applicable Royalty Expiration Date for each Licensed Product or each Licensed Service in each country (such expiry of the Term for a particular Licensed Product or a particular Licensed Service in a particular country hereinafter referred to as "**Expiration**" of this Agreement with respect to such Licensed Product or such Licensed Service in such country).

8.2 **Termination**.

8.2.1 **Material Breach**. Either Party may terminate this Agreement prior to its Expiration for any material breach by the other Party, provided, that the Party seeking to terminate shall have first given the breaching Party notice of such material breach with reasonable particulars of the material breach, and the Party receiving the notice of the material breach shall have failed to cure that material breach within * (*) days after the date of receipt of such notice.

8.2.2 **Bankruptcy**. COH shall have the right to terminate this Agreement prior to its Expiration upon notice to Licensee, in the event that: (i) Licensee seeks protection of any bankruptcy or insolvency law other than with the prior consent of COH, or (ii) a proceeding in bankruptcy or insolvency is filed by or against Licensee and not withdrawn, removed or vacated within * (*) days of such filing, or there is adjudication by a court of competent jurisdiction that Licensee is bankrupt or insolvent.

8.2.3 **Termination at Will by Licensee**. Licensee shall have the right to terminate this Agreement prior to its Expiration upon notice to COH without cause, effective no fewer than * (*) days following the date of such notice.

8.2.4 **Breach-Based Termination of CTA**. Licensee and COH hereby acknowledge and agree that in the event that COH terminates the CTA pursuant to Section 11(a) or Section 4(b) of the CTA, Licensee's rights to the CTA Inventions and the Study Data under this Agreement shall automatically terminate as of the effective date of termination of the CTA; provided, that in the event of any such termination of the CTA by COH, Licensee shall provide written notice to COH within * (*) days of such termination.

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8.3 **Effect of Termination**.

8.3.1 Upon any termination of this Agreement pursuant to Section 8.2 (but for clarity, not in the case of its Expiration), all rights and licenses granted to Licensee under Article 4, if any, shall immediately terminate on and as of the effective date of termination as provided in Section 8.2, except that Licensee shall have the right to continue to sell Licensed Products manufactured prior to the effective date of such termination until the sooner of: (i) * (*) days after the effective date of termination, or (ii) the exhaustion of Licensee's inventory of Licensed Products.

8.3.2 Upon termination of this Agreement pursuant to Section 8.2 (but for clarity, not in the case of its Expiration):

(a) Each Party shall promptly return to the other Party all relevant records and materials in its possession or control containing or comprising the other Party's Confidential Information and to which the Party does not retain rights hereunder.

(b) Licensee shall discontinue making any representation regarding its status as a licensee of COH for Licensed Products and Licensed Services. Subject to Section 8.3.1, above, Licensee shall cease conducting any activities with respect to the marketing, promotion, sale or distribution of Licensed Products and Licensed Services.

8.3.3 Termination of this Agreement through any means and for any reason pursuant to Section 8.2 (but for clarity, not in the case of its Expiration), shall not relieve the Parties of any obligation accruing prior thereto, including the payment of all sums due and payable, and shall be without prejudice to the rights and remedies of either Party with respect to any antecedent breach of any of the provisions of this Agreement.

8.4 **Effect of Expiration**. In the event of Expiration of this Agreement for a particular Licensed Product (or Licensed Service) in a particular country pursuant to Section 8.1, the rights and licenses granted to Licensee under this Agreement with respect to the Study Data in such country shall become nonexclusive, perpetual, irrevocable, and royalty-free.

8.5 **Survival**. Sections 4.7, 5.1, 5.2, 5.3, 7.4, 8.3, 8.4, 8.5, Article 10, Article 11, Article 12, Sections 14.2, 14.4, 14.7, and 14.10 shall survive termination of this Agreement for any reason pursuant to Section 8.2 and Expiration pursuant to Section 8.1.

ARTICLE 9: REPRESENTATIONS AND WARRANTIES

9.1 **Mutual Representations and Warranties**. COH and Licensee each represents and warrants as follows:

9.1.1 It has the right and authority to enter into this Agreement and all action required to be taken on its behalf, its officers, directors, partners and stockholders necessary for the authorization, execution, and delivery of this Agreement and, the performance of all of its obligations hereunder, and this Agreement, when executed and delivered, will constitute valid and legally binding obligations of such Party, enforceable in accordance with its terms, subject to: (i) laws limiting the availability of specific performance, injunctive relief, and other equitable remedies; and (ii) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws now or hereafter in effect generally relating to or affecting creditors' rights generally;

9.1.2 9.1.2 Entry into this Agreement will not constitute a breach of any other agreement to which it is a party;

9.1.3 9.1.3 It has read this Agreement, with assistance from its counsel of choice. It understands all of this Agreement's terms. It has been given a reasonable amount of time to consider the contents of this Agreement before each Party executed it. It agrees that it is executing this Agreement voluntarily with full knowledge of this Agreement's legal significance; and

9.1.4 9.1.4 It has made such investigation of all matters pertaining to this Agreement that it deems necessary, and does not rely on any statement, promise, or representation, whether oral or written, with respect to such matters other than those expressly set forth herein. It agrees that it is not relying in any manner on any statement, promise, representation or understanding, whether oral, written or implied, made by any Party, not specifically set forth in this Agreement. It acknowledges that, after execution of this Agreement, it may discover facts different from or in addition to those which it now knows or believes to be true. Nevertheless, it agrees that this Agreement shall be and remain in full force and effect in all respects, notwithstanding such different or additional facts.

9.2 **Representations and Warranties of COH**. COH represents and warrants that, as of the Effective Date, to the actual knowledge of the Investigator and the Director of its Office of Technology Transfer without independent inquiry, COH has the full power and authority to grant the rights, licenses and privileges granted herein.

9.3 **Exclusions**. Nothing in this Agreement is or shall be construed as:

9.3.1 A warranty or representation by COH as to the validity or scope of any claim or patent or patent application within the Patent Rights;

9.3.2 A warranty or representation by COH that anything made, used, sold, or otherwise disposed of under any license granted in this Agreement is or will be free from infringement of any patent rights or other intellectual property right of any Third Party;

9.3.3 A grant by COH, whether by implication, estoppel, or otherwise, of any licenses or rights under any patents other than Patent Rights as defined herein, regardless of whether such patents are dominant or subordinate to Patent Rights;

9.3.4 An obligation on COH to bring or prosecute any suit or action against a third party for infringement of any of the Patent Rights;

9.3.5 An obligation to furnish any know-how not provided in Patent Rights or the Study Data; or

9.3.6 A representation or warranty of the ownership of the Patent Rights or the Study Data other than as set forth in Section 9.2, above.

9.4 **DISCLAIMER. NO WARRANTY IS GIVEN WITH RESPECT TO THEPATENT RIGHTS OR THE STUDY DATA, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, BY STATUTE OR OTHERWISE, AND THE PARTIES SPECIFICALLY DISCLAIM ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, VALIDITY OF THE PATENT RIGHTS OR NON-INFRINGEMENT OF THE INTELLECTUAL PROPERTY OR OTHER RIGHTS OF ANY THIRD PARTY. THE WARRANTIES SET FORTH IN SECTIONS 9.1 AND 9.2, ABOVE, ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, VALIDITY, NON-INFRINGEMENT AND ALL SUCH OTHER WARRANTIES ARE HEREBY EXPRESSLY DISCLAIMED.**

ARTICLE 10: INDEMNIFICATION

10.1 **Indemnification by Licensee**. Licensee shall defend, indemnify and hold harmless COH, its Affiliates, officers, directors, shareholders, employees and agents ("**COH Indemnitees**") from and against any and all Third Party liabilities, claims, suits, and expenses, including reasonable attorneys' fees (collectively, "**Losses**"), arising out of or are in any way attributable to: (i) the material breach of any representation or warranty made by Licensee under this Agreement, (ii) the research, development, marketing, approval, manufacture, packaging, labeling, handling, storage, transportation, use, distribution, promotion, marketing or sale of Licensed Products or Licensed Services by or on behalf of Licensee, any of its Affiliates or a Sublicensee or any other exercise of rights under this Agreement or pursuant to any sublicense, or (iii) the negligence, willful misconduct or failure to comply with applicable law by a Licensee Indemnitee or Sublicensee; in each case except to the extent that such Losses are caused directly by: (a) COH's material breach of any representation or warranty made by COH under this Agreement, (b) COH's material breach of its obligations under this Agreement, and/or (c) the gross negligence or willful misconduct of a COH Indemnitee.

10.2 **Indemnification by COH**. COH shall defend, indemnify and hold harmless Licensee and its Affiliates and their respective officers, directors, shareholders, employees and agents (collectively, the "**Licensee Indemnitees**") from and against any and all Losses caused directly by: (i) the material breach of any representation or warranty made by COH under this Agreement, or (ii) the gross negligence or willful misconduct of a COH Indemnitee, except to the extent that such Losses arise out of or are in any way attributable to: (a) the material breach of any representation or warranty made by Licensee under this Agreement, (b) the research, development, marketing, approval, manufacture, packaging, labeling, handling, storage, transportation, use, distribution, promotion, marketing or sale of Licensed Products or Licensed Services by or on behalf of Licensee or a Sublicensee, or (c) the negligence, willful misconduct or failure to comply with applicable law by a Licensee Indemnitee or a Sublicensee.

10.3 **Procedure.** The indemnities set forth in this Article 10 are subject to the condition that the Party seeking the indemnity shall forthwith notify the indemnifying Party on being notified or otherwise made aware of a liability, claim, suit, action or expense and that the indemnifying Party defend and control any proceedings with the other Party being permitted to participate at its own expense (unless there shall be a conflict of interest which would prevent representation by joint counsel, in which event the indemnifying Party shall pay for the other Party's counsel); provided, that, the indemnifying Party may not settle the liability, claim, suit, action or expense, or otherwise admit fault of the other Party or consent to any judgment, without the written consent of the other Party (such consent not to be unreasonably withheld). Notwithstanding the foregoing, no delay in the notification of the existence of any claim of Loss shall cause a failure to comply with this Section 10.3 as long as such delay shall not have materially impaired the rights of the indemnifying Party.

10.4 **Insurance.**

10.4.1 Within * (*) days following the Effective Date, Licensee shall procure at its sole expense and provide to COH evidence of comprehensive or commercial general liability insurance (contractual liability included) with limits of at least: (i) each occurrence, $ * ;(ii) products/completed operations aggregate, $ * ; (iii) personal and advertising injury, $ * ; and general aggregate (commercial form only), $ * .

10.4.2 The foregoing policies will provide primary coverage to COH and shall name the COH Indemnitees as additional insureds, and shall remain in effect during the term of this Agreement and for * years following the termination or expiration of the term of this Agreement. The COH Indemnitees shall be notified in writing by Licensee not less than * (*)days prior to any modification, cancellation or non-renewal of such policy. Licensee's insurance must include a provision that the coverages will be primary and will not participate with nor will be excess over any valid and collective insurance or program of self-insurance carried or maintained by the COH Indemnitees. Such insurance coverage shall be maintained with an insurance company or companies having an A.M. Best's rating (or its equivalent) of A-X11 or better.

10.4.3 Licensee expressly understands that the coverage limits in Section 10.4.1 do not in any way limit the Licensee's liability.

10.4.4 **LIMITATION ON DAMAGES. NOTWITHSTANDING ANYTHING CONTAINED IN THIS AGREEMENT TO THE CONTRARY, EXCEPT IN RELATION TO LICENSEE'S INDEMNIFICATION OBLIGATIONS UNDER SECTION 10.1 AND ANY BREACH BY LICENSEE OF ARTICLE 11: (I) IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY SPECIAL, PUNITIVE, CONSEQUENTIAL, INDIRECT, OR INCIDENTAL DAMAGES (INCLUDING LOSS OF PROFITS, COSTS OF PROCURING SUBSTITUTE GOODS, LOST BUSINESS OR ENHANCED DAMAGES FOR INTELLECTUAL PROPERTY INFRINGEMENT) WHETHER BASED UPON BREACH OF WARRANTY, BREACH OF CONTRACT, NEGLIGENCE, STRICT LIABILITY IN TORT OR ANY OTHER LEGAL THEORY, AND (II) IN NO EVENT SHALL COH BE LIABLE TO LICENSEE FOR AN AGGREGATE AMOUNT IN EXCESS OF * OF THE TOTAL CONSIDERATION PAID TO COH HEREUNDER.**

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ARTICLE 11: CONFIDENTIALITY

11.1 **Confidential Information**. During the term of this Agreement and for * (*) years thereafter without regard to the means of termination: (i) COH shall not use, for any purpose other than the purpose contemplated by this Agreement, or reveal or disclose to any Third Party Licensee Confidential Information; and (ii) Licensee shall not use, for any purpose other than the purpose contemplated by this Agreement, or reveal or disclose COH Confidential Information to any Third Party. The Parties shall take reasonable measures to assure that no unauthorized use or disclosure is made by others to whom access to such information is granted.

11.2 **Exceptions.** Notwithstanding the foregoing, a Party may use and disclose Confidential Information of the other Party as follows:

11.2.1 if required by applicable law, rule, regulation, government requirement and/or court order, provided, that, the disclosing Party promptly notifies the other Party of its notice of any such requirement and provides the other Party a reasonable opportunity to seek a protective order or other appropriate remedy and/or to waive compliance with the provisions of this Agreement;

11.2.2 to the extent such use and disclosure occurs in the filing or publication of any patent application or patent on inventions;

11.2.3 as necessary or desirable for securing any regulatory approvals, including pricing approvals, for any Licensed Products or Licensed Services, provided, that, the disclosing Party shall take all reasonable steps to limit disclosure of the Confidential Information outside such regulatory agency and to otherwise maintain the confidentiality of the Confidential Information;

11.2.4 to take any lawful action that it deems necessary to protect its interest under, or to enforce compliance with the terms and conditions of, this Agreement;

11.2.5 to the extent necessary, to its Affiliates, directors, officers, employees, consultants, vendors and clinicians under written agreements of confidentiality at least as restrictive as those set forth in this Agreement, who have a need to know such information in connection with such Party performing its obligations or exercising its rights under this Agreement; and

11.2.6 by Licensee, to actual and potential investors, licensees, Sublicensees, consultants, vendors and suppliers, and academic and commercial collaborators, under written agreements of confidentiality at least as restrictive as those set forth in this Agreement.

1 1 . 3 **Certain Obligations**. During the Term and for a period of * (*) years thereafter and subject to the exceptions set forth in Section 11.2, Licensee, with respect to COH Confidential Information, and COH, with respect to Licensee Confidential Information, agree:

11.3.1 to use such Confidential Information only for the purposes contemplated under this Agreement,

*Confidential material redacted and filed separately with the Commission.

11.3.2 to treat such Confidential Information as it would its own proprietary information which in no event shall be less than a reasonable standard of care,

11.3.3 to take reasonable precautions to prevent the disclosure of such Confidential Information to a Third Party without written consent of the other Party, and

11.3.4 to only disclose such Confidential Information to those employees, agents and Third Parties who have a need to know such Confidential Information for the purposes set forth herein and who are subject to obligations of confidentiality no less restrictive than those set forth herein.

11.4 **Termination**. Upon termination of this Agreement pursuant to Section 8.2 (but for clarity, not in the case of its Expiration), and upon the request of the disclosing Party, the receiving Party shall promptly return to the disclosing Party or destroy all copies of Confidential Information received from such Party, and shall return or destroy, and document the destruction of, all summaries, abstracts, extracts, or other documents which contain any Confidential Information of the other Party in any form, except that each Party shall be permitted to retain a copy (or copies, as necessary) of such Confidential Information for archival purposes or to enforce or verify compliance with this Agreement, or as required by any applicable law or regulation.

ARTICLE 12: DISPUTE RESOLUTION

All Disputes shall be first referred to a Chief Strategy Officer of COH and the President of Licensee for resolution, prior to proceeding under the other provisions of this Article 12. A Dispute shall be referred to such executives upon one Party (the "**Initiating Party**") providing the other Party (the "**Responding Party**") with notice that such Dispute exists, together with a written statement describing the Dispute with reasonable specificity and proposing a resolution to such Dispute that the Initiating Party is willing to accept, if any. Within ten days after having received such statement and proposed resolution, if any, the Responding Party shall respond with a written statement that provides additional information, if any, regarding such Dispute, and proposes a resolution to such Dispute that the Responding Party is willing to accept, if any. In the event that such Dispute is not resolved within * (*) days after the Responding Party's receipt of the Initiating Party's notice, either Party may bring and thereafter maintain suit against the other with respect to such Dispute; provided, however, that the exclusive jurisdiction of any such suit shall be the state and federal courts located in Los Angeles County, California, and the Parties hereby consent to the exclusive jurisdiction and venue of such courts.

ARTICLE 13: GOVERNMENTAL MATTERS

13.1 **Governmental Approval or Registration**. If this Agreement or any associated transaction is required by the law of any nation to be either approved or registered with any governmental agency, Licensee shall assume all legal obligations to do so. Licensee shall notify COH if it becomes aware that this Agreement is subject to a U.S. or foreign government reporting or approval requirement. Licensee shall make all necessary filings and pay all costs including fees, penalties and all other out-of-pocket costs associated with such reporting or approval process.

*Confidential material redacted and filed separately with the Commission.

13.2 **Export Control Laws**. Licensee shall observe all applicable U.S. and foreign laws with respect to the transfer of Licensed Products and related technical data to foreign countries, including, without limitation, the International Traffic in Arms Regulations and the Export Administration Regulations.

13.3 **Preference for United States Industry**. If Licensee sells a Licensed Product in the U.S., Licensee shall manufacture said product substantially in the U.S.

ARTICLE 14: MISCELLANEOUS

14.1 **Assignment and Delegation**. Except as expressly provided in this Section 14.1, neither this Agreement nor any right or obligation hereunder shall be assignable in whole or in part, whether by operation of law, or otherwise by Licensee without the prior written consent of COH. Notwithstanding the foregoing, Licensee may assign or transfer its rights and obligations under this Agreement to a Person that succeeds to all or substantially all of that Party's business or assets, whether by sale, merger, operation of law or otherwise and provided that such Person agrees, in form and substance reasonably acceptable to COH, to be bound as a direct party to this Agreement in lieu of or in addition to Licensee and provided further that Licensee has complied with its obligations pursuant to Section 4.4. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the Parties hereto and their respective successors and permitted assignees. Any transfer or assignment of this Agreement in violation of this Section 14.1 shall be null and void.

14.2 **Entire Agreement**. This Agreement contains the entire agreement between the Parties relating to the subject matter hereof, and all prior understandings, representations and warranties between the Parties are superseded by this Agreement.

14.3 **Amendments**. Changes and additional provisions to this Agreement shall be binding on the Parties only if agreed upon in writing and signed by the Parties.

14.4 **Applicable Law**. This Agreement shall be construed and interpreted in accordance with the laws of the State of California and all rights and remedies shall be governed by such laws without regard to principles of conflicts of law.

14.5 **Force Majeure**. If the performance of this Agreement or any obligations hereunder is prevented, restricted or interfered with by reason of earthquake, fire, flood or other casualty or due to strikes, riot, storms, explosions, acts of God, war, terrorism, or a similar occurrence or condition beyond the reasonable control of the Parties, the Party so affected shall, upon giving prompt notice to the other Parties, be excused from such performance during such prevention, restriction or interference, and any failure or delay resulting therefrom shall not be considered a breach of this Agreement.

14.6 **Severability**. The Parties do not intend to violate any public policy or statutory common law. However, if any sentence, paragraph, clause or combination of this Agreement is in violation of any law or is found to be otherwise unenforceable, such sentence, paragraph, clause or combination of the same shall be deleted and the remainder of this Agreement shall remain binding; provided, that, such deletion does not alter the basic purpose and structure of this Agreement.

14.7 **Notices**. All notices, requests, demands, and other communications relating to this Agreement shall be in writing in the English language and shall be delivered in person or by mail, international courier or facsimile transmission (with a confirmation copy forwarded by courier or mail). Notices sent by mail shall be sent by first class mail or the equivalent, registered or certified, postage prepaid, and shall be deemed to have been given on the date actually received. Notices sent by international courier shall be sent using a service which provides traceability of packages. Notices shall be sent as follows:

Notices to COH:

Office of Technology Licensing
City of Hope
1500 East Duarte Road
Duarte, CA 91010
Attn: Chief Strategy Officer
Fax: 626-301-8175

with a copy to:

Office of General Counsel
City of Hope
1500 East Duarte Road
Duarte, CA 91010
Attn: General Counsel

Notices to Licensee:

Mustang Bio, Inc.
2 Gansevoort, 9th Floor
New York, NY 10014
Attn: CEO

with a copy to:

Mustang Bio, Inc.
2 Gansevoort, 9th Floor
New York, NY 10014
Attn: Corporate Secretary

Either Party may change its address for notices or facsimile number at any time by sending notice to the other Party.

14.8 **Independent Contractor**. Nothing herein shall create any association, partnership, joint venture, fiduciary duty or the relation of principal and agent between the Parties hereto, it being understood that each Party is acting as an independent contractor, and neither Party shall have the authority to bind the other or the other's representatives in any way.

14.9 **Waiver**. No delay on the part of either Party hereto in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any power or right hereunder preclude other or further exercise thereof or the exercise of any other power or right. No waiver of this Agreement or any provision hereof shall be enforceable against any Party hereto unless in writing, signed by the Party against whom such waiver is claimed, and shall be limited solely to the one event.

14.10 **Interpretation**. This Agreement has been prepared jointly and no rule of strict construction shall be applied against either Party. In this Agreement, the singular shall include the plural and vice versa and the word "including" shall be deemed to be followed by the phrase "without limitation." The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

14.11 **Counterparts**. This Agreement may be executed in counterparts, each of which together shall constitute one and the same Agreement. For purposes of executing this agreement, a facsimile copy or an emailed PDF of this Agreement, including the signature pages, will be deemed an original.

14.12 **Licensee Certification**. Licensee certifies to COH, under penalty of perjury, that Licensee has not been convicted of a criminal offense related to health care, is not currently debarred, excluded or otherwise ineligible for participation in federally funded health care programs and has not arranged or contracted (by employment or otherwise) with any employee, contractor, or agent that it knew or should have known are excluded from participation in any federal health care program, and will not knowingly arrange or contract with any such individuals or entities during the term of this Agreement. Licensee agrees to notify COH in writing immediately of any threatened, proposed or actual conviction relating to health care, of any threatened, proposed or actual debarment or exclusion from participation in federally funded programs, of Licensee or any officer or director of Licensee. Any breach of this Section 14.12 by Licensee shall be grounds for termination of this Agreement by COH in accordance with Section 8.2.1.

14.13 **Publicity**. Neither Party may issue a press releases or otherwise disclose the existence or terms of this Agreement without the prior written consent of the other Party; provided, however, that once the existence or any terms or conditions of this Agreement has been publicly disclosed in a manner mutually and reasonably agreed-to by the Parties, either Party may republish the facts previously disclosed without the prior consent of the other Party. COH may, in its sole discretion and without the approval of Licensee, publicly disclose the existence of this Agreement and the overall potential value of the Agreement to COH, so long as the detailed and specific terms and conditions of this Agreement are not disclosed. If a third party inquires whether a license is available, COH may disclose the existence of the Agreement and the extent of its grant in Section 3.1 to such third party, but will not disclose the name of the Licensee, except where COH is required to release information under either the California Public Records Act or other applicable law. Notwithstanding the foregoing, COH may disclose an unredacted copy of this Agreement as required under any obligations as applicable to the PCF Grant.

14.14 **No Third Party Beneficiaries** Except for the rights of the COH Indemnities pursuant to Article 10, nothing in this Agreement, either express or implied, is intended to or shall confer upon any Third Party any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

* * * * *

IN WITNESS WHEREOF, the Parties have executed this Agreement by their duly authorized representatives.

MUSTANG BIO, INC.	CITY OF HOPE
By: _____	By: _____
Name: Manuel Litchman	Name: Robert Stone
Title: President & CEO	Title: President & CEO

INVESTIGATOR-INITIATED
CLINICAL RESEARCH SUPPORT AGREEMENT

This Investigator-Initiated Clinical Research Support Agreement (this "**Agreement**") is made as of [_____], 2017 ("**Effective Date**") by and between City of Hope National Medical Center (collectively, "**Institution**"), and [**INSERT**] ("**Corporation**"). The Institution and Corporation are each referred to herein as a "Party," and collectively, as the "Parties."

RECITALS

A. This Agreement is entered into to support the research and promote an increase in the useful clinical and scientific knowledge related to the Investigator-sponsored study conducted under an Institutional Review Board-approved, investigator-initiated protocol entitled: "[INSERT]" (the "Study").

B. [**INSERT RELEVANT FUNDING INFORMATION, IF APPLICABL**E].

AGREEMENT

In consideration of the above, and of the mutual covenants and promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties further agree as follows:

1. **DEFINITIONS**:

   a. "**Institution Personnel**" means Institutions' employees and medical staff performing Study activities hereunder.

   b. "**Inventions**" means all inventions (whether patentable or not), discoveries and innovations, conceived and reduced to practice by Institution Personnel in connection with the performance of the Protocol under this Agreement.

   c. "**Investigator**" means [**INSERT**].

   d. "Protocol" means the Study protocol entitled: "**[INSERT]**", which has been approved by Institution's designated Institutional Review Board ("**IRB**"), including all amendments thereto.

2. **SCOPE OF WORK**: Institution agrees to perform the above titled Study in accordance with the Protocol attached to this Agreement and incorporated herein by reference. Institution shall ensure that such Study is performed in compliance with all applicable federal, state, and local statutes and regulations, with all Institutional requirements, and with all Protocol requirements, including those relating to the documentation and submission of information and reports to regulatory entities, including the FDA and Institution's designated IRB, and with this Agreement. Institution agrees and acknowledges that Corporation's support for the Study is not being used to reward Institution's support for any Corporation activities or to influence prescribing or formulary decisions at Institution.

3. **TERM**: The term of this Agreement will commence as of the Effective Date and will end upon delivery of a final study report for the Study from Institution to Corporation, unless terminated earlier as provided herein.

4. **PAYMENT AND SUPPORT**:

a. Fees: In consideration for the Study performed by Institution, Corporation shall be responsible for the payment schedule in accordance with Exhibit A-1 and Exhibit A-2. Checks shall be made payable to: **City of Hope National Medical Center** and sent to: 1500 East Duarte Road, Duarte, California 91010, Attention: Office of Clinical Trials Support Services. The Parties acknowledge that the fees set forth on Exhibits A-1 and A-2 are applicable to any subjects enrolled under the Protocol, without regard to specific stratum and/or strata that such subject may have been enrolled or will enroll.

b. **Termination for nonpayment**: In the event that Corporation fails to pay the initial payment or subsequent invoices in full as and when due under Exhibit A-1 and Exhibit A-2 (including any extension terms), Corporation and/or Institution shall have the right to terminate this Agreement (and such payment obligation) upon a * (*) day notification to the other Party, if such invoice is not paid within such * (*) day notice period.

c. **Breach for nonpayment**: In the event Institution does not receive either full payment or a timely termination notice as described in Section 4(b), then Corporation shall owe to Institution a penalty of * dollars ($ *) per week until either full payment or a termination notice is received. The penalties described in this section shall automatically begin to accrue the first Monday following the failure to fully pay the amounts owed or receipt of a timely termination notice. In the event that Corporation remits payment following Corporation's sending of a termination notice, Corporation shall continue to be responsible for the penalties as described in this section up until the date the notice is received. Corporation shall pay any penalties within * (*) days of the day that the penalties began to accrue. Should such penalties be required, checks shall be made payable to: **City of Hope National Medical Center** and sent to: 1500 East Duarte Road, Duarte, California 91010, Attention: Office of Clinical Trials Support Services. Any payments made towards penalties, as described in this section, shall be nonrefundable.

5. **CONFIDENTIAL INFORMATION**:

a. For purposes of this Agreement, the term "**Confidential Information**" shall mean all written or oral information relating to the Study, including but not limited to Inventions; Study Data; know-how; technical and nontechnical materials; and compound samples and specifications, which Institution may disclose, or have disclosed on its behalf to Corporation pursuant to or related to the subject matter of this Agreement.

*Confidential material redacted and filed separately with the Commission.

b. Confidentiality: Corporation agrees to maintain Confidential Information in confidence with the same degree of care it holds its own confidential information, which shall be no less than a reasonable degree of care. Corporation will not use Confidential Information except for the exercise of its rights under this Agreement, as set forth in Sections 6 and 8. Corporation will disclose Confidential Information only to its and its affiliates' officers, consultants and employees directly concerned with the Study that are subject to written obligations of confidentiality sufficient to ensure Corporation's compliance with its confidentiality obligations hereunder, and (except as expressly permitted hereunder) will not disclose Confidential Information to any other third party nor use Confidential Information for any purpose, provided that Corporation shall be free to disclose Confidential Information as reasonably necessary to exercise its rights hereunder, provided such disclosure is, to the extent commercially reasonable, subject to obligations of confidentiality comparable to those set forth in this Section 5.

c. Exceptions to Confidentiality: Corporation's obligation of nondisclosure and the limitations upon the right to use Confidential Information shall not apply to the extent that Corporation can demonstrate that such Confidential Information: (a) is now, or hereafter becomes, through no act or failure to act on the part of Corporation, generally known or available to the public; (b) was known, without obligation of confidentiality, by Corporation before generation hereunder by Institution; (c) is hereafter rightfully obtained by Corporation from a third party, without breach by the third party of any obligation to Institution; or (d) is independently developed by or on behalf of Corporation without use or benefit of or reference to Confidential Information by persons who had no access to such Confidential Information. Corporation may disclose Confidential Information if and to the extent that a disclosure thereof is required by applicable Iaw, rule, or regulation, provided that Corporation uses reasonable efforts to limit the disclosure by means of a protective order or a request for confidential treatment and, to the extent reasonably practicable, provides Institution a reasonable opportunity to review the disclosure before it is made and to interpose its own objection to the disclosure.

d. HIPAA: Corporation will take appropriate measures to protect the confidentiality and security of all protected health information (as such term is defined in the Health Insurance Portability and Accountability Act) that it receives from Institution in connection with the Study. If, in connection with the Study or performance of this Agreement, Corporation comes into contact with individually identifiable health information relating to patients who are not Study subjects, Corporation agrees to maintain the confidentiality of such information, not use it for any purpose, immediately notify Institution and cooperate with Institution to return or destroy any such information. If Corporation is permitted to receive any individually identifiable information of Study subjects under the applicable informed consent form, Corporation shall only use and disclose such information as necessary for the Study and shall promptly notify Institution of any unauthorized use or disclosure. The obligations in this paragraph shall survive the termination of this Agreement indefinitely.

e. Survival: All obligations regarding Confidential Information under this Agreement shall survive the termination of this Agreement.

6. **USE OF DATA**: Corporation acknowledges that Institution owns all results, data, analyses, reports, and other documentation resulting from, or generated in the course of or with respect to, the performance of the Study as set forth in the Protocol (collectively, "**Study Data**"); provided, that Corporation shall have the right to use Study Data solely relating to [**INSERT**] used in connection with the Protocol and in accordance with **[INSERT LICENSE AGREEMENT**] (the "**License**").

7. **REPORTS**: Institution shall furnish to Corporation a comprehensive written report within 60 days after the completion of the Study. For the avoidance of doubt, such report, is considered Confidential Information subject to Section 5 of this Agreement. Failure by Institution to furnish such report to Corporation in a timely manner shall **constitute** a material breach of this agreement.

8. **PUBLICATION**: Institution and Corporation recognize the traditional freedom of all scientists to publish and present promptly the results of their research. Institution and Corporation also recognize that patent rights can be jeopardized by public disclosure prior to the filing of suitable patent applications and that confidential information can thereby be inadvertently disclosed. Therefore, Institution shall submit all proposed publications arising from research under this Agreement to Corporation before submission to a publisher for review. Corporation shall have thirty (30) days in which to review the publication, which may be extended for an additional sixty (60) days when Corporation discloses to Institution a reasonable need for such extension in order to file for patent protection.

9. **INVENTIONS & INTELLECTUAL PROPERTY**: Ownership of all Inventions shall follow inventorship in accordance with U.S. patent law. Institution shall promptly notify Corporation in writing and in reasonable detail of any Inventions solely relating to [IINSRT] used in connection with the Protocol. Institution and Corporation agree that Corporation's rights to such Inventions shall be subject to the License. Notwithstanding the foregoing provisions, nothing in this Agreement is intended to, or should be construed to, conflict with federal law (including any Bayh-Dole or NTH obligations) or [INSERT FUNDING SOURCE; IF APPLICABLE] obligations that may arise with respect to Inventions resulting from research funded hereunder. Federal law or applicable law shall govern in the event of any inconsistency with this Section 9.

10. **INDEMNIFICATION**:

    a. Institution shall indemnify and hold Corporation and its (and its affiliates') directors, officers, agents, contractors and employees harmless from any claim, liability, loss or demand arising from (i) the negligence, recklessness or willful misconduct of Institution or any Institution Personnel in the conduct of the Study, and (ii) Institution's or any Institution Personnel's failure to comply with any applicable law or regulations in the conduct of the Study.

    b. Corporation agrees to indemnify and hold Institution, its affiliates, and their respective directors, officers, agents, medical staff, contractors and employees, including Investigator, harmless from any claim, liability, loss or demand arising from (i) Corporation's use of the results of the Study; (ii) any breach of this Agreement by Corporation or any of its agents, contractors or employees; (iii) the negligence, recklessness or willful misconduct of Corporation or any of its agents, contractors or employees in connection with the Study or this Agreement; and (iv) Corporation's or any of its agents', contractors' or employees' failure to comply with any applicable law or regulations.

c. The obligations of each Party under this Section are subject to: prompt notification to the indemnifying party by the indemnified party of any claim or suit; full control by the indemnifying party of any disposition or settlement of said claim or suit; and cooperation by the indemnified party with the indemnifying party regarding such disposition or settlement; provided, however, that, without the indemnified party's prior written approval (such approval not to be unreasonably withheld), the indemnifying party shall not settle or compromise any such claim or suit if such settlement or compromise would result in an admission of liability or wrongdoing or impose any obligation on the indemnified party.

11. **TERMINATION**:

a. If any Party breaches any material provision in this Agreement, the other Party may terminate this Agreement if the breaching Party does not cure the breach to the non-breaching Party's reasonable satisfaction within * (*) days after written notice to the breaching Party of the same. Such right of termination shall be in addition to any other rights the terminating Party may have, at law or equity, pursuant to this Agreement or otherwise.

b. Each Party may terminate this Agreement as noted in Section 4.

c. Each Party shall be entitled to terminate this Agreement at any time upon * (*) days' written notice to the other Party.

d. Each Party reserves the right to terminate this Agreement at any time effective immediately (i) if the authorization and approval to conduct the Study is withdrawn by the FDA, IRB, or other regulatory authority, or (ii) for bona fide safety concerns.

e. In the event of termination (other than a termination by Corporation pursuant to Section 11(a) hereof), Corporation will reimburse the Institution for all actual costs and non-cancelable commitments properly incurred prior to receipt of notice of termination in the performance of the Study consistent with this Agreement. Any payments made by Corporation to Institution shall be nonrefundable.

12. **NOTICES**: All notices or other communications that are required or permitted hereunder shall be in writing and delivered personally, sent by email, sent by a nationally-recognized overnight courier or sent by registered or certified mail, postage prepaid, return receipt requested, to the addresses listed below or to such other addresses as each of the Parties may otherwise request. Any such communication shall be deemed to have been given (i) when delivered, if personally delivered or sent by facsimile or email on a business day, (ii) on the business day after dispatch, if sent by nationally-recognized overnight courier, and (iii) on the fifth business day following the date of mailing, if sent by mail.

*Confidential material redacted and filed separately with the Commission.

If to Corporation:

[**INSERT**]

If to Institution for contract or administrative matters:

City of Hope National Medical Center
1500 East Duarte Road
Duarte, California 91010
Attn: Office of Clinical Trials Support Services
Tel: 626-256-4673, ext. 64284
Email: CTSS-E@coh.org

If to Investigator for clinical or technical matters:

[INSERT]
1500 East Duarte Road Duarte, California 91010
Tel: [**INSERT**]
Email: [**INSERT**]

13. **RELATIONSHIP OF THE PARTIES**: The execution of this Agreement shall not confer upon the Parties any interest or benefits other than those specifically set forth herein. In making and performing this Agreement, the Parties shall act at all times as independent entities, and nothing contained in this Agreement shall be construed or implied to create an agency, partnership or employer and employee relationship between Corporation and Institution, Investigator, or Institution's officers, employees, consultants or agents. Except as specifically provided herein, at no time shall either Party make commitments or incur any charges or expenses for or in the name of the other Party.

14. **INDEPENDENT RESEARCH**: Nothing in this Agreement shall be construed to limit the freedom of Institution or Investigator or other individuals participating in this Study, whether paid under this Agreement or not, to engage in research similar or competitive to the Study independently under other grants, contracts or agreements with parties other than Corporation. The Parties agree that, by executing this Agreement or performing hereunder, Institution and Investigator are not transferring or delegating any legal or regulatory obligations they may have under applicable law as the sponsors of such Study or holder of any IND or similar authorization to conduct such Study, and that, except as explicitly set forth in this Agreement, Corporation shall have no obligations or liabilities with respect to the Study or the performance thereof.

15. **SURVIVAL**: Expiration or termination of this Agreement by any Party shall not affect the rights and obligations of the Parties accrued prior to the effective date of the expiration or termination. The provisions of Sections 1, 5, 9, 10, 15, 16, 17 and 21 shall survive the termination or expiration of this Agreement for any reason.

16. **COMPLIANCE WITH LAWS**: All parties shall comply in all material respects with the requirements of all applicable laws, rules, regulations and orders of any government authority in performing the Study including, without limitation, all U.S. Food and Drug Administration regulations relating to Good Clinical Practice and clinical trials.

17. **HUMAN SUBJECTS RESEARCH PROTECTION**: In the event of a Research Injury (as defined, below), Institution will make medical care available to Study subjects, when appropriate, as further set forth in the informed consent document approved by the IRB for this Study. "Research Injury" as used herein shall mean injury or illness sustained by a Study subject to the extent that such injury or illness is directly related to a Study procedure or the Study Drug.

18. **REPRESENTATIONS AND WARRANTIES**: The Institution and Corporation each represents and warrants that (i) it is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation; (ii) it has the right and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereunder; (iii) this Agreement is a legal, valid and binding agreement of the Party and enforceable against it; (iv) the execution and delivery of this Agreement will not, to each Party's knowledge, violate any statute, regulation or any other restriction upon the Party; and (v) it has secured all requisite authorizations and approvals necessary for the execution, delivery and performance of this Agreement. EXCEPT AS EXPRESSLY PROVIDED HEREIN, ALL STUDY DATA AND INVENTIONS PROVIDED, SUBMITTED OR GENERATED HEREUNDER BY THE INSTITUTION OR INSTITUTION PERSONNEL (INCLUDING WITHOUT LIMITATION THE INVESTIGATOR) IS PROVIDED, SUBMITTED OR GENERATED, AS APPLICABLE, "AS-IS" WITH NO WARRANTY OF ANY KIND, AND ALL SUCH WARRANTIES THEREIN, WHETHER STATUTORY, EXPRESS OR IMPLIED (AND INCLUDING WITHOUT LIMITATION WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY, TITLE AND NON-INFRINGEMENT OF THIRD PARTY RIGHTS), ARE HEREBY DISCLAIMED TO THE MAXIMUM EXTENT PERMISSIBLE BY LAW. THE PARTIES ACKNOWLEDGE THAT THE STUDY IS EXPERIMENTAL AND THE INSTITUTION DISCLAIMS ANY WARRANTY THAT IT WILL BE ABLE TO COMPLETE THE STUDY AS CONTEMPLATED BY THE PROTOCOL OR THAT THE STUDY WILL BE SUCCESSFUL. EXCEPT WITH RESPECT TO ANY INDEMNIFICATION OBLIGATIONS OF INSTITUTION AS SET FORTH IN THIS SECTION, (I) THE INSTITUTION SHALL HAVE NO LIABILITY TO CORPORATION FOR ANY LOST PROFITS, LOST OPPORTUNITIES, OR CONSEQUENTIAL, SPECIAL, INCIDENTAL, INDIRECT OR PUNITIVE DAMAGES, AND (II) THE INSTITUTION'S MAXIMUM LIABILITY TO CORPORATION SHALL NOT EXCEED THE AMOUNTS PAID BY CORPORATION TO THE INSTITUTION UNDER THIS AGREEMENT.

19. **DEBARMENT**: Corporation hereby certifies to Institution under penalty of perjury, that Corporation has not been convicted of a criminal offense related to health care and is not currently debarred, excluded or otherwise ineligible for participation in federally funded health care programs. Corporation agrees to notify Institution in writing immediately of any threatened, proposed or actual conviction relating to health care, or any threatened, proposed or actual debarment or exclusion from participation in federally funded health care programs, of the Corporation. Corporation will not employ or contract with individuals or entities excluded from participation in a federally funded program. Any breach of this section of this Agreement by Corporation shall be grounds for immediate termination of this Agreement by Institution.

20. **PUBLICITY**: Neither Party shall publicly use the other Party's name, nor issue any public statement about this Agreement or the Study, without the prior written permission of the other Party (which permission shall not be unreasonably withheld), except as required by law (and, in such case, only with prior prompt notice to the other Party); provided, however that Institution has the right to list the Study name and information on its Clinical Trials Online (CTOL) website system and, in order for the Institution to satisfy its governmental reporting obligations, it may disclose to governmental agencies the amount of support received from Corporation for the Study.

21. **ASSIGNMENT**: This Agreement and all rights and obligations hereunder are personal to the Parties and may not be assigned without the express written consent of the other Party, which consent will not be unreasonably withheld or delayed.

22. **CHOICE OF LAW AND JURISDICTION**: This Agreement shall be construed in accordance with the laws of the State of California. All actions arising under this Agreement shall be brought exclusively in the state and federal courts sitting in Los Angeles County, California and each of the Parties hereby agrees to submit to the exclusive venue and personal jurisdiction of such courts.

23. **FORCE MAJEURE**: Failure of either Party to perform its obligations under this Agreement (except the obligation to make payments) shall not subject such Party to any liability or place such Party in breach of any term or condition of this agreement to the other Party if such failure is the result of any event beyond the reasonable control of such nonperforming Party, which may include, but is not limited to, acts of God, fire, explosion, flood, drought, war, riot, sabotage, embargo, strike or other labor trouble, failure in whole or in part of suppliers to deliver on schedule materials, equipment or machinery, interruption of or delay in transportation, a national health emergency or compliance with any order or regulation of any government entity acting with color of right. Any Corporation payments made to Institution prior to an event beyond the reasonable control of such nonperforming Party shall be nonrefundable.

24. **WAIVER**: The failure of a Party to enforce any breach or provision of this Agreement shall not constitute a continuing waiver of such breach or provision and such Party may at any time thereafter act upon or enforce such breach or provisions of this Agreement. Any waiver of breach executed by either Party shall affect only the specific breach and shall not operate as a waiver of any subsequent or preceding breach.

25. **TIME IS OF THE ESSENCE**: Time is of the essence with respect to the performance of this Agreement and each of its terms.

26. **FURTHER INSTRUMENTS AND ACTS**: Each Party shall execute and deliver such further instruments and do such further acts and things as reasonably may be required to carry out the intent and purpose of this Agreement.

27. **SEVERABILITY**: If any clause or provision of this Agreement is declared invalid or unenforceable by a court of competent jurisdiction or an arbitrator, such provision shall be severed and the remaining provisions of the Agreement shall continue in full force and effect. The Parties shall use their best efforts to agree upon a valid and enforceable provision as a substitute for the severed provision, taking into account the intent of this Agreement.

28. **COUNTERPARTS**: This Agreement may be executed in any number of counterparts, each of which shall be an original as against the Party whose signature appears thereon, but all of which taken together shall constitute but one and the same instrument.

29. **ENTIRE AGREEMENT**: This Agreement, including any exhibits and appendices attached hereto, sets forth the entire agreement between Corporation and Institution as to its subject matter, and supersedes any and all other discussions, negotiations and representations of any kind by and among the Parties. None of the terms of this Agreement shall be amended except in writing signed by both Parties; provided, however, that the Protocol may be amended by Institution as reasonably necessary. Institution shall promptly provide to Corporation a copy of any Protocol amendment. If there is any conflict between the provisions of the final study Protocol, as it may be amended, and those of this Agreement, the provisions of this Agreement shall govern; provided, however, that the provisions of the Protocol shall govern with respect to the performance of the Study. Nothing herein shall supersede, modify, alter, amend or otherwise change each Party's respective rights, liability or obligations under the License or the Sponsored Research Agreement.

Signature page follows

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by duly authorized representatives as of the Effective Date.

Corporation	Institution
By: _____	By: _____
Name: _____	Name: Ashley Baker Lee
Title: _____	Title: SVP, Research Operations

As Investigator to this Agreement, I attest that I have read the Agreement in its entirety, and that I consent to the terms herein:

Investigator

By:

Name: **[INSERT]**

EXHIBIT A-1

CITY OF HOPE NATIONAL MEDICAL CENTER PAYMENT TERMS

Unless otherwise specified, the amounts below are payable by Corporation (or its designee) to Institution pursuant to Section 4 of the Agreement, and will be made as follows:

Initial Payment to Institution:

Within * (*) days of execution of this Agreement, Corporation will pay to Institution a one-time, non-refundable payment in the sum of **[INSERT]**, the total initial start-up fees payment due pursuant to this Agreement.

If the Study is terminated and the termination is not the result of i) the Institution's failure to enroll any eligible subjects according to the terms of the Agreement or ii) a violation by the Institution of the Agreement, the Protocol or any applicable laws or regulations, then Corporation shall reimburse Institution for the actual start-up costs incurred up to the date of termination.

Invoiceable Payments to Institution:

After Initial Payment has been made, subsequent payments for costs associated with the screening and evaluation of the patient prior to the initiation of treatment shall be invoiced to Corporation.

Payment Timing and Invoicing:

With respect to the invoiceable payments to Institution outlined in Exhibit A-2, Institution shall submit an invoice every quarter to Corporation for those costs. Corporation shall have * (*) days in which to pay those costs.

Invoice Information:

The Institution will reference do [INSERT' as invoicee, and invoices must be made out to the following (do not send invoices here):

ALL STUDY INVOICES ARE TO BE SENT TO **[INSERT]** AT ADDRESS BELOW.

Invoices must contain an accurate itemization of all fees, supporting documentation, site invoice reference number, PO number (if available), and must specify the following information:

Reference:	**[INSERT]**
Attention:	**[INSERT]**

Original invoices pertaining to this Study should be submitted for reimbursement as follows:

*Confidential material redacted and filed separately with the Commission.

Email (preferred):	**[INSERT' Paper Invoices: [INSERT]**

For invoicing questions, please contact the following:

Attention:	**[INSERT]**
Email:	**[INSERT]**
Phone Number:	**[INSERT]**

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by duly authorized representatives as of the Effective Date.

Corporation

By: _____

Name: _____

Title: _____

Institution

By: _____

Name: Ashley Baker Lee

Title: SVP, Research Operations

As Investigator to this Agreement, I attest that I have read the Agreement in its entirety, and that I consent to the terms herein:

Investigator

By: _____

Name: [**INSERT**]

EXHIBIT A-2

[CITY OF HOPE NATIONAL MEDICAL CENTER BUDGET]

CONFIDENTIAL TREATMENT REQUESTED. Confidential portions of this document have been redacted and have been separately filed with the Commission.

EXCLUSIVE LICENSE AGREEMENT

THIS EXCLUSIVE LICENSE AGREEMENT (the "**Agreement**") is made and entered into as of the 22nd day of May, 2017 (the "**Effective Date**") by and between Mustang Bio, Inc. (f/k/a Mustang Therapeutics, Inc.), a Delaware corporation with a principal place of business at 2 Gansevoort, 9th Floor, New York, NY 10014 ("**Licensee**") and City of Hope, a California nonprofit public benefit corporation located at 1500 East Duarte Road, Duarte, California 91010 ("**City of Hope**" or "**COH**"). Licensee and COH are each sometimes referred to herein individually as a "**Party**" and collectively as the "**Parties.**"

WHEREAS:

A. COH operates an academic research and medical center that encourages the use of its inventions, discoveries and intellectual property for the benefit of the public, and COH owns or Controls (as defined below) certain Patent Rights (as defined below) useful in the Field (as defined below);

B. The inventions covered by the Patent Rights were invented by Dr. Stephen Forman (the "**Investigator**") who, as of the Effective Date, is affiliated with COH;

C. The research may have been sponsored in part by the National Institute of Health, and as a consequence this license is subject to obligations to the United States Federal Government under 35 U.S.C. §§ 200-212 and applicable U.S. government regulations;

D. The research was sponsored in part by a grant from the California Institute for Regenerative Medicine (the "**CIRM Grant**"), and as a consequence this Agreement is subject to applicable law and other obligations as applicable to exclusive licensees under the CIRM Grant;

E. Licensee is a company dedicated to the commercial development and exploitation in the Field (as defined below) of products and services that incorporate one or more of the technologies described in the Patent Rights and therefore Licensee desires to obtain from COH a worldwide, exclusive license under the Patent Rights, on the terms and subject to the conditions set forth herein; and

F. COH and Licensee have entered into that certain Exclusive License Agreement, dated February 17, 2017, whereby COH granted to Licensee certain exclusive rights in certain patent rights related to spacer technology (the "**A&R Spacer License**").

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the amount and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE 1: DEFINITIONS

1.1 "**Affiliate**" of a Party means a Person that, directly or indirectly (through one or more intermediaries) controls, is controlled by, or is under common control with such Party. For purposes of this Section 1.1, "control" means (i) the direct or indirect ownership of 50 percent or more of the voting stock or other voting interests or interests in profits, or (ii) the ability to otherwise control or direct the decisions of board of directors or equivalent governing body thereof.

1.2 "**Business Day**" means any day, other than a Saturday, Sunday or day on which commercial banks located in Los Angeles, California, are authorized or required by law or regulation to close.

1.3 "**CAR**" means a chimeric antigen receptor.

1.4 "**Change of Control**" means (i) any transaction or series of related transactions following which the holders of Licensee's capital stock immediately prior to such transaction or series of related transactions collectively are the owners of less than fifty percent (50%) of the outstanding equity interests of Licensee entitled to (a) vote with respect to the election of directors (or positions having a similar function) or (b) receive the proceeds upon any sale, liquidation or dissolution of Licensee, (ii) a sale, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, of all or a material portion of Licensee's interest in the Licensed Product or Licensed Service or (iii) a sale, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, of all or a material portion of Licensee's right title, or interest in its assets taken as a whole.

1.5 "**COH CAR**" means a CAR that is licensed to Licensee by COH pursuant to an applicable license agreement between the Parties, including but not limited to, pursuant to this Agreement.

1.6 "**COH Confidential Information**" means Confidential Information disclosed or provided by, or on behalf of, COH to Licensee or its designees.

1.7 "**COH Spacer Technology**" means any spacer, hinge, or linker sequence(s) that is used to connect the extracellular ligand-binding domain to transmembrane and intracellular-signaling domains of an applicable CAR and that is covered by a Valid Claim under the Spacer Patent Rights.

1.8 "**Commercially Reasonable Efforts**" means the exercise of such efforts and commitment of such resources by Licensee, directly or through one or more Sublicensees, in a diligent manner consistent with organizations in the pharmaceutical industry for a comparable development or commercialization program at a similar stage of development or commercialization. In the event that Licensee or a Sublicensee with respect to a given Licensed Product or Licensed Service, has a program or product that competes with the programs contemplated by this Agreement with respect to such Licensed Product or Licensed Service, then "Commercially Reasonable Efforts" shall also mean efforts at least comparable to those efforts and resources expended by Licensee or its Sublicensee on the competing program and/or product or service.

1.9 "**Completion**" means, with respect to a particular clinical trial, the earlier of (i) the database lock or freeze related to the completion of treatment or examination of participants in such clinical trial or (ii) the dosing of the first patient in a clinical trial in a subsequent phase *(e.g.,* with respect to a Phase 1 Clinical Trial, the Phase 1 Clinical Trial will be deemed completed in the event a patient is dosed in a Phase 2 Clinical Trial before a database lock in the related Phase 1 Clinical Trial).

1.10 "**Confidential Information**" means: (i) all information and materials (of whatever kind and in whatever form or medium) disclosed by or on behalf of a Party to the other Party (or its designee) in connection with this Agreement, whether prior to or during the term of this Agreement and whether provided orally, electronically, visually, or in writing; provided that all such information and materials initially disclosed in writing or electronically shall be clearly marked as "CONFIDENTIAL" and all such materials and information initially disclosed orally shall be reduced to writing and marked as "CONFIDENTIAL" within ten (10) days following the date of initial oral disclosure; (ii) all copies of the information and materials described in (i) above; and (iii) the existence and each of the terms and conditions of this Agreement; provided further that Confidential Information shall not include information and materials to the extent a Party can demonstrate through its contemporaneous written records that such information and materials are or have been:

(a) known to the receiving Party, or in the public domain, at the time of its receipt by a Party, or which thereafter becomes part of the public domain other than by virtue of a breach of this Agreement or the obligations of confidentiality under this Agreement;

(b) received without an obligation of confidentiality from a Third Party having the right to disclose without restrictions such information;

(c) independently developed by the receiving Party without use of or reference to Confidential Information disclosed by the other Party; or

(d) released from the restrictions set forth in this Agreement by the express prior written consent of the disclosing Party.

1.11 "**Control(s)**" or "**Controlled**" means the possession by a Party, as of the Effective Date, of rights sufficient to effect the grant of rights set forth in this Agreement without violating the terms of any agreement with any Third Party.

1.12 "**Covers**" or "**Covered by**," means with reference to a particular Licensed Product or Licensed Service that the manufacture, use, sale, offering for sale, or importation of such Licensed Product or performance of such Licensed Service would, but for ownership of, or a license granted under this Agreement to, the relevant Patent Right, infringe a Valid Claim under the Patent Rights in the country in which the activity occurs.

1.13 "**CTA**" means any Investigator-Initiated Clinical Research Support Agreement between Licensee and City of Hope National Medical Center relating to * that is materially consistent with the form set forth in Exhibit A and for which Licensee is paying * percent (* %) of costs.

1.14 "**CTA Inventions**" means any patentable inventions, discoveries, and innovations conceived and reduced to practice by Institution Personnel solely relating to * used in connection with the Protocol.

1.15 "**Dispute**" means any controversy, claim or legal proceeding arising out of or relating to this Agreement, or the interpretation, breach, termination, or invalidity thereof.

1.16 "**EMA**" means the European Medicines Agency or any successor agency with responsibilities comparable to those of the European Medicines Agency.

1.17 "**European Union**" means any of the following countries in the European Union: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia., Slovenia, Spain, Sweden, and the United Kingdom, whether or not the countries identified above remain member states of the European Union.

1.18 "**Field**" means the treatment and diagnosis of all human diseases.

1.19 "**First Commercial Sale**" means, with respect to a particular Licensed Product or Licensed Service in a given country, the first arm's-length commercial sale of such Licensed Product or the first performance of such Licensed Service following Marketing Approval in such country by or under authority of Licensee or any Sublicensee to a Third Party who is not a Sublicensee.

1.20 "**FDA**" means the United States Food and Drug Administration or a successor agency in the United States with responsibilities comparable to those of the United States Food and Drug Administration.

1.21 "**GAAP**" means generally accepted accounting principles, consistently applied, as promulgated from time to time by the Financial Accounting Standards Board.

1.22 "**Generic or Biosimilar Product**" means, with respect to any Licensed Product in the United States, any product that is eligible for submission and approved for marketing by the FDA as a therapeutic biologic product under Section 351(k) of the Public Health Service Act (and not eligible for submission for marketing approval to the FDA under Section 505(b)(2) or Section 505(j) of the Federal Food, Drug and Cosmetic Act), including an expression construct used in the manufacture of the therapeutic biologic product, where such product is highly similar to the reference product notwithstanding minor differences in clinically inactive components and for which there are no clinically meaningful differences between the biological product and the reference product in terms of the safety, purity, and potency of the product. With respect to Licensed Product in any country in the Territory other than the United States, a "Generic or Biosimilar Product" means any biologic product that is eligible for submission for approval under a law of a foreign jurisdiction, which is either similar to or a counterpart of the Public Health Service Act (and not eligible for submission for approval under a law of a foreign jurisdiction, which is either similar to or a counterpart of the Federal Food, Drug and Cosmetic Act), including an expression construct used in the manufacture of the therapeutic biologic product, requiring the biologic product to be similar to the reference medicine and not having any meaningful differences from the reference medicine in terms of quality, safety or efficacy.

*Confidential material redacted and filed separately with the Commission.

1.23 "**Institution Personnel**" has the meaning set forth in Section 1 of the CTA.

1.24 "**Investigator**" has the meaning set forth in the Recitals.

1.25 "**License Year**" means each calendar year during the term of this Agreement; except that the first License Year shall commence on the Effective Date and end on December 31 of the calendar year in which the Effective Date occurs.

1.26 "**Licensed Product**" means a product (including kits, component sets or components thereof, regardless of concentration or formulation) that: (i) is Covered by a Valid Claim under the Patent Rights, (ii) is manufactured by a process or used in a method Covered by a Valid Claim under the Patent Rights, or (iii) contains, as an active ingredient, any substance the manufacture, use, offer for sale or sale of which is Covered by a Valid Claim under the Patent Rights. By way of clarification, "Licensed Product" shall include a product manufactured in a country in which such manufacture is Covered by a Valid Claim under the Patent Rights and thereafter exported to and sold in a country in which no Valid Claim under the Patent Rights exists.

1.27 "**Licensed Service**" means any service the performance of which would, but for the license granted herein, infringe a Valid Claim under the Patent Rights.

1.28 "**Licensee Confidential Information**" means Confidential Information disclosed or provided by, or on behalf of, Licensee to COH or its designees.

1.29 "**Marketing Approval**" means all approvals, licenses, registrations or authorizations of any federal, state or local Regulatory Authority, department, bureau or other governmental entity, necessary for the manufacturing, use, storage, import, transport, marketing and sale of Licensed Products or performance of Licensed Services in a country or regulatory jurisdiction.

1.30 "**Net Sales**" means the total gross amount invoiced by Licensee, its Affiliates and its Sublicensees (regardless of whether and when such invoices are actually paid) on the sale of Licensed Products and Licensed Services to Third Parties (including, without limitation, the provision of any product by Licensee, its Affiliates or any of its Sublicensee that incorporates a Licensed Product or Licensed Service but for clarity excluding documented sponsored research and/or development activities, valued at the actual direct cost of such activities on a fully burdened basis (including reasonable margin for overhead)), less the following items, as determined from the books and records of Licensee, its Affiliates or its Sublicensees:

(a) insurance, handling and transportation charges actually invoiced;

(b) amounts repaid, credited or allowed for rejection, return or recall;

(c) sales or other excise taxes or other governmental charges levied on or measured by the invoiced amount (including, without limitation, value added taxes);

(d) brokerage, customs and import duties or charges; and

(e) normal and customary trade and quantity discounts (including chargebacks and allowances) and rebates which relate to the Licensed Products or Licensed Services.

Sales of Licensed Products between or among Licensee, its Affiliates or its Sublicensees shall be excluded from the computation of Net Sales, except in those instances in which the purchaser is also the end-user of the Licensed Product sold. Further, transfers of reasonable quantities of Licensed Product by Licensee, any of its Affiliates or of its Sublicensee to a Third Party that is not a Sublicensee for use in the development of such Licensed Product (and not for resale) and transfers of industry standard quantities of Licensed Product for promotional purposes shall not be deemed a sale of such Licensed Product that gives rise to Net Sales for purposes of this Section 1.30.

1.31 "**Patent Rights**" means: (i) Patent Cooperation Treaty (PCT) application no. PCT/ * ;(ii) patents, patent applications, continuation and divisional applications and foreign equivalents that claim the same invention(s) and priority date as the foregoing; (iii) continuation-in-part applications that repeat a substantial portion of any of the foregoing applications; (iv) Letters Patent or the equivalent issued on any of the foregoing applications throughout the world; (v) amendments, extensions, renewals, reissues, and re-examinations of any of the foregoing; and (vi) subject to Section 8.2.4, the CTA Inventions. Notwithstanding the foregoing, "Patent Rights" shall only include any continuation-in-part application to the extent that claims in such continuation-in-part application are supported in the specification of the parent application, unless otherwise mutually agreed to in writing by the parties to this Agreement.

1.32 "**Person**" means any person or entity, including any individual, trustee, corporation, partnership, trust, unincorporated organization, limited liability company, business association, firm, joint venture or governmental agency or authority.

1.33 "**Phase 1 Clinical Trial**" means, as to a specific Licensed Product or Licensed Service, a clinical study in a small group of people for the first time to evaluate its safety, determine a safe dosage range, and identify side effects in patients as described in 21 C.F.R. § 312.21(a); or a similar clinical study in a country other than the United States.

1.34 "**Phase 2 Clinical Trial**" means, as to a specific Licensed Product or Licensed Service, a study in humans designed with the principal purpose of determining initial efficacy and dosing of such Licensed Product in patients for the indication(s) being studied as described in 21 C.F.R. § 312.21(b); or a similar clinical study in a country other than the United States.

*Confidential material redacted and filed separately with the Commission.

1.35 "**Phase 3 Clinical Trial**" means, as to a specific Licensed Product or Licensed Service, a lawful study in humans of the efficacy and safety of such Licensed Product or Licensed Service, which is prospectively designed to demonstrate statistically whether such Licensed Product or Licensed Service is effective and safe for use in a particular indication in a manner sufficient to file an application to obtain Marketing Approval to market and sell that Licensed Product or Licensed Service in the United States or another country for the indication being investigated by the study, as described in 21 C.F.R. § 312.21(c); or similar clinical study in a country other than the United States.

1.36 "**Protocol**" has the meaning set forth in Section 1 of the CTA.

1.37 "**Regulatory Authority**" means, with respect to any country or jurisdiction, any court, agency, department, authority or other instrumentality of any international, multinational or supra-national, national, regional, province, state, county, city or other political subdivision having responsibility for granting Marketing Approvals in such country or jurisdiction, including the FDA in the United States and the EMA in the European Union.

1.38 "**Regulatory Exclusivity**" means any period of regulatory data protection or market exclusivity or similar regulatory protection afforded by the Regulatory Authorities in a jurisdiction, including any such periods listed in the FDA's Orange Book or periods under national implementations of Article 10 of Directive 2001/EC/83 (as amended), and all international equivalents, and any exclusivity afforded by restrictions on the granting by a Regulatory Authority of Marketing Approval to market a generic product.

1.39 "**Spacer Patent Rights**" means: (i) Patent Cooperation Treaty (PCT) application no. PCT/ * ; (ii) US patent application no. * ; (iii) patents, patent applications, continuation and divisional applications and foreign equivalents that claim the same invention(s) and priority date as the foregoing; (iv) continuation-in-part applications that repeat a substantial portion of any of the foregoing applications; (v) Letters Patent or the equivalent issued on any of the foregoing applications throughout the world; (vi) amendments, extensions, renewals, reissues, and re-examinations of any of the foregoing; and (vii) any claim in a patent or patent application licensed to Licensee by COH pursuant to an applicable license agreement that claims (a) a COH CAR, and (b) the spacer, hinge, or linker sequence(s) that is used to connect the extracellular ligand-binding domain to transmembrane and intracellular-signaling domains of such COH CAR covered by a Valid Claim of any of the foregoing (i)-(vii). Notwithstanding the foregoing, "Spacer Patent Rights" shall only include any continuation-in-part application to the extent that claims in such continuation-in-part application are supported in the specification of the parent application, unless otherwise mutually agreed to in writing by the parties to this Agreement.

1.40 "**Study Data**" means all results, data, analyses, reports, and other documentation relating to * resulting from, or generated in the course of or with respect to, the performance of the Protocol.

*Confidential material redacted and filed separately with the Commission.

1.41 "**Sublicensee**" means any Affiliate of Licensee or Third Party which enters into an agreement with Licensee involving the grant to such Affiliate or Third Party of any rights under the license granted to Licensee pursuant to this Agreement.

1.42 "**Sublicense Revenues**" means all consideration, in whatever form, due from a Sublicensee in return for the grant of a sublicense of Licensee's rights hereunder, excluding consideration in the form of: (i) royalties received by Licensee and calculated wholly as a function of sales of Licensed Products or Licensed Services, (ii) payments or reimbursement for documented sponsored research and/or development activities, valued at the actual direct cost of such activities on a fully burdened basis (including reasonable margin for overhead), (iii) payment or reimbursement of reasonable patent expenses actually incurred or paid by Licensee and not otherwise reimbursed, or payment of patent expenses required to by paid by Licensee hereunder, (iv) payments for the purchase of equity in Licensee at the fair market value of such equity, and (v) payments recognized as Net Sales under this Agreement for which a royalty is payable to COH. By way of clarification, the principal amount of any loan or other extension of credit provided to Licensee or an Affiliate of Licensee in connection with the grant of a sublicense by Licensee that is other than an arm's-length credit relationship shall be deemed to constitute "Sublicense Revenues.

1.43 "**Territory**" means the entire world.

1.44 "**Third Party**" means a Person that is neither a Party to this Agreement nor an Affiliate of a Party.

1.45 "**Valid Claim**" means a claim of a pending patent application or an issued and unexpired patent included in, as applicable, the Patent Rights or the Spacer Patent Rights, in a particular jurisdiction, which claim has not, in such jurisdiction been finally rejected or been declared invalid or cancelled by the patent office or a court of competent jurisdiction in a decision that is no longer subject to appeal as a matter of right.

ARTICLE 2: DEVELOPMENT AND COMMERCIALIZATION EFFORTS

2 . 1 **Development and Commercialization Responsibilities**. Licensee shall have the sole right and responsibility for, and control over, all of its development, manufacturing and commercialization activities (including all regulatory activities) with respect to Licensed Products and Licensed Services in the Field.

2.2 **Licensee Diligence**. Licensee shall use Commercially Reasonable Efforts to develop and commercialize Licensed Products and Licensed Services in the Field, directly or through one or more Sublicensees. Without limiting the foregoing, if Licensee, directly or through one or Sublicensees, fails to accomplish any one of the "Diligence Milestones" set forth in this Section 2.2 by the date specified (each a "Deadline Date") corresponding to such Diligence Milestone, COH shall have the right, on notice to Licensee, to terminate this Agreement.

"Deadline Date"	**"Diligence Milestone"**
1. * (*) years from the Effective Date	Licensee to initiate * (with COH listed as the principal institution for such *). Licensee may extend this Deadline Date for up to * (*) additional * (*) month periods upon payment of $ * to COH for each * (*) month period.
2. * (*) years from the Effective Date	Licensee to initiate * (COH, at its option, shall be listed as a co-principal institution; provided however that COH and Licensee shall discuss in good faith COH's right to be listed as a co-principal institution and the first institution to dose a patient for such *). Licensee may extend this Deadline Date for up to * (*) additional * (*) month periods upon payment of $ * to COH for each * (*) month period.

2.3 **Governance**. COH and Licensee shall each designate one individual to serve as the main point of contact for communications related to development and commercialization of Licensed Products and Licensed Services under this Agreement (each a "**Designated Representative**"). The initial Designated Representative of COH shall be George Megaw and the initial Designated Representative of Licensee shall be Michael S. Weiss. Each Party may replace its Designated Representative at any time upon prior notice to the other Party. Licensee shall keep COH reasonably informed as to progress in the development and commercialization of Licensed Products and Licensed Services. Without limiting the foregoing, on or before January 15 and July 15 of each year during the term of this Agreement, Licensee shall provide to COH a written report setting forth, in reasonable detail, its activities and achievements with respect to the development and commercialization of Licensed Products and Licensed Services during the preceding six months (the "**Semi-Annual Report**"). Each Semi-Annual Report shall also include the COH reference number, * . The Designated Representatives shall meet in person twice each calendar year to present and discuss the current Semi-Annual Report at such location and date as mutually agreed. Each Party shall be responsible for all expenses incurred by its Designated Representative in the participation in such annual meetings. A copy of each Semi-Annual Report shall be provided, in addition to the persons set forth in Section 14.7, to: The Office of Technology Licensing, email: licensing@coh.org.

2.4 **Clinical Trial Agreements**. Prior to the * (*) anniversary of the Effective Date, COH and Licensee shall enter into a CTA(s) that is materially consistent with the form set forth in Exhibit A.

*Confidential material redacted and filed separately with the Commission.

ARTICLE 3: LICENSE GRANTS

3.1 **Grant of Rights**.

3.1.1 Exclusive Patent License. COH hereby grants to Licensee an exclusive royalty-bearing right and license under the Patent Rights to make, have made, use, offer for sale, sell and import Licensed Products and to perform Licensed Services, in the Field, in the Territory; **provided**, **however**, the foregoing license does not include any right or license under any patent claim of the Patent Rights that includes a limitation directed toward the COH Spacer Technology. The Parties acknowledge and agree that Licensee is granted rights to practice such COH Spacer Technology pursuant to the A&R Spacer License.

3.1.2 Exclusive Study Data License. Subject to Section 8.2.4, COH hereby grants to Licensee an exclusive right and license under the Study Data to make, have made, use, offer for sale, sell and import Licensed Products and to perform Licensed Services, in the Field, in the Territory.

3.2 The foregoing grant of rights shall be subject to: (1) the retained rights of the U.S. Government in the Patent Rights pursuant to 35 U.S.C. §§ 200-212 and applicable U.S. government regulations, (ii) the royalty-free right of COH and its Affiliates to practice the Patent Rights and the Study Data for educational and research uses, (iii) the right of COH and its Affiliates to publicly disclose research results including, to the extent applicable, as specified in the Research Agreement, and (iv) the right of COH and its Affiliates to allow other non-profit institutions to use the Patent Rights and the Study Data for the same purposes as (ii) and (iii).

3.3 **No Implied Licenses**. Licensee acknowledges that the licenses granted in this Agreement are limited to the scope expressly granted and that, subject to the terms and conditions of this Agreement, all other rights under all Patent Rights, the Study Data, and other intellectual property rights Controlled by COH are expressly reserved to COH.

3.4 **Sublicensing**. Licensee shall have the right to sublicense its rights hereunder without the consent of COH, effective on notice to COH. The terms and conditions of each sublicense of Licensee's rights hereunder shall be consistent with this Agreement. A true and complete copy of each sublicense of Licensee's rights hereunder, as well as any amendment thereto, shall be delivered to COH promptly following the effective date of each such sublicense or amendment.

3.5 **Effect of Termination on Sublicenses**.

3.5.1 In the event that this Agreement terminates at any time for any reason, each sublicense validly granted hereunder which is in good standing as of the effective date of such termination shall continue in effect as a direct license between COH (as licensor) and Sublicensee (as licensee), provided that: (i) such sublicense, as determined by COH in its reasonable and good faith discretion, contains or imposes on COH no material obligation or liability additional to those set forth in this Agreement, (ii) the Sublicensee delivers to COH, within thirty (30) days of the effective date of the termination of this Agreement, written acknowledgement that all payment and other obligations previously payable to Licensee under such sublicense shall thereafter be payable and due, and be paid directly to COH, and (iii) such Sublicensee (including its employees and contractors) is not at such time debarred or excluded or otherwise ineligible for participation in federally funded programs. All other sublicenses in existence as of the effective date of the termination of this Agreement which fail to satisfy the foregoing conditions shall, upon such termination, terminate.

3.5.2 Further and in addition to the requirements of Section 3.5.1, above, the conversion of a sublicense into a direct license between COH (as licensor) and Sublicensee (as licensee) upon termination of this Agreement shall require that either [A] or [B] (but not both), below, be satisfied:

[A] On the effective date of the termination of this Agreement:

(i) the Sublicensee is not a party to a proceeding in bankruptcy or insolvency filed by or against such Sublicensee, has not made a general assignment for the benefit of its creditors, and is not in litigation with COH or any Affiliate of COH, ***and***

(ii) (1) the effective royalty rate payable on Sublicensee's Net Sales of Licensed Products and Licensed Services, (2) the aggregate of other non-sale/royalty-based consideration due from Sublicensee, and (3) the other material terms and conditions of the sublicense are materially no less favorable to COH than the corresponding terms (excluding the stock grant due pursuant to Section 43, below) of this Agreement, ***or***

[B] the terms and conditions of the sublicense had been approved by COH prior to its having been entered into by Licensee and the Sublicensee, such approval having been considered by COH expeditiously and not conditioned on the payment by Licensee of any additional consideration.

3.6 **Documentation of Licensed Services**. Licensee and its Sublicensees shall provide Licensed Services only pursuant to one or more written agreements which set forth, in reasonable detail, all consideration due to Licensee for the provision of such services. Licensee shall provide a true and complete copy of each such agreement to COH promptly following the effective date of such agreement.

ARTICLE 4: PAYMENTS

4.1 **Up-Front Payment**. In consideration for the license to the Patent Rights, Licensee shall pay to COH a one-time non-refundable license fee of $ * within * (*) days after the Effective Date.

4.2 **License Maintenance Fee**. On or before the tenth Business Day after the end of each License Year (excluding the first License Year ending December 31, 2017), Licensee shall pay to COH a non-refundable license maintenance fee of $ * . The license maintenance fee paid in a given License Year shall be applied as credit against royalties otherwise due to COH pursuant to Section 4.4, below, during the License Year in which payment was made but may not be carried over and applied as credit against royalties due in subsequent years.

*Confidential material redacted and filed separately with the Commission.

4.3 **Milestone Payments**. Within * (*) days after the occurrence of each "**Milestone Event**" set forth below, Licensee shall pay COH or its designee the amount indicated below:

Milestone Event		**Amount Due**
#1. Upon the * .	$	*
#2. Upon * .	$	*
#3. Upon * .	$	*
#4. Upon the * .	$	*
#5. Upon * .	$	*
#6. Upon the * .	$	*
#7. Upon * .	$	*
#8. Upon * .	$	*
#9. Upon * .	$	*
#10. Upon * .	$	*

In the event that * is received prior to the satisfaction of any prior * Event, then Licensee shall also pay the amount due for occurrence of all prior * Events not previously paid upon receiving such * *(e.g.,* if * is received prior to * , Licensee shall pay COH $ *). The Parties agree that in the event that a clinical trial is conducted and is characterized as a * , then upon commencement of such trial, Licensee shall simultaneously pay the amounts due for occurrence of * , and upon * shall be paid *(e.g* * , Licensee shall pay to COH $ * upon commencement of such trial and $ * upon Completion of such trial). For clarity, each payment above shall be made only once, regardless of the number of Licensed Products or Licensed Services achieving each * Event.

*Confidential material redacted and filed separately with the Commission.

4.4 **Royalties**.

4.4.1 Base Royalties.

(a) Subject to Sections 4.4.2-4.4.5, and 4.5 below, Licensee shall pay to COH or its designee royalties in an amount equal to (i) * percent of Net Sales of Licensed Products up to $ * ; (ii) * percent of Net Sales of Licensed Products of $ * up to and including $ * ; and (iii) * percent of Net Sales of Licensed Products that exceed $ * .

(b) Subject to Sections 4.4.2-4.4.5, and 4.5 below, Licensee shall pay to COH or its designee royalties in an amount equal to (i) * percent of Net Sales of Licensed Services up to $ * ; (ii) * percent of Net Sales of Licensed Services of $ * up to and including $ * ; and (iii) * percent of Net Sales of Licensed Services that exceed $ * .

4.4.2 Royalty Reduction Upon Loss of Patent Coverage or Regulatory Exclusivity. On a country-by-country, Licensed Product-by-Licensed Product, and Licensed Service-by-Licensed Service basis, the royalty rate payable under Section 4.4.1 on sales of such Licensed Product or performance of such Licensed Service in such country shall be reduced by * percent (* %) during any period when: (i) a particular Licensed Product or Licensed Service is not Covered by a Valid Claim of the Patent Rights in a country in which such Licensed Product is sold or Licensed Service is performed, and (ii) a particular Licensed Product or Licensed Service is not covered by a Regulatory Exclusivity in a country in which such Licensed Product is sold or Licensed Service is performed.

4.4.3 Royalty Reduction Upon Launch Of Generic or Biosimilar Product Notwithstanding anything to the contrary, if a Generic or Biosimilar Product corresponding to a Licensed Product or Licensed Service is launched in a particular country, then the royalty rates set forth in Section 4.4.1, as may be adjusted by Section 4.4.2, applicable to a particular Licensed Product or Licensed Service and a particular country will be reduced in accordance with the table below (each such reduction, a "**Reduction in Royalty**"). For purposes of the table below, the "**Percentage Reduction of Net Sales**" for any particular calendar quarter means the quotient (expressed as a percentage) obtained by dividing (A) the difference obtained by subtracting the Net Sales of the Licensed Product or Licensed Service in such country for such applicable calendar quarter from the Net Sales of the Licensed Product or Licensed Service in such country for the calendar quarter immediately prior to the calendar quarter in which the first commercial sale of the Generic or Biosimilar Product in such country occurred by (B) the Net Sales of the Licensed Product or Licensed Service in such country for the calendar quarter prior to the calendar quarter in which the first commercial sale of the Generic or Biosimilar Product in such country occurred. Once the applicable Percentage Reduction of Net Sales set forth in the table below has been attained for a particular country for a calendar quarter, the corresponding Reduction in Royalty set forth in the table below shall remain in place unless there is an additional Reduction in Royalty. Once a country experiences a * percent (* %) or greater Percentage Reduction of Net Sales for any given Licensed Product or Licensed Service, then Licensee shall have no further obligations to make any further payments to COH with regards to any Net Sales of such Licensed Product or Licensed Service in such country.

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Percentage Reduction of Net Sales	Reduction in Royalty
Less than * %	*
Greater than or equal to * % but less than * %	* %
Greater than or equal to *%	* % *(i.e.,* the royalty shall be * for the applicable Licensed Product or Licensed Service in the applicable country)

4.4.4 Minimum Annual Royalty. Beginning in the calendar year of Marketing Approval in any jurisdiction of the first Licensed Product or Licensed Service by Licensee or Sublicensees and if the total earned royalties paid by Licensee under Section 4.4.1, as adjusted by Sections 4.4.2, 4.4.3, and 4.5, in any such year cumulatively amounts to less than $ * for that calendar year ("**Minimum Annual Royalty**"), Licensee shall pay to COH on or before February 28 following the last quarter of such year the difference between the Minimum Annual Royalty and the total earned royalty paid by Licensee for such year under Section 4.4.1, as adjusted by Sections 4.4.2, 4.4.3, and 4.5; provided, however, that for the first year of commercial sales of the first Licensed Product or Licensed Services, the amount of Minimum Annual Royalty payable shall be pro-rated for the number of months remaining in that calendar year.

4.4.5 Royalty Term. Licensee's payment obligations under Section 4.4.1 (as adjusted by Sections 4.4.2, 4.4.3, and 4.5) shall expire, on a country-by-county, Licensed Product-by-Licensed Product basis, and Licensed Service-by-Licensed Service basis, on the later of (i) the last date on which there exists a Valid Claim of the Patent Rights Covering such Licensed Product or such Licensed Service in such country or (ii) the * (*) anniversary of the First Commercial Sale of such Licensed Product or such Licensed Service in such country (the "**Royalty Expiration Date**"**).**

4.5 **Royalty Offsets**.

4.5.1 Third Parties. If, in Licensee's reasonable business judgment it is necessary to pay to a Third Party other than a Sublicensee consideration (whether in the form of a royalty or otherwise) for the right to make, have made, use, sell, offer for sale or import a Licensed Product or Licensed Service in a given jurisdiction, and if the aggregate royalty rates of any and all royalties payable to such Third Party licensors when combined with the royalty rate payable to COH exceeds * percent (* %) in the case of Net Sales of Licensed Products or Licensed Services, then Licensee shall have the right with respect to any period for which royalties are due *(i.e.,* a calendar quarter or calendar year) to set off * percent (* %) of the aggregate royalties otherwise payable with respect to such period and such jurisdiction to such Third Party licensors against royalties that would otherwise be due to COH hereunder with respect to such period and jurisdiction; provided, however, that under no circumstances shall the royalty offsets permitted in this Section 4.5 result in the reduction of the effective adjusted royalty rate and the royalty amount otherwise due to COH in any period for which payment is due and in any jurisdiction pursuant to Section 4.4, above, by more than * percent (* %) *(e.g.,* minimum effective adjusted royalty rate for Licensed Product or Licensed Services sales up to $ * shall be * percent).

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4.5.2 A&R Spacer License. In the event that royalties are due to COH by Licensee pursuant to Section 4.7(b) of the A&R Spacer License, then Licensee may set off such royalties payable to COH against the royalties payable to COH by Licensee pursuant to Section 4.4.1 of this Agreement.

4.6 **Sublicense Revenues**. Licensee shall pay to COH a percentage of all Sublicense Revenues within * (*) days after payment is received from the relevant Sublicensee, determined as follows:

(a) * percent (* %) of Sublicense Revenues if the Sublicense is granted prior to the Completion of a* ,

(b) * percent (* %) of all Sublicense Revenues if the Sublicense is granted prior to the Completion of a* ,

(c) * percent (* %) of all Sublicense Revenues if the Sublicense is granted prior to the Completion of a * , and

(d) * percent (* %) of all Sublicense Revenues if the Sublicense is granted after Completion a* .

If Sublicense Revenues are not in cash or cash equivalents, the percentage share payable to COH pursuant to this Section 4.6 shall be due, in COH's sole discretion, either in kind or in its cash equivalent.

4.7 **Timing of Royalty Payments**. Royalty payments due under Section 4.4, above, shall be paid annually within * (*) days following the end of each License Year until the first License Year in which aggregate Net Sales reach $ * . Thereafter, all royalty payments due under Section 4.4 shall be paid in quarterly installments, within * (*) days following the end of each calendar quarter.

4.8 **No Deductions from Payments**. Licensee is solely responsible for payment of any fee, royalty or other payment due to any Third Party not a Sublicensee in connection with the research, development, manufacture, distribution, use, sale, import or export of a Licensed Product or Licensed Service and, except *as* set forth in Section 4.5, above, Licensee shall not have the right to set off any amounts paid to such a Third Party, including fee, royalty or other payment, against any amount payable to COH hereunder.

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4.9 **Single Royalty**. Only a single royalty payment shall be due and payable on NetSales of a Licensed Product or performance of a Licensed Service, regardless if such Licensed Product or Licensed Service is Covered by more than one Valid Claim under the Patent Rights.

ARTICLE 5: REPORTS, AUDITS AND FINANCIAL TERMS

5.1 **Royalty Reports**. Within * (*) days after the end of each calendar quarter in which a royalty payment under Article 4 is required to be made, Licensee shall send to COH a report of Net Sales of the Licensed Products and Licensed Services for which a royalty is due, which report sets forth for such calendar quarter the following information, on a Licensed Product-by-Licensed Product, Licensed Service-by-Licensed Service and country-by-country basis: (i) total Net Sales, (ii) total gross sales of Licensed Products and Licensed Services, (iii) the quantity of each Licensed Products sold and Licensed Services performed, (iv) the exchange rate used to convert Net Sales from the currency in which they are earned to United States dollars; and (v) the total royalty payments due. All royalty reports shall also include the COH reference number, * . A copy of each royalty report shall be provided, in addition to the persons set forth in Section 14.7, to: The Office of Technology Licensing, email: otl-royalties@coh.org.

5.2 **Additional Financial Terms**.

5.2.1 Currency. All payments to be made under this Agreement shall be made in United States dollars, unless expressly specified to the contrary herein. Net Sales outside of the United States shall be first determined in the currency in which they are earned and shall then be converted into an amount in United States dollars. All currency conversions shall use the conversion rate reported by Reuters, Ltd. on the last Business Day of the calendar quarter for which such payment is being determined.

5.2.2 Payment Method. Amounts due under this Agreement shall be paid in immediately available funds, by means of wire transfer to an account identified by COH.

5.2.3 Withholding of Taxes. Licensee may withhold from payments due to COH amounts for payment of any withholding tax that is required by law to be paid to any taxing authority with respect to such payments. Licensee shall provide to COH all relevant documents and correspondence, and shall also provide to COH any other cooperation or assistance on a reasonable basis as may be necessary to enable COH to claim exemption from such withholding taxes and to receive a full refund of such withholding tax or claim a foreign tax credit. Licensee shall give COH proper evidence from time to time as to the payment of such tax. The Parties shall cooperate with each other in seeking deductions under federal and state tax laws and any double taxation or other similar treaty or agreement from time to time in force.

5.2.4 Late Payments. Any amounts not paid on or before the date due under this Agreement are subject to interest from the date due through and including the date upon which payment is received. Interest is calculated, over the period between the date due and the date paid, at a rate equal to * percentage point (* %) over the "bank prime loan" rate, as such rate is published in the U.S. Federal Reserve Bulletin H.15 or successor thereto on the last Business Day of the applicable calendar quarter prior to the date on which such payment is due.

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5.2.5 Blocked Currency. If, at any time, legal restrictions prevent the prompt remittance of part or all royalties with respect to any country where a Licensed Product is sold or Licensed Service provided, payment shall be made through such lawful means or methods as Licensee may determine. When in any country, the law or regulations prohibit both the transmittal and deposit of royalties or other payments, Licensee shall continue to report all such amounts, but may suspend payment for as long as such prohibition is in effect. As soon *as* such prohibition ceases to be in effect, all amounts that would have been obligated to be transmitted or deposited but for the prohibition, together with accrued interested thereon, shall promptly be transmitted to COH.

5.3 **Accounts and Audit**.

5.3.1 Records. Licensee shall keep, and shall require that each Sublicensee keep, full, true and accurate books of account containing the particulars of its Net Sales and the calculation of royalties. Licensee and its Sublicensees shall each keep such books of account and the supporting data and other records at its principal place of business. Such books and records must be maintained available for examination in accordance with this Section 5.3.1 for * (*) calendar years after the end of the calendar year to which they pertain, and otherwise as reasonably required to comply with GAAP.

5.3.2 Appointment of Auditor. COH may appoint an internationally-recognized independent accounting firm reasonably acceptable to Licensee to inspect the relevant books of account of Licensee and its Sublicensees to verify any reports or statements provided, or amounts paid or invoiced (as appropriate), by Licensee or its Sublicensees.

5.3.3 Procedures for Audit. COH may exercise its right to have Licensee's and its Sublicensees' relevant records examined only during the * (*) year period during which Licensee is required to maintain records, no more than once in any consecutive * (*) calendar quarters. Licensee and its Sublicensees are required to make records available for inspection only during regular business hours, only at such place or places where such records are customarily kept, and only upon receipt of at least * (*) days advance notice from COH.

5.3.4 Audit Report. The independent accountant will be instructed to provide to COH an audit report containing only its conclusions and methodology regarding the audit, and specifying whether the amounts paid were correct and, if incorrect, the amount of any underpayment or overpayment.

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5.3.5 Underpayment and Overpayment. After review of the auditor's report: (i) if there is an uncontested underpayment by Licensee for all of the periods covered by such auditor's report, then Licensee shall pay to COH the full amount of that uncontested underpayment, and (ii) if there is an uncontested overpayment for such periods, then COH shall provide to Licensee a credit against future payments (such credit equal to the full amount of that overpayment), or, if Licensee is not obligated to make any future payments, then COH shall pay to Licensee the full amount of that overpayment. Contested amounts are subject to dispute resolution under Article 12. If the total amount of any such underpayment (as agreed to by Licensee or as determined under Article 12) exceeds * percent of the amount previously paid by Licensee for the period subject to audit, then Licensee shall pay the reasonable costs for the audit. Otherwise, all costs of the audit shall be paid by COH.

ARTICLE 6: LICENSEE COVENANTS

6.1 **Licensee covenants and agrees that**:

6.1.1 During the period commencing on the Effective Date and ending on the * (*) anniversary of the Effective Date, both Dr. Lindsay A. Rosenwald and Michael S. Weiss will hold senior management positions of Licensee; provided, that, in the event of a Change of Control of Licensee, subsequent to such Change of Control, in the event that either Dr. Lindsay A. Rosenwald or Michael S. Weiss no longer holds a senior management position of Licensee both individuals must remain materially involved with the oversight and management of the development of Licensed Products during such period; provided further that in the event of the death of either of Dr. Rosenwald or Mr. Weiss, Licensee will be excused from observing this Section 6.1.1 with regard to the decedent;

6.1.2 in conducting activities contemplated under this Agreement, it shall comply in all material respects with all applicable laws and regulations including, without limitation, those related to the manufacture, use, labeling importation and marketing of Licensed Products and Licensed Services; and

6.1.3 without limiting the foregoing and notwithstanding any other provision in this Agreement, Licensee acknowledges and agrees that it is an exclusive Licensee under this Agreement and agrees (i) to be subject to all laws and other obligations applicable to the CIRM Grant as they apply to an exclusive Licensee, including diligence, reporting, access and pricing requirements, and (ii) to assist COH as necessary to ensure COH remains in compliance with any laws and other obligations applicable to the CIRM Grant.

ARTICLE 7: INTELLECTUAL PROPERTY; PATENT PROSECUTION, MAINTENANCE AND ENFORCEMENT.

7.1 **Patent Prosecution, Maintenance and Enforcement**.

7.1.1 COH shall be responsible for the preparation, filing, prosecution, and maintenance of all Patent Rights, using counsel of its choice. COH will timely provide Licensee with copies of all relevant documentation relating to such prosecution and Licensee shall keep such information confidential. In addition, COH shall instruct the patent counsel prosecuting Patent Rights to (i) copy Licensee on patent prosecution documents that are received from or filed with the United States Patent and Trademark Office **(**"**USPTO**"**)** and foreign equivalent, as applicable; (ii) if requested by Licensee, provide Licensee with copies of draft submissions to the USPTO prior to filing; and (iii) give reasonable consideration to the comments and requests of Licensee or its patent counsel, provided that (a) COH reserves the sole right to make all final decisions with respect to the preparation, filing, prosecution and maintenance of such patent applications and patents; and (b) the patent counsel remains counsel to COH (and shall not jointly represent Licensee unless requested by Licensee and approved by COH, and an appropriate engagement letter and conflict waiver are in effect). All patents and patent applications in Patent Rights, to the extent assignable in whole or in part to COH, shall be assigned to COH.

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7.1.2 COB will not unreasonably refuse to amend any patent application in Patent Rights to include claims reasonably requested by Licensee to protect the products contemplated to be sold by Licensee under this Agreement. If Licensee informs COH of other countries or jurisdictions in which it wishes to obtain patent protection with respect to the Patent Rights, COH shall prepare, file, prosecute and maintain patent applications in such countries and any patents resulting therefrom (and, for the avoidance of doubt, such patent applications and patents shall be deemed included in the Patent Rights). On a country by country and patent by patent basis, Licensee may elect to surrender any patent or patent application in Patent Rights in any country upon * (*) days advance written notice to COH. Such notice shall relieve Licensee from the obligation to pay for future patent costs but shall not relieve Licensee from responsibility to pay patent costs incurred prior to the expiration of the * (*) day notice period. Such U.S. or foreign patent application or patent shall thereupon cease to be a Patent Right hereunder, Licensee shall have no further rights therein and COH shall be free to license its rights to that particular U.S. or foreign patent application or patent to any other party on any terms.

7.1.3 Each Party shall promptly provide written notice to the other in the event it becomes aware of any actual or probable infringement of any of the Patent Rights in or relevant to the Field or of any Third Party claim regarding the enforceability or validity of any Patent Rights ("**Infringement Notice**"). Licensee shall, in cooperation with COH, use reasonable efforts to terminate infringement without litigation.

7.1.4 If infringing activity has not been abated within * (*) days following the date the Infringement Notice takes effect, then Licensee may, following consultation with COB, in its sole discretion and at its sole expense, take action against any alleged infringer or in defense of such any claim, provided, that, Licensee has exclusive rights under this Agreement. Any recovery obtained by Licensee as the result of legal proceedings initiated and paid for by Licensee pursuant to this subsection (d), after deduction of Licensee's reasonable out-of-pocket expenses incurred in securing such recovery, shall be deemed to be Net Sales of Licensed Products and/or Licensed Services in the calendar quarter in which such recovery was received and royalties shall be due and payable thereon accordingly.

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7.1.5 If COH is involuntarily joined in a suit initiated by Licensee, then the Licensee will pay any costs incurred by COH arising out of such suit, including but not limited to, reasonable legal fees of counsel that COH selects and retains to represent it in the suit.

7.1.6 In the event that Licensee declines either to cause such infringement to cease *(e.g.,* by settlement or injunction) or to initiate and thereafter diligently maintain legal proceedings against the infringer other than as part of a mutually agreed upon bona fide strategy, developed with the guidance of outside patent counsel, to preserve the Patent Rights, COH may, in its sole discretion and at its sole expense, take action against such alleged infringer or in defense of any such Third Party claim. Any recovery obtained by COH as the result of any such legal proceedings shall be for the benefit of COH only.

7.2 **Trademarks**. Licensee shall be responsible for the selection, registration, maintenance, and defense of all trademarks for use in connection with the sale or marketing of Licensed Products and Licensed Services in the Field in the Territory (the "**Marks**"), as well as all expenses associated therewith. All uses of the Marks by Licensee or a Sublicensee shall comply in all material respects with all applicable laws and regulations (including those laws and regulations particularly applying to the proper use and designation of trademarks in the applicable countries). Licensee shall not, without COH's prior written consent, use any trademarks or house marks of COH (including the COH corporate name), or marks confusingly similar thereto, in connection with Licensee commercialization of Licensed Products or Licensed Services under this Agreement in any promotional materials or applications or in any manner implying an endorsement by COH of Licensee or the Licensed Products or Licensed Services. Licensee shall own all Marks.

7.3 **Challenge to the Patent Rights by Licensee**.

7.3.1 COH may terminate this Agreement and, notwithstanding Section 3.4, above, all Sublicenses issued hereunder, upon written notice to Licensee in the event that Licensee or any of its Affiliates or Sublicensees directly or indirectly asserts a Patent Challenge. "**Patent Challenge**" means any challenge in a legal or administrative proceeding to the patentability, validity or enforceability of any of the Patent Rights (or any claim thereof), including by: (a) filing or pursuing a declaratory judgment action in which any of the Patent Rights is alleged to be invalid or unenforceable; (b) citing prior art against any of the Patent Rights, filing a request for or pursuing a re-examination of any of the Patent Rights (other than with COH's written agreement), or becoming a party to or pursuing an interference; or (c) filing or pursuing any re-examination, opposition, cancellation, nullity or other like proceedings against any of the Patent Rights; but excluding any challenge raised as a defense against a claim, action or proceeding asserted by COH against Licensee, its Affiliates or Sublicensees. In lieu of exercising its rights to terminate under this Section 7.3.1, COH may elect upon written notice to increase the payments due under all of Section 4 by * percent (* %), which election will be effective retroactively to the date of the commencement of the Patent Challenge. Licensee acknowledges and agrees that this Section 7.3.1 is reasonable, valid and necessary for the adequate protection of COH's interest in and to the Patent Rights, and that would not have granted to Licensee the licenses under those Patent Rights, without this Section 7.3.1.

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7.3.2 Payment of COH Patent Expenses

(a) The Parties acknowledge that, prior to the Effective Date, COH incurred historic expenses with respect to the drafting, prosecution and maintenance of the Patent Rights. In consideration of such historic expenditures by COH, Licensee shall reimburse COH $ * in full reimbursement for such expenses. Licensee shall pay such expenses within * (*) days of the Effective Date.

(b) After the Effective Date, COH shall provide to Licensee an annual invoice and reasonably detailed documentation with respect to COH's out-of-pocket expenses incurred with respect to such prosecution and maintenance for the previous License Year. Licensee shall reimburse COH for * percent (* %) of such expenses within * (*) days after receipt of such invoice and documentation.

7.4 **Marking**. Licensee and its Sublicensees shall mark all Licensed Products and all materials related to Licensed Services in such a matter as to conform with the patent laws of the country to which such Licensed Products are shipped or in which such products are sold and such Licensed Services performed.

ARTICLE 8: TERM AND TERMINATION

8.1 **Term and Expiration of Term**. The term of this Agreement (the "**Term**") shall commence on the Effective Date and, notwithstanding any other provision of this Agreement, unless sooner terminated by mutual agreement or pursuant to any other provision of this Agreement, this Agreement shall expire on a country-by-country basis, a Licensed Product-by-Licensed Product basis, and a Licensed Service-by-Licensed Service basis, on the applicable Royalty Expiration Date for each Licensed Product or each Licensed Service in each country (such expiry of the Term for a particular Licensed Product or a particular Licensed Service in a particular country hereinafter referred to as "Expiration" of this Agreement with respect to such Licensed Product or such Licensed Service in such country).

8.2 Termination.

8.2.1 Material Breach. Either Party may terminate this Agreement prior to its Expiration for any material breach by the other Party, provided, that, the Party seeking to terminate shall have first given the breaching Party notice of such material breach with reasonable particulars of the material breach, and the Party receiving the notice of the material breach shall have failed to cure that material breach within * (*) days after the date of receipt of such notice.

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8.2.2 Bankruptcy. COH shall have the right to terminate this Agreement prior to its Expiration upon notice to Licensee, in the event that: (i) Licensee seeks protection of any bankruptcy or insolvency law other than with the prior consent of COH, or (ii) a proceeding in bankruptcy or insolvency is filed by or against Licensee and not withdrawn, removed or vacated within * and twenty (*) days of such filing, or there is adjudication by a court of competent jurisdiction that Licensee is bankrupt or insolvent.

8.2.3 Termination at Will by Licensee. Licensee shall have the right to terminate this Agreement prior to its Expiration upon notice to COH without cause, effective no fewer than * (*) days following the date of such notice.

8.2.4 Breach-Based Termination of CTA. Licensee and COH hereby acknowledge and agree that in the event that COH terminates the CTA pursuant to Section 11(a) or Section 4(b) of the CTA, Licensee's rights to the CTA Inventions and the Study Data under this Agreement shall automatically terminate as of the effective date of termination of the CTA; provided, that in the event of any such termination of the CTA by COH, Licensee shall provide written notice to COH within * (*) days of such termination.

8.3 **Effect of Termination**.

8.3.1 Upon any termination of this Agreement pursuant to Section 8.2 (but for clarity, not in the case of its Expiration), all rights and licenses granted to Licensee under Article 4, if any, shall immediately terminate on and as of the effective date of termination as provided in Section 8.2, except that Licensee shall have the right to continue to sell Licensed Products manufactured prior to the effective date of such termination until the sooner of: (i) * (*) days after the effective date of termination, or (ii) the exhaustion of Licensee's inventory of Licensed Products.

8.3.2 Upon termination of this Agreement pursuant to Section 8.2 (but for clarity, not in the case of its Expiration):

(a) Each Party shall promptly return to the other Party all relevant records and materials in its possession or control containing or comprising the other Party's Confidential Information and to which the Party does not retain rights hereunder.

(b) Licensee shall discontinue making any representation regarding its status as a licensee of COH for Licensed Products and Licensed Services. Subject to Section 8.3.1, above, Licensee shall cease conducting any activities with respect to the marketing, promotion, sale or distribution of Licensed Products and Licensed Services.

8.3.3 Termination of this Agreement through any means and for any reason pursuant to Section 8.2 (but for clarity, not in the case of its Expiration), shall not relieve the Parties of any obligation accruing prior thereto, including the payment of all sums due and payable, and shall be without prejudice to the rights and remedies of either Party with respect to any antecedent breach of any of the provisions of this Agreement.

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8.4 **Effect of Expiration**. In the event of Expiration of this Agreement for a particular Licensed Product (or Licensed Service) in a particular country pursuant to Section 8.1, the rights and licenses granted to Licensee under this Agreement with respect to the Study Data in such country shall become nonexclusive, perpetual, irrevocable, and royalty-free.

8.5 **Survival**. Sections 4.7, 5.1, 5.2, 5.3, 7.4, 8.3, 8.4, 8.5, Article 10, Article 11, Article 12, Sections 14.2, 14.4, 14.7, and 14.10 shall survive termination of this Agreement for any reason pursuant to Section 8.2 and Expiration pursuant to Section 8.1.

ARTICLE 9: REPRESENTATIONS AND WARRANTIES

9.1 **Mutual Representations and Warranties**. COH and Licensee each represents and warrants as follows:

9.1.1 It has the right and authority to enter into this Agreement and all action required to be taken on its behalf, its officers, directors, partners and stockholders necessary for the authorization, execution, and delivery of this Agreement and, the performance of all of its obligations hereunder, and this Agreement, when executed and delivered, will constitute valid and legally binding obligations of such Party, enforceable in accordance with its terms, subject to: (i) laws limiting the availability of specific performance, injunctive relief, and other equitable remedies; and (ii) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws now or hereafter in effect generally relating to or affecting creditors' rights generally;

9.1.2 Entry into this Agreement will not constitute a breach of any other agreement to which it is a party;

9.1.3 It has read this Agreement, with assistance from its counsel of choice. It understands all of this Agreement's terms. It has been given a reasonable amount of time to consider the contents of this Agreement before each Party executed it. It agrees that it is executing this Agreement voluntarily with full knowledge of this Agreement's legal significance; and

9.1.4 It has made such investigation of all matters pertaining to this Agreement that it deems necessary, and does not rely on any statement, promise, or representation, whether oral or written, with respect to such matters other than those expressly set forth herein. It agrees that it is not relying in any manner on any statement, promise, representation or understanding, whether oral, written or implied, made by any Party, not specifically set forth in this Agreement. It acknowledges that, after execution of this Agreement, it may discover facts different from or in addition to those which it now knows or believes to be true. Nevertheless, it agrees that this Agreement shall be and remain in full force and effect in all respects, notwithstanding such different or additional facts.

9.2 **Representations and Warranties of COH**. COH represents and warrants that, as of the Effective Date, to the actual knowledge of the Investigator and the Director of its Office of Technology Transfer without independent inquiry, COH has the full power and authority to grant the rights, licenses and privileges granted herein.

9.3 **Exclusions**. Nothing in this Agreement is or shall be construed as:

9.3.1 A warranty or representation by COH that anything made, used, sold, or otherwise disposed of under any license granted in this Agreement is or will be free from infringement of any patent rights or other intellectual property right of any Third Party;

9.3.2 A grant by COH, whether by implication, estoppel, or otherwise, of any licenses or rights under any patents other than Patent Rights as defined herein, regardless of whether such patents are dominant or subordinate to Patent Rights;

9.3.3 An obligation on COH to bring or prosecute any suit or action against a third party for infringement of any of the Patent Rights;

9.3.4 An obligation to furnish any know-how not provided in Patent Rights or the Study Data; or

9.3.5 A representation or warranty of the ownership of the Patent Rights or the Study Data other than as set forth in Section 9.2, above.

9.4 DISCLAIMER. NO WARRANTY IS GIVEN WITH RESPECT TO THE PATENT RIGHTS OR THE STUDY DATA, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, BY STATUTE OR OTHERWISE, AND THE PARTIES SPECIFICALLY DISCLAIM ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, VALIDITY OF THE PATENT RIGHTS OR NON-INFRINGEMENT OF THE INTELLECTUAL PROPERTY OR OTHER RIGHTS OF ANY THIRD PARTY. THE WARRANTIES SET FORTH IN SECTIONS 9.1 AND 9.2, ABOVE, ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, VALIDITY, NON-INFRINGEMENT AND ALL SUCH OTHER WARRANTIES ARE HEREBY EXPRESSLY DISCLAIMED.

ARTICLE 10: INDEMNIFICATION

10.1 **Indemnification by Licensee**. Licensee shall defend, indemnify and hold harmless COH, its Affiliates, officers, directors, shareholders, employees and agents ("**COH Indemnitees**") from and against any and all Third Party liabilities, claims, suits, and expenses, including reasonable attorneys' fees (collectively, "**Losses**"), arising out of or are in any way attributable to: (i) the material breach of any representation or warranty made by Licensee under this Agreement, (ii) the research, development, marketing, approval, manufacture, packaging, labeling, handling, storage, transportation, use, distribution, promotion, marketing or sale of Licensed Products or Licensed Services by or on behalf of Licensee, any of its Affiliates or a Sublicensee or any other exercise of rights under this Agreement or pursuant to any sublicense, or (iii) the negligence, willful misconduct or failure to comply with applicable law by a Licensee Indemnitee or Sublicensee; in each case except to the extent that such Losses are caused directly by: (a) COH's material breach of any representation or warranty made by COH under this Agreement, (b) COH's material breach of its obligations under this Agreement, and/or (c) the gross negligence or willful misconduct of a COH Indemnitee.

10.2 **Indemnification by COH**. COH shall defend, indemnify and hold harmless Licensee and its Affiliates and their respective officers, directors, shareholders, employees and agents (collectively, the "**Licensee Indemnitees**") from and against any and all Losses caused directly by: (i) the material breach of any representation or warranty made by COH under this Agreement, or (ii) the gross negligence or willful misconduct of a COH Indemnitee, except to the extent that such Losses arise out of or are in any way attributable to: (a) the material breach of any representation or warranty made by Licensee under this Agreement, (b) the research, development, marketing, approval, manufacture, packaging, labeling, handling, storage, transportation, use, distribution, promotion, marketing or sale of Licensed Products or Licensed Services by or on behalf of Licensee or a Sublicensee, or (c) the negligence, willful misconduct or failure to comply with applicable law by a Licensee Indemnitee or a Sublicensee.

10.3 **Procedure**. The indemnities set forth in this Article 10 are subject to the condition that the Party seeking the indemnity shall forthwith notify the indemnifying Party on being notified or otherwise made aware of a liability, claim, suit, action or expense and that the indemnifying Party defend and control any proceedings with the other Party being permitted to participate at its own expense (unless there shall be a conflict of interest which would prevent representation by joint counsel, in which event the indemnifying Party shall pay for the other Party's counsel); provided, that, the indemnifying Party may not settle the liability, claim, suit, action or expense, or otherwise admit fault of the other Party or consent to any judgment, without the written consent of the other Party (such consent not to be unreasonably withheld). Notwithstanding the foregoing, no delay in the notification of the existence of any claim of Loss shall cause a failure to comply with this Section 10.3 as long as such delay shall not have materially impaired the rights of the indemnifying Party.

10.4 **Insurance**.

10.4.1 Within * (*) days following the Effective Date, Licensee shall procure at its sole expense and provide to COH evidence of comprehensive or commercial general liability insurance (contractual liability included) with limits of at least: (i) each occurrence, $ * ; (ii) products/completed operations aggregate, $ * ; (iii) personal and advertising injury, $ * ; and general aggregate (commercial form only), $ * .

10.4.2 The foregoing policies will provide primary coverage to COH and shall name the COH Indemnitees as additional insureds, and shall remain in effect during the term of this Agreement and for * years following the termination or expiration of the term of this Agreement. The COH Indemnitees shall be notified in, writing by Licensee not less than * (*) days prior to any modification, cancellation or non-renewal of such policy. Licensee's insurance must include a provision that the coverages will be primary and will not participate with nor will be excess over any valid and collective insurance or program of self-insurance carried or maintained by the COH Indemnitees. Such insurance coverage shall be maintained with an insurance company or companies having an A.M. Best's rating (or its equivalent) of A-XII or better.

*Confidential material redacted and filed separately with the Commission.

10.5 LIMITATION ON DAMAGES. NOTWITHSTANDING ANYTHING CONTAINED IN THIS AGREEMENT TO THE CONTRARY, EXCEPT IN RELATION TO LICENSEE'S INDEMNIFICATION OBLIGATIONS UNDER SECTION 10.1 AND ANY BREACH BY LICENSEE OF ARTICLE 11: (I) IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY SPECIAL, PUNITIVE, CONSEQUENTIAL, INDIRECT, OR INCIDENTAL DAMAGES (INCLUDING LOSS OF PROFITS, COSTS OF PROCURING SUBSTITUTE GOODS, LOST BUSINESS OR ENHANCED DAMAGES FOR INTELLECTUAL PROPERTY INFRINGEMENT) WHETHER BASED UPON BREACH OF WARRANTY, BREACH OF CONTRACT, NEGLIGENCE, STRICT LIABILITY IN TORT OR ANY OTHER LEGAL THEORY, AND (II) IN NO EVENT SHALL COH BE LIABLE TO LICENSEE FOR AN AGGREGATE AMOUNT IN EXCESS OF * OF THE TOTAL CONSIDERATION PAID TO COH HEREUNDER.

ARTICLE 11: CONFIDENTIALITY

11.1 **Confidential Information**. During the term of this Agreement and for * (*) years thereafter without regard to the means of termination: (i) COH shall not use, for any purpose other than the purpose contemplated by this Agreement, or reveal or disclose to any Third Party Licensee Confidential Information; and (ii) Licensee shall not use, for any purpose other than the purpose contemplated by this Agreement, or reveal or disclose COH Confidential Information to any Third Party. The Parties shall take reasonable measures to assure that no unauthorized use or disclosure is made by others to whom access to such information is granted.

11.2 **Exceptions**. Notwithstanding the foregoing, a Party may use and disclose Confidential Information of the other Party as follows:

11.2.1 if required by applicable law, rule, regulation, government requirement and/or court order, provided, that, the disclosing Party promptly notifies the other Party of its notice of any such requirement and provides the other Party a reasonable opportunity to seek a protective order or other appropriate remedy and/or to waive compliance with the provisions of this Agreement;

11.2.2 to the extent such use and disclosure occurs in the filing or publication of any patent application or patent on inventions;

11.2.3 as necessary or desirable for securing any regulatory approvals, including pricing approvals, for any Licensed Products or Licensed Services, provided, that, the disclosing Party shall take all reasonable steps to limit disclosure of the Confidential Information outside such regulatory agency and to otherwise maintain the confidentiality of the Confidential Information;

*Confidential material redacted and filed separately with the Commission.

11.2.4 to take any lawful action that it deems necessary to protect its interest under, or to enforce compliance with the terms and conditions of, this Agreement;

11.2.5 to the extent necessary, to its Affiliates, directors, officers, employees, consultants, vendors and clinicians under written agreements of confidentiality at least as restrictive as those set forth in this Agreement, who have a need to know such information in connection with such Party performing its obligations or exercising its rights under this Agreement; and

11.2.6 by Licensee, to actual and potential investors, licensees, Sublicensees, consultants, vendors and suppliers, and academic and commercial collaborators, under written agreements of confidentiality at least as restrictive as those set forth in this Agreement.

11.3 **Certain Obligations**. During the Term and for a period of * (*) years thereafter and subject to the exceptions set forth in Section 11.2, Licensee, with respect to COH Confidential Information, and COH, with respect to Licensee Confidential Information, agree:

11.3.1 to use such Confidential Information only for the purposes contemplated under this Agreement,

11.3.2 to treat such Confidential Information as it would its own proprietary information which in no event shall be less than a reasonable standard of care,

11.3.3 to take reasonable precautions to prevent the disclosure of such Confidential Information to a Third Party without written consent of the other Party, and

11.3.4 to only disclose such Confidential Information to those employees, agents and Third Parties who have a need to know such Confidential Information for the purposes set forth herein and who are subject to obligations of confidentiality no less restrictive than those set forth herein.

11.4 **Termination**. Upon termination of this Agreement pursuant to Section 8.2 (but for clarity, not in the case of its Expiration), and upon the request of the disclosing Party, the receiving Party shall promptly return to the disclosing Party or destroy all copies of Confidential Information received from such Party, and shall return or destroy, and document the destruction of, all summaries, abstracts, extracts, or other documents which contain any Confidential Information of the other Party in any form, except that each Party shall be permitted to retain a copy (or copies, as necessary) of such Confidential Information for archival purposes or to enforce or verify compliance with this Agreement, or as required by any applicable law or regulation.

ARTICLE 12: DISPUTE RESOLUTION

All Disputes shall be first referred to a Chief Strategy Officer of COH and the President of Licensee for resolution, prior to proceeding under the other provisions of this Article 12. A Dispute shall be referred to such executives upon one Party (the "**Initiating Party**") providing the other Party (the "**Responding Party**") with notice that such Dispute exists, together with a written statement describing the Dispute with reasonable specificity and proposing a resolution to such Dispute that the Initiating Party is willing to accept, if any. Within ten days after having received such statement and proposed resolution, if any, the Responding Party shall respond with a written statement that provides additional information, if any, regarding such Dispute, and proposes a resolution to such Dispute that the Responding Party is willing to accept, if any. In the event that such Dispute is not resolved within * (*) days after the Responding Party's receipt of the Initiating Party's notice, either Party may bring and thereafter maintain suit against the other with respect to such Dispute; provided, however, that the exclusive jurisdiction of any such suit shall be the state and federal courts located in Los Angeles County, California, and the Parties hereby consent to the exclusive jurisdiction and venue of such courts.

ARTICLE 13: GOVERNMENTAL MATTERS

13.1 **Governmental Approval or Registration**. If this Agreement or any associated transaction is required by the law of any nation to be either approved or registered with any governmental agency, Licensee shall assume all legal obligations to do so. Licensee shall notify COH if it becomes aware that this Agreement is subject to a U.S. or foreign government reporting or approval requirement. Licensee shall make all necessary filings and pay all costs including fees, penalties and all other out-of-pocket costs associated with such reporting or approval process.

13.2 **Export Control Laws**. Licensee shall observe all applicable U.S. and foreign laws with respect to the transfer of Licensed Products and related technical data to foreign countries, including, without limitation, the International Traffic in Arms Regulations and the Export Administration Regulations.

13.3 **Preference for United States Industry**. If Licensee sells a Licensed Product in the U.S., Licensee shall manufacture said product substantially in the U.S.

ARTICLE 14: MISCELLANEOUS

14.1 **Assignment and Delegation**. Except as expressly provided in this Section 14.1, neither this Agreement nor any right or obligation hereunder shall be assignable in whole or in part, whether by operation of law, or otherwise by Licensee without the prior written consent of COH. Notwithstanding the foregoing, Licensee may assign or transfer its rights and obligations under this Agreement to a Person that succeeds to all or substantially all of that Party's business or assets, whether by sale, merger, operation of law or otherwise and provided that such Person agrees, in form and substance reasonably acceptable to COH, to be bound as a direct party to this Agreement in lieu of or in addition to Licensee and provided further that Licensee has complied with its obligations pursuant to Section 4.4. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the Parties hereto and their respective successors and permitted assignees. Any transfer or assignment of this Agreement in violation of this Section 14.1 shall be null and void.

*Confidential material redacted and filed separately with the Commission.

14.2 **Entire Agreement**. This Agreement contains the entire agreement between the Parties relating to the subject matter hereof, and all prior understandings, representations and warranties between the Parties are superseded by this Agreement.

14.3 **Amendments**. Changes and additional provisions to this Agreement shall be binding on the Parties only if agreed upon in writing and signed by the Parties.

14.4 **Applicable Law**. This Agreement shall be construed and interpreted in accordance with the laws of the State of California and all rights and remedies shall be governed by such laws without regard to principles of conflicts of law.

14.5 **Force Majeure**. If the performance of this Agreement or any obligations hereunder is prevented, restricted or interfered with by reason of earthquake, fire, flood or other casualty or due to strikes, riot, storms, explosions, acts of God, war, terrorism, or a similar occurrence or condition beyond the reasonable control of the Parties, the Party so affected shall, upon giving prompt notice to the other Parties, be excused from such performance during such prevention, restriction or interference, and any failure or delay resulting therefrom shall not be considered a breach of this Agreement.

14.6 **Severability**. The Parties do not intend to violate any public policy or statutory common law. However, if any sentence, paragraph, clause or combination of this Agreement is in violation of any law or is found to be otherwise unenforceable, such sentence, paragraph, clause or combination of the same shall be deleted and the remainder of this Agreement shall remain binding; provided, that, such deletion does not alter the basic purpose and structure of this Agreement.

14.7 **Notices**. All notices, requests, demands, and other communications relating to this Agreement shall be in writing in the English language and shall be delivered in person or by mail, international courier or facsimile transmission (with a confirmation copy forwarded by courier or mail). Notices sent by mail shall be sent by first class mail or the equivalent, registered or certified, postage prepaid, and shall be deemed to have been given on the date actually received. Notices sent by international courier shall be sent using a service which provides traceability of packages. Notices shall be sent as follows:

Notices to COH:

Office of Technology Licensing
City of Hope
1500 East Duarte Road
Duarte, CA 91010
Attn: Chief Strategy Officer
Fax: 626-301-8175

with a copy to:

Office of General Counsel
City of Hope
1500 East Duarte Road
Duarte, CA 91010
Attn: General Counsel
Fax: 626-301-8863

Notices to Licensee:

Mustang Bio, Inc.
2 Gansevoort, 9th Floor
New York, NY 10014
Attn: CEO

With a copy to:

Mustang Bio, Inc.
2 Gansevoort, 9th Floor
New York, NY 10014
Attn: Corporate Secretary

Either Party may change its address for notices or facsimile number at any time by sending notice to the other Party.

14.8 **Independent Contractor**. Nothing herein shall create any association, partnership, joint venture, fiduciary duty or the relation of principal and agent between the Parties hereto, it being understood that each Party is acting as an independent contractor, and neither Party shall have the authority to bind the other or the other's representatives in any way.

14.9 **Waiver**. No delay on the part of either Party hereto in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any power or right hereunder preclude other or further exercise thereof or the exercise of any other power or right. No waiver of this Agreement or any provision hereof shall be enforceable against any Party hereto unless in writing, signed by the Party against whom such waiver is claimed, and shall be limited solely to the one event.

14.10 **Interpretation**. This Agreement has been prepared jointly and no rule of strict construction shall be applied against either Party. In this Agreement, the singular shall include the plural and vice versa and the word "including" shall be deemed to be followed by the phrase "without limitation." The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

14.11 **Counterparts**. This Agreement may be executed in counterparts, each of which together shall constitute one and the same Agreement. For purposes of executing this agreement, a facsimile copy or an emailed PDF of this Agreement, including the signature pages, will be deemed an original.

14.12 **Licensee Certification**. Licensee certifies to COH, under penalty of perjury, that Licensee has not been convicted of a criminal offense related to health care, is not currently debarred, excluded or otherwise ineligible for participation in federally funded health care programs and has not arranged or contracted (by employment or otherwise) with any employee, contractor, or agent that it knew or should have known are excluded from participation in any federal health care program, and will not knowingly arrange or contract with any such individuals or entities during the term of this Agreement. Licensee agrees to notify COH in writing immediately of any threatened, proposed or actual conviction relating to health care, of any threatened, proposed or actual debarment or exclusion from participation in federally funded programs, of Licensee or any officer or director of Licensee. Any breach of this Section 14.12 by Licensee shall be grounds for termination of this Agreement by COH in accordance with Section 8.2.1.

14.13 **Publicity**. Neither Party may issue a press releases or otherwise disclose the existence or terms of this Agreement without the prior written consent of the other Party; provided, however, that once the existence or any terms or conditions of this Agreement has been publicly disclosed in a manner mutually and reasonably agreed-to by the Parties, either Party may republish the facts previously disclosed without the prior consent of the other Party. COH may, in its sole discretion and without the approval of Licensee, publicly disclose the existence of this Agreement and the overall potential value of the Agreement to COH, so long as the detailed and specific terms and conditions of this Agreement are not disclosed. If a third party inquires whether a license is available, COH may disclose the existence of the Agreement and the extent of its grant in Section 3.1 to such third party, but will not disclose the name of the Licensee, except where COH is required to release information under either the California Public Records Act or other applicable law. Notwithstanding the foregoing, COH may disclose an unredacted copy of this Agreement as required under applicable law and other obligations as applicable to the CIRM Grant.

14.14 **No Third Party Beneficiaries**. Except for the rights of the COH Indemnities pursuant to Article 10, nothing in this Agreement, either express or implied, is intended to or shall confer upon any Third Party any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

* * * * *

IN WITNESS WHEREOF, the Parties have executed this Agreement by their duly authorized representatives.

MUSTANG BIO, INC.		**CITY OF HOPE**	
By:	_____	By:	_____
Name:	_____	Name:	_____
Title:	_____	Title:	_____

EXHIBIA A

CTA

INVESTIGATOR-INITIATED
CLINICAL RESEARCH SUPPORT AGREEMENT

This Investigator-Initiated Clinical Research Support Agreement (this "**Agreement**") is made as of **[_____]** 2017 ("**Effective Date**") by and between City of Hope National Medical Center (collectively, "**Institution**"), and **[INSERT]** ("**Corporation**"). The Institution and Corporation are each referred to herein as a "**Party**," and collectively, as the "**Parties**."

RECITALS

A. This Agreement is entered into to support the research and promote an increase in the useful clinical and scientific knowledge related to the Investigator-sponsored study conducted under an Institutional Review Board-approved, investigator-initiated protocol entitled: **"[INSERT]" (the "Study").**

B. **[INSERT RELEVANT FUNDING INFORMATION, IF APPLICABLE].**

AGREEMENT

In consideration of the above, and of the mutual covenants and promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties further agree as follows:

1. DEFINITIONS:

a. "**Institution Personnel**" means Institutions' employees and medical staff performing Study activities hereunder.

b. "**Inventions**" means all inventions (whether patentable or not), discoveries and innovations, conceived and reduced to practice by Institution Personnel in connection with the performance of the Protocol under this Agreement.

c. "**Investigator**" means **[INSERT].**

d. "**Protocol**" means the Study protocol entitled: "**[INSERT]**", which has been approved by Institution's designated Institutional Review Board **("IRB"),** including all amendments thereto.

2. SCOPE OF WORK: Institution agrees to perform the above titled Study in accordance with the Protocol attached to this Agreement and incorporated herein by reference. Institution shall ensure that such Study is performed in compliance with all applicable federal, state, and local statutes and regulations, with all Institutional requirements, and with all Protocol requirements, including those relating to the documentation and submission of information and reports to regulatory entities, including the FDA and Institution's designated IRB, and with this Agreement. Institution agrees and acknowledges that Corporation's support for the Study is not being used to reward Institution's support for any Corporation activities or to influence prescribing or formulary decisions at Institution.

3. **TERM:** The term of this Agreement will commence as of the Effective Date and will end upon delivery of a final study report for the Study from Institution to Corporation, unless terminated earlier as provided herein.

4. **PAYMENT AND SUPPORT:**

a. **Fees:** In consideration for the Study performed by Institution, Corporation shall be responsible for the payment schedule in accordance with Exhibit A-1 and Exhibit A-2. Checks shall be made payable to: City of Hope National Medical Center and sent to: 1500 East Duarte Road, Duarte, California 91010, Attention: Office of Clinical Trials Support Services. The Parties acknowledge that the fees set forth on Exhibits A-1 and A-2 are applicable to any subjects enrolled under the Protocol, without regard to specific stratum and/or strata that such subject may have been enrolled or will enroll.

b. **Termination for nonpayment:** In the event that Corporation fails to pay the initial payment or subsequent invoices in full as and when due under Exhibit A-I and Exhibit A-2 (including any extension terms), Corporation and/or Institution shall have the right to terminate this Agreement (and such payment obligation) upon a * (*) day notification to the other Party, if such invoice is not paid within such * (*) day notice period.

c. **Breach for nonpayment:** In the event Institution does not receive either full payment or a timely termination notice as described in Section 4(b), then Corporation shall owe to Institution a penalty of * dollars ($ *) per week until either full payment or a termination notice is received. The penalties described in this section shall automatically begin to accrue the first Monday following the failure to fully pay the amounts owed or receipt of a timely termination notice. In the event that Corporation remits payment following Corporation's sending of a termination notice, Corporation shall continue to be responsible for the penalties as described in this section up until the date the notice is received. Corporation shall pay any penalties within * (*) days of the day that the penalties began to accrue. Should such penalties be required, checks shall be made payable to: City of Hope National Medical Center and sent to: 1500 East Duarte Road, Duarte, California 91010, Attention: Office of Clinical Trials Support Services. Any payments made towards penalties, as described in this section, shall be nonrefundable.

5. **CONFIDENTIAL INFORMATION:**

a. For purposes of this Agreement, the term "**Confidential Information**" shall mean all written or oral information relating to the Study, including but not limited to Inventions; Study Data; know-how; technical and nontechnical materials; and compound samples and specifications, which Institution may disclose, or have disclosed on its behalf to Corporation pursuant to or related to the subject matter of this Agreement.

*Confidential material redacted and filed separately with the Commission.

b. Confidentiality: Corporation agrees to maintain Confidential Information in confidence with the same degree of care it holds its own confidential information, which shall be no less than a reasonable degree of care. Corporation will not use Confidential Information except for the exercise of its rights under this Agreement, as set forth in Sections 6 and 8. Corporation will disclose Confidential Information only to its and its affiliates' officers, consultants and employees directly concerned with the Study that are subject to written obligations of confidentiality sufficient to ensure Corporation's compliance with its confidentiality obligations hereunder, and (except as expressly permitted hereunder) will not disclose Confidential Information to any other third party nor use Confidential Information for any purpose, provided that Corporation shall be free to disclose Confidential Information as reasonably necessary to exercise its rights hereunder, provided such disclosure is, to the extent commercially reasonable, subject to obligations of confidentiality comparable to those set forth in this Section 5.

c. Exceptions to Confidentiality: Corporation's obligation of nondisclosure and the limitations upon the right to use Confidential Information shall not apply to the extent that Corporation can demonstrate that such Confidential Information: (a) is now, or hereafter becomes, through no act or failure to act on the part of Corporation, generally known or available to the public; (b) was known, without obligation of confidentiality, by Corporation before generation hereunder by Institution; (c) is hereafter rightfully obtained by Corporation from a third party, without breach by the third party of any obligation to Institution; or (d) is independently developed by or on behalf of Corporation without use or benefit of or reference to Confidential Information by persons who had no access to such Confidential Information. Corporation may disclose Confidential Information if and to the extent that a disclosure thereof is required by applicable law, rule, or regulation, provided that Corporation uses reasonable efforts to limit the disclosure by means of a protective order or a request for confidential treatment and, to the extent reasonably practicable, provides Institution a reasonable opportunity to review the disclosure before it is made and to interpose its own objection to the disclosure.

d. HIPAA: Corporation will take appropriate measures to protect the confidentiality and security of all protected health information (as such term is defined in the Health Insurance Portability and Accountability Act) that it receives from Institution in connection with the Study. If, in connection with the Study or performance of this Agreement, Corporation comes into contact with individually identifiable health information relating to patients who are not Study subjects, Corporation agrees to maintain the confidentiality of such information, not use it for any purpose, immediately notify Institution and cooperate with Institution to return or destroy any such information. If Corporation is permitted to receive any individually identifiable information of Study subjects under the applicable informed consent form, Corporation shall only use and disclose such information as necessary for the Study and shall promptly notify Institution of any unauthorized use or disclosure. The obligations in this paragraph shall survive the termination of this Agreement indefinitely.

e. Survival: All obligations regarding Confidential Information under this Agreement shall survive the termination of this Agreement.

6. **USE OF DATA**: Corporation acknowledges that Institution owns all results, data, analyses, reports, and other documentation resulting from, or generated in the course of or with respect to, the performance of the Study as set forth in the Protocol (collectively, "**Study Data**"); provided, that Corporation shall have the right to use Study Data solely relating to **[INSERT]** used in connection with the Protocol and in accordance with**[INSERT LICENSE: AGREEMENT]** (the "**License**"**).**

7. **REPORTS:** Institution shall furnish to Corporation a comprehensive written report within 60 days after the completion of the Study. For the avoidance of doubt, such report, is considered Confidential Information subject to Section 5 of this Agreement. Failure by Institution to furnish such report to Corporation in a timely manner shall constitute a material breach of this agreement.

8. **PUBLICATION**: Institution and Corporation recognize the traditional freedom of all scientists to publish and present promptly the results of their research. Institution and Corporation also recognize that patent rights can be jeopardized by public disclosure prior to the filing of suitable patent applications and that confidential information can thereby be inadvertently disclosed. Therefore, Institution shall submit all proposed publications arising from research under this Agreement to Corporation before submission to a publisher for review. Corporation shall have thirty (30) days in which to review the publication, which may be extended for an additional sixty (60) days when Corporation discloses to Institution a reasonable need for such extension in order to file for patent protection.

9. **INVENTIONS & INTELLECTUAL PROPERTY**: Ownership of all Inventions shall follow inventorship in accordance with U.S. patent law. Institution shall promptly notify Corporation in writing and in reasonable detail of any Inventions solely relating to **[INSERT]** used in connection with the Protocol. Institution and Corporation agree that Corporation's rights to such Inventions shall be subject to the License. Notwithstanding the foregoing provisions, nothing in this Agreement is intended to, or should be construed to, conflict with federal law (including any Bayh-Dole or NIH obligations) or **[INSERT FUNDING SOURCE, IF APPLICABLE]** obligations that may arise with respect to Inventions resulting from research funded hereunder. Federal law or applicable law shall govern in the event of any inconsistency with this Section 9.

10. INDEMNIFICATION:

a. Institution shall indemnify and hold Corporation and its (and its affiliates') directors, officers, agents, contractors and employees harmless from any claim, liability, loss or demand arising from (i) the negligence, recklessness or willful misconduct of Institution or any Institution Personnel in the conduct of the Study, and (ii) Institution's or any Institution Personnel's failure to comply with any applicable law or regulations in the conduct of the Study.

b. Corporation agrees to indemnify and hold Institution, its affiliates, and their respective directors, officers, agents, medical staff, contractors and employees, including Investigator, harmless from any claim, liability, loss or demand arising from (i) Corporation's use of the results of the Study; (ii) any breach of this Agreement by Corporation or any of its agents, contractors or employees; (iii) the negligence, recklessness or willful misconduct of Corporation or any of its agents, contractors or employees in connection with the Study or this Agreement; and (iv) Corporation's or any of its agents', contractors' or employees' failure to comply with any applicable law or regulations.

c. The obligations of each Party under this Section are subject to: prompt notification to the indemnifying party by the indemnified party of any claim or suit; full control by the indemnifying party of any disposition or settlement of said claim or suit; and cooperation by the indemnified party with the indemnifying party regarding such disposition or settlement; provided, however, that, without the indemnified party's prior written approval (such approval not to be unreasonably withheld), the indemnifying party shall not settle or compromise any such claim or suit if such settlement or compromise would result in an admission of liability or wrongdoing or impose any obligation on the indemnified party.

11. TERMINATION:

a. If any Party breaches any material provision in this Agreement, the other Party may terminate this Agreement if the breaching Party does not cure the breach to the non-breaching Party's reasonable satisfaction within * (*) days after written notice to the breaching Party of the same. Such right of termination shall be in addition to any other rights the terminating Party may have, at law or equity, pursuant to this Agreement or otherwise.

b. Each Party may terminate this Agreement as noted in Section 4.

c. Each Party shall be entitled to terminate this Agreement at any time upon * (*) days' written notice to the other Party.

d. Each Party reserves the right to terminate this Agreement at any time effective immediately (i) if the authorization and approval to conduct the Study is withdrawn by the FDA, IRB, or other regulatory authority, or (ii) for bona fide safety concerns.

*Confidential material redacted and filed separately with the Commission.

e. In the event of termination (other than a termination by Corporation pursuant to Section 11(a) hereof), Corporation will reimburse the Institution for all actual costs and non-cancelable commitments properly incurred prior to receipt of notice of termination in the performance of the Study consistent with this Agreement. Any payments made by Corporation to Institution shall be nonrefundable.

12. **NOTICES**: All notices or other communications that are required or permitted hereunder shall be in writing and delivered personally, sent by email, sent by a nationally-recognized overnight courier or sent by registered or certified mail, postage prepaid, return receipt requested, to the addresses listed below or to such other addresses as each of the Parties may otherwise request. Any such communication shall be deemed to have been given (i) when delivered, if personally delivered or sent by facsimile or email on a business clay, (ii) on the business day after dispatch, if sent by nationally-recognized overnight courier, and (iii) on the fifth business day following the date of mailing, if sent by mail.

If to Corporation:	**[INSERT]**
If to Institution for contract or administrative matters:	City of Hope National Medical Center 1500 East Duarte Road Duarte, California 91010 Attn: Office of Clinical Trials Support Services Tel: 626-256-4673, ext. 64284 Email: CTSS-E@coh.org
If to Investigator for clinical or technical matters:	**[INSERT]** 1500 East Duarte Road Duarte, California 91010 Tel: **[INSERT]** Email: **[INSERT]**

13. **RELATIONSHIP OF THE PARTIES**: The execution of this Agreement shall not confer upon the Parties any interest or benefits other than those specifically set forth herein. In making and performing this Agreement, the Parties shall act at all times as independent entities, and nothing contained in this Agreement shall be construed or implied to create an agency, partnership or employer and employee relationship between Corporation and Institution, Investigator, or Institution's officers, employees, consultants or agents. Except as specifically provided herein, at no time shall either Party make commitments or incur any charges or expenses for or in the name of the other Party.

14. **INDEPENDENT RESEARCH**: Nothing in this Agreement shall be construed to limit the freedom of Institution or Investigator or other individuals participating in this Study, whether paid under this Agreement or not, to engage in research similar or competitive to the Study independently under other grants, contracts or agreements with parties other than Corporation. The Parties agree that, by executing this Agreement or performing hereunder, Institution and Investigator are not transferring or delegating any legal or regulatory obligations they may have under applicable law as the sponsors of such Study or holder of any IND or similar authorization to conduct such Study, and that, except as explicitly set forth in this Agreement, Corporation shall have no obligations or liabilities with respect to the Study or the performance thereof.

15. **SURVIVAL**: Expiration or termination of this Agreement by any Party shall not affect the rights and obligations of the Parties accrued prior to the effective date of the expiration or termination. The provisions of Sections 1, 5, 9, 10, 15, 16, 17 and 21 shall survive the termination or expiration of this Agreement for any reason.

16. **COMPLIANCE WITH LAWS**: All parties shall comply in all material respects with the requirements of all applicable laws, rules, regulations and orders of any government authority in performing the Study including, without limitation, all U.S. Food and Drug Administration regulations relating to Good Clinical Practice and clinical trials,

17. **HUMAN SUBJECTS RESEARCH PROTECTION**: In the event of a Research Injury (as defined, below), Institution will make medical care available to Study subjects, when appropriate, as further set forth in the informed consent document approved by the IRB for this Study. "Research Injury" as used herein shall mean injury or illness sustained by a Study subject to the extent that such injury or illness is directly related to a Study procedure or the Study Drug.

18. **REPRESENTATIONS AND WARRANTIES**: The Institution and Corporation each represents and warrants that (i) it is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation; (ii) it has the right and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereunder; (iii) this Agreement is a legal, valid and binding agreement of the Party and enforceable against it; (iv) the execution and delivery of this Agreement will not, to each Party's knowledge, violate any statute, regulation or any other restriction upon the Party; and (v) it has secured all requisite authorizations and approvals necessary for the execution, delivery and performance of this Agreement. EXCEPT AS EXPRESSLY PROVIDED HEREIN, ALL STUDY DATA AND INVENTIONS PROVIDED, SUBMITTED OR GENERATED HEREUNDER BY THE INSTITUTION OR INSTITUTION PERSONNEL (INCLUDING WITHOUT LIMITATION THE INVESTIGATOR) IS PROVIDED, SUBMITTED OR GENERATED, AS APPLICABLE, "AS-IS" WITH NO WARRANTY OF ANY KIND, AND ALL SUCH WARRANTIES THEREIN, WHETHER STATUTORY, EXPRESS OR IMPLIED (AND INCLUDING WITHOUT LIMITATION WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY, TITLE AND NON-INFRINGEMENT OF THIRD PARTY RIGHTS), ARE HEREBY DISCLAIMED TO THE MAXIMUM EXTENT PERMISSIBLE BY LAW. THE PARTIES ACKNOWLEDGE THAT THE STUDY IS EXPERIMENTAL AND THE INSTITUTION DISCLAIMS ANY WARRANTY THAT IT WILL BE ABLE TO COMPLETE THE STUDY AS CONTEMPLATED BY THE PROTOCOL OR THAT THE STUDY WILL BE SUCCESSFUL. EXCEPT WITH RESPECT TO ANY INDEMNIFICATION OBLIGATIONS OF INSTITUTION AS SET FORTH IN THIS SECTION, (I) THE INSTITUTION SHALL HAVE NO LIABILITY TO CORPORATION FOR ANY LOST PROFITS, LOST OPPORTUNITIES, OR CONSEQUENTIAL, SPECIAL, INCIDENTAL, INDIRECT OR PUNITIVE DAMAGES, AND (II) THE INSTITUTION'S MAXIMUM LIABILITY TO CORPORATION SHALL NOT EXCEED THE AMOUNTS PAID BY CORPORATION TO THE INSTITUTION UNDER THIS AGREEMENT.

19. **DEBARMENT**: Corporation hereby certifies to Institution under penalty of perjury, that Corporation has not been convicted of a criminal offense related to health care and is not currently debarred, excluded or otherwise ineligible for participation in federally funded health care programs. Corporation agrees to notify Institution in writing immediately of any threatened, proposed or actual conviction relating to health care, or any threatened, proposed or actual debarment or exclusion from participation in federally funded health care programs, of the Corporation. Corporation will not employ or contract with individuals or entities excluded from participation in a federally funded program. Any breach of this section of this Agreement by Corporation shall be grounds for immediate termination of this Agreement by Institution.

20. **PUBLICITY**: Neither Party shall publicly use the other Party's name, nor issue any public statement about this Agreement or the Study, without the prior written permission of the other Party (which permission shall not be unreasonably withheld), except as required by law (and, in such case, only with prior prompt notice to the other Party); provided, however that Institution has the right to list the Study name and information on its Clinical Trials Online (CTOL) website system and, in order for the Institution to satisfy its governmental reporting obligations, it may disclose to governmental agencies the amount of support received from Corporation for the Study.

21. **ASSIGNMENT**: This Agreement and all rights and obligations hereunder are personal to the Parties and may not be assigned without the express written consent of the other Party, which consent will not be unreasonably withheld or delayed.

22. **CHOICE OF LAW AND JURISDICTION**: This Agreement shall be construed in accordance with the laws of the State of California. All actions arising under this Agreement shall be brought exclusively in the state and federal courts sitting in Los Angeles County, California and each of the Parties hereby agrees to submit to the exclusive venue and personal jurisdiction of such courts.

23. **FORCE MAJEURE**: Failure of either Party to perform its obligations under this Agreement (except the obligation to make payments) shall not subject such Party to any liability or place such Party in breach of any term or condition of this agreement to the other Party if such failure is the result of any event beyond the reasonable control of such nonperforming Party, which may include, but is not limited to, acts of God, fire, explosion, flood, drought, war, riot, sabotage, embargo, strike or other labor trouble, failure in whole or in part of suppliers to deliver on schedule materials, equipment or machinery, interruption of or delay in transportation, a national health emergency or compliance with any order or regulation of any government entity acting with color of right. Any Corporation payments made to Institution prior to an event beyond the reasonable control of such nonperforming Party shall be nonrefundable.

24. **WAIVER**: The failure of a Party to enforce any breach or provision of this Agreement shall not constitute a continuing waiver of such breach or provision and such Party may at any time thereafter act upon or enforce such breach or provisions of this Agreement. Any waiver of breach executed by either Party shall affect only the specific breach and shall not operate as a waiver of any subsequent or preceding breach.

25. **TIME IS OF THE ESSENCE**: Time is of the essence with respect to the performance of this Agreement and each of its terms.

26. **FURTHER INSTRUMENTS AND ACTS**: Each Party shall execute and deliver such further instruments and do such further acts and things as reasonably may be required to carry out the intent and purpose of this Agreement.

27. **SEVERABILITY**: If any clause or provision of this Agreement is declared invalid or unenforceable by a court of competent jurisdiction or an arbitrator, such provision shall be severed and the remaining provisions of the Agreement shall continue in full force and effect. The Parties shall use their best efforts to agree upon a valid and enforceable provision as a substitute for the severed provision, taking into account the intent of this Agreement.

28. **COUNTERPARTS**: This Agreement may be executed in any number of counterparts, each of which shall be an original as against the Party whose signature appears thereon, but all of which taken together shall constitute but one and the same instrument.

29. **ENTIRE AGREEMENT**: This Agreement, including any exhibits and appendices attached hereto, sets forth the entire agreement between Corporation and Institution as to its subject matter, and supersedes any and all other discussions, negotiations and representations of any kind by and among the Parties. None of the terms of this Agreement shall be amended except in writing signed by both Parties; provided, however, that the Protocol may be amended by Institution as reasonably necessary. Institution shall promptly provide to Corporation a copy of any Protocol amendment. If there is any conflict between the provisions of the final study Protocol, as it may be amended, and those of this Agreement, the provisions of this Agreement shall govern; provided, however, that the provisions of the Protocol shall govern with respect to the performance of the Study. Nothing herein shall supersede, modify, alter, amend or otherwise change each Party's respective rights, liability or obligations under the License or the Sponsored Research Agreement.

Signature page follows

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by duly authorized representatives as of the Effective Date.

Corporation	**Institution**
By: _____	By: _____
Name: _____	Name: Ashley Baker Lee
Title: _____	Title: SVP, Research Operations

As Investigator to this Agreement, I attest that I have read the Agreement in its entirety, and that I consent to the terms herein:

Investigator

By: _____

Name: **[INSERT]**

EXHIBIT A-1

CITY OF HOPE NATIONAL MEDICAL CENTER PAYMENT TERMS

Unless otherwise specified, the amounts below are payable by Corporation (or its designee) to Institution pursuant to Section 4 of the Agreement, and will be made as follows:

Initial Payment to Institution:

Within seven (7) days of execution of this Agreement, Corporation will pay to Institution a one-time, non-refundable payment in the sum of **[INSERT]**, the total initial start-up fees payment due pursuant to this Agreement.

If the Study is terminated and the termination is not the result of i) the Institution's failure to enroll any eligible subjects according to the terms of the Agreement or ii) a violation by the Institution of the Agreement, the Protocol or any applicable laws or regulations, then Corporation shall reimburse Institution for the actual start-up costs incurred up to the date of termination.

Invoiceable Payments to Institution:

After Initial Payment has been made, subsequent payments for costs associated with the screening and evaluation of the patient prior to the initiation of treatment shall be invoiced to Corporation.

Payment Timing and Invoicing:

With respect to the invoiceable payments to Institution outlined in Exhibit A-2, Institution shall submit an invoice every quarter to Corporation for those costs. Corporation shall have thirty (30) days in which to pay those costs.

Invoice Information:

The Institution will reference do [INSERT] as invoicee, and invoices must be made out to the following (do not send invoices here):

ALL STUDY INVOICES ARE TO BE SENT TO**[INSERT]** AT ADDRESS BELOW.

Invoices must contain an accurate itemization of all fees, supporting documentation, site invoice reference number, PO number (if available), and must specify the following information:

Reference: **[INSERT]**

Attention: **[INSERT]**

Original invoices pertaining to this Study should be submitted for reimbursement as follows:

Email (preferred): **[INSERT]**

Paper Invoices: **[INSERT]**

For invoicing questions, please contact the following:

Attention: **[INSERT]**

Email: **[INSERT]**

Phone Number: **[INSERT]**

EXHIBIT A-2

[CITY OF HOPE NATIONAL MEDICAL CENTER BUDGET]

CONFIDENTIAL TREATMENT REQUESTED. Confidential portions of this document have been redacted and have been separately filed with the Commission.

EXCLUSIVE LICENSE AGREEMENT

BETWEEN

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

AND

MUSTANG BIO, INC.

FOR

UCLA Case No. * : "*Engineered Anti-Prostate Stem Cell Antigen (PSCA) Antibodies for Cancer Targeting*"

AND

UCLA Case No. * : "*High Affinity Anti-Prostate Stem Cell Antigen (PSCA) Antibodies for Cancer Targeting and Detection*"

*Confidential material redacted and filed separately with the Commission.

EXCLUSIVE LICENSE AGREEMENT
TABLE OF CONTENTS

EXCLUSIVE LICENSE AGREEMENT

THIS EXCLUSIVE LICENSE AGREEMENT AND THE ATTACHED APPENDICES A, B, C, AND D (collectively, the " **Agreement**") is made and is effective as of March 17, 2017 (the "**Effective Date")** between **THE REGENTS OF THE UNIVERSITY OF CALIFORNIA** ("**The Regents**"), a California corporation having its corporate offices located at 1111 Franklin Street, Oakland, California 94607-5200, acting through The Technology Development Group of the University of California, Los Angeles, located at **10889 Wilshire Boulevard, Suite 920, Los Angeles, CA 90095-7191** , and **MUSTANG BIO, INC.** ("**Licensee**"), a Delaware corporation having a principal place of business at **2 Gansevoort, 9th Floor, New York, NY 10014.**

RECITALS

WHEREAS, certain invention(s), generally characterized as

1. UCLA Case No. * : "*Engineered Anti-Prostate Stem Cell Antigen (PSCA) Antibodies for Cancer Targeting*"; and

2. UCLA Case No. * : "*High Affinity Anti-Prostate Stem Cell Antigen (PSCA) Antibodies for Cancer Targeting and Detection*"

(the "**Inventions**") were made in the course of research at the University of California, Los Angeles by Anna Wu, Robert E. Reiter, Eric J. Lepin, James D. Marks, and Yu Zhou, ("**Inventors**"), and are claimed in Regents' Patent Rights, as defined below;

WHEREAS, the Inventors are employees of The Regents and as such are obligated to assign their right, title and interest in and to the Inventions to The Regents;

WHEREAS, UCLA Case Nos. * and * were developed with United States Government funds, and The Regents has elected title thereto and granted royalty-free nonexclusive licenses to the United States Government on March 6, 2009 and March 5, 2010, respectively, as required under 35 U.S.C. §200-212;

WHEREAS, Licensee is a "**small business concern**" as defined in 15 U.S.C. §§632; and

WHEREAS, The Regents wishes that Regents' Patent Rights be developed and utilized to the fullest extent so that the benefits can be enjoyed by the general public.

The parties agree as follows:

1. DEFINITIONS

1.1 "**Affiliate**" means any business entity in which Licensee owns or controls, directly or indirectly, at least fifty percent (50%) of the outstanding stock or other voting rights entitled to elect directors. In any country where the local law does not permit foreign equity participation of at least fifty percent (50%), then "**Affiliate**" means any business entity in which Licensee owns or controls, directly or indirectly, the maximum percentage of outstanding stock or voting rights that is permitted by local law.

*Confidential material redacted and filed separately with the Commission.

1.2 "**BLA**" means a biologics license application submitted to the FDA prior to marketing a pharmaceutical product as required under the United States Federal Food, Drug and Cosmetic Act and the regulations promulgated thereunder, or the substantive equivalent of such BLA as required by a given Regulatory Authority outside the United States prior to marketing and selling a pharmaceutical product in such Regulatory Authority's country.

1.3 "**Combination Product**" means a product which comprises (a) a Licensed Product (the "**Licensed Product Component**"), and (b) at least one other pharmacologically active ingredient, which, if administered or used independently of the Licensed Product, would have a therapeutic effect (the "**Non-Licensed Product Component**"). Combination Products are also Licensed Products and therefore references to Licensed Products in the definitions in this Agreement (such as in the definition of Net Sales, Final Sales, etc.) also refer to Combination Products.

1.4 "**Commercialization**" has the meaning set forth in Paragraph 6.1 of this Agreement.

1.5 "**Commercially Reasonable Efforts**" means, with respect to the efforts to be expended pertaining to the commercialization of a Licensed Product, those diligent, reasonable, good faith efforts to accomplish such objective as such party would normally use to accomplish a similar objective under similar circumstances. For the avoidance of doubt, "Commercially Reasonable Efforts" shall not include (a) halting commercialization of, or otherwise shelving, a Licensed Product for the purpose of pursuing another of Licensee's (or Sublicensee's as the case may be) products not covered by Regents' Patent Rights or (b) discontinuing all development, manufacturing, marketing and selling of such Licensed Product for a period of greater than twenty-four (24) months.

1.6 **"Covered"** means that the use, manufacture, sale, offer for sale, development, commercialization or importation of the subject matter in question by an unlicensed entity would infringe a Valid Claim of a Patent Right; provided that infringement of any Valid Claim of a pending patent application shall be determined as if such Valid Claim were issued or granted.

1.7 "**Customer**" means any individual or entity that receives Licensed Products or Licensed Methods, provided however, that Licensee or Sublicensee shall be deemed a Customer only if it receives Licensed Products or Licensed Methods that are not intended for further sale, transfer, lease, exchange or other disposition.

1.8 "**FDA**" means the United States Food and Drug Administration or any successor entity thereto.

1.9 "**Field of Use**" *.

1.10 "**Final Sale**" means any sale, transfer, lease, exchange or other disposition or provision of a Licensed Product and/or a Licensed Method to a Customer by Licensee or a Sublicensee. A Final Sale will be deemed to have occurred upon the earliest to occur of the following (as applicable): (a) the transfer of title to such Licensed Product and/or Licensed Method to a Customer, (b) the shipment of such Licensed Product to a Customer, (c) the provision of a Licensed Method to a Customer, (d) the provision of an invoice for such Licensed Product or Licensed Method to a Customer, or (e) payment by the Customer for Licensed Products or Licensed Methods. Exchange of Licensed Products between Licensee and a Sublicensee is not a Final Sale if the Licensed Product is intended for further sale, transfer, lease, exchange or other disposition, in which case the Final Sale will be deemed to have occurred upon sale, transfer, lease, exchange or other disposition or provision of Licensed Product by Licensee or Sublicensee to a Customer. In addition, none of the following shall constitute a Final Sale (and no royalty shall be owing hereunder with respect to any of the following): (x) transfer by Licensee or a Sublicensee of Licensed Product at no cost solely for use in, or for purposes of, a clinical study, clinical trial, or as a free sample in product promotion; and (y) use by Licensee, its Affiliates or Sublicensees of Product for their internal research purposes.

*Confidential material redacted and filed separately with the Commission.

1.11 "**First Commercial Sale**" means the first sale of any Licensed Product by Licensee or a Sublicensee, following approval of its marketing by the appropriate governmental agency for the country in which the sale is to be made. When governmental approval is not required, "First Commercial Sale" means the first sale in that country.

1.12 "**IND**" means an investigational new drug application submitted to the FDA prior to the commencement of human clinical testing of a pharmaceutical product as required under the United States Federal Food, Drug and Cosmetic Act and the regulations promulgated thereunder, or the substantive equivalent of such IND application as required by a given Regulatory Authority outside the United States prior to commencing clinical testing of a pharmaceutical product in human subjects in such Regulatory Authority's country.

1.13 "**Joint Venture**" means any separate entity established pursuant to an agreement between a third party and Licensee and/or a Sublicensee, in which the separate entity manufactures, uses, purchases, sells or acquires Licensed Products from Licensee or a Sublicensee.

1.14 "**Licensed Method**" means any process, service, or method Covered by a Valid Claim within Regents' Patent Rights or whose use or practice would, absent the license granted under this Agreement, constitute an infringement, inducement of infringement or contributory infringement of any Valid Claim within Regents' Patent Rights.

1.15 "**Licensed Product**" means any article, composition, apparatus, substance, chemical, or any other material Covered by a Valid Claim within Regents' Patent Rights or whose manufacture, import use, offer for sale, or sale would, absent the license granted under this Agreement, constitute an infringement, inducement of infringement or contributory infringement of any Valid Claim within Regents' Patent Rights, or any service, article, composition, apparatus, chemical, substance or any other material made, used or sold by or utilizing or practicing a Licensed Method. This definition of Licensed Product also includes a service either used by Licensee or a Sublicensee or provided by Licensee or a Sublicensee to a Customer when such service requires the use of Licensed Product or performance of a Licensed Method.

1.16 "**Minimum Annual Royalty**" has the meaning set forth in Paragraph 5.3 of this Agreement.

1.17 "**NDA**" means a new drug application submitted to the FDA prior to marketing a pharmaceutical product as required under the United States Federal Food, Drug and Cosmetic Act and the regulations promulgated thereunder, or the substantive equivalent of such NDA as required by a given Regulatory Authority outside the United States prior to marketing and selling a pharmaceutical product in such Regulatory Authority's country.

1.18 "**Net Sales**" means the total of the gross amount invoiced or otherwise charged (whether consisting of cash or any other forms of consideration) for all Final Sales, less the following deductions (to the extent included in and not already deducted from the gross amount invoiced or otherwise charged) to the extent reasonable and customary: (i) cash, trade or quantity discounts actually granted to Customers; (ii) sales, use, tariff, import/export duties or other excise taxes imposed on particular sales, and value added taxes ("**VAT**") to the extent that such VAT is incurred and not reimbursed, refunded, or credited under a tax authority; (iii) bad debts actually written off, as applied on a consistent basis; (iv) shipping, handling, freight, postage, insurance and transportation charges; (v) administrative fees paid to group purchasing organizations (e.g., Medicare) and government-mandated rebates; and (vi) sales returns, allowances or credits to Customers because of rejections or returns. Income taxes are not an allowed deduction under Net Sales. If Licensee, a Sublicensee, development partner or Joint Venture is a Customer, then Licensee will pay royalties on Net Sales based on the total gross amount normally charged to other Customers in arm's length transactions.

If the Licensed Product or Licensed Method is a component of a Combination Product, such Combination Product is deemed to be the Licensed Product for purposes of this Agreement.

Likewise, if Licensee or a Sublicensee receives a Licensed Product for incorporation into another product intended for sale, transfer, lease or other disposition, then, for the purposes of this Agreement, the Licensed Product is such product intended for sale, transfer, lease, or other disposition by Licensee or a Sublicensee, and such product intended for sale, transfer, lease, or other disposition by Licensee or a Sublicensee is also a Combination Product for purposes of this Agreement.

With respect to Combination Products, Net Sales means the gross amount invoiced or otherwise charged for the Final Sale by Licensee (or Sublicensee as the case may be) of such Combination Product, multiplied by a proration factor. This proration factor shall be determined as follows:

1.18a If the Licensed Product Component(s) and the Non-Licensed Product Component(s) were both sold separately from each other during one or more of the immediately preceding ten (10) years, the proration factor shall be determined by the formula [A/(A+B)], where A is the average over the past ten years of the gross selling price of the Licensed Product Component sold separately and B is the average over the past ten years of the gross selling price of the Non-Licensed Product Component(s);

1.18b If the Licensed Product Component(s) and the Non-Licensed Product Component(s) were not both sold separately from each other during one or more of the immediately preceding ten (10) years but the Licensed Product Component was sold separately during one or more of the immediately preceding ten (10) years, the proration factor shall be determined by the formula A/C, where A is the average over the past ten (10) years of the gross selling price of the Licensed Product Component sold separately, and C is the invoice price of the Combination Product.

1.18c If neither 1.18a or 1.18b applies, then the proration factor shall be determined in a consistent and equitable manner that reflects the contribution of the Licensed Product Component to the payments received from Net Sales of the Combination Product as the parties shall in good faith negotiate and agree.

With respect to 1.18(a)-(c) above, in no case will the proration factor in 1.18(a)-(c) above be less than one half (0.5).

1.19 "**Patent Action**" means the preparation, filing, prosecution and maintenance of patent applications and patents in Regents' Patent Rights. Prosecution includes, but is not limited to, reexaminations, interferences, oppositions, and any other ex parte or inter partes matters originating in a patent office.

1.20 "**Patent Costs**" means all documented out-of-pocket costs incurred by The Regents for Patent Actions.

1.21 "**Phase I Clinical Trial**" means any human clinical trial that has as its principal purpose, and that is reasonably constituted to achieve, a preliminary determination of safety in human subjects, as required under the United States Federal Food, Drug and Cosmetic Act and the regulations promulgated thereunder, or the substantive equivalent of such Phase I Clinical Trial as required by a given Regulatory Authority outside the United States prior to marketing and selling a Licensed Product in such Regulatory Authority's country.

1.22 "**Phase II Clinical Trial**" means any human clinical trial that has as its principal purpose, and that is reasonably constituted to achieve, a preliminary evaluation of clinical efficacy and safety, and/or to obtain an indication of the dosage regimen in human subjects, as required under the United States Federal Food, Drug and Cosmetic Act and the regulations promulgated thereunder, or the substantive equivalent of such Phase II Clinical Trial as required by a given Regulatory Authority outside the United States prior to marketing and selling a Licensed Product in such Regulatory Authority's country.

1.23 "**Phase III Clinical Trial**" means any human clinical trial that has as its principal purpose, and that is reasonably constituted to achieve, establishing safety and efficacy in human subjects, as required under the United States Federal Food, Drug and Cosmetic Act and the regulations promulgated thereunder, or the substantive equivalent of such Phase III Clinical Trial as required by a given Regulatory Authority outside the United States prior to marketing and selling a Licensed Product in such Regulatory Authority's country.

1.24 "**Regents' Patent Rights**" means The Regents' interest in any of the patent applications and patents listed in Appendix A (REGENTS' PATENT RIGHTS) attached to this Agreement and assigned to The Regents (UCLA Case Nos. * and *); any continuing applications thereof including divisions; but excluding continuations-in-part except to the extent of claims entirely supported in the specification and entitled to the priority date of the parent application; any patents issuing on these applications including reissues, substitutions, and patent extensions; and any corresponding foreign patents, patent applications and supplemental protection certificates; all of which will be automatically incorporated in and added to Appendix A and made a part of this Agreement.

1.25 "**Regulatory Authority**" means the FDA or its counterpart in Canada, Australia, Japan, the United Kingdom or any country within the European Union.

1.26 "**Side Deal**" means an arrangement, understanding, agreement, or transaction (collectively "**Deals**") between the Licensee and a third party Sublicensee and/or its affiliates, which Deal is not a Sublicense.

1.27 "**Sublicensee**" means any person or entity (including any Affiliate or Joint Venture) to which any of the rights granted to Licensee hereunder are sublicensed.

1.28 "**Sublicensing Income**" means income received by Licensee in consideration for a Sublicense or other agreement providing the right to negotiate or obtain a Sublicense. Sublicensing Income includes income received from Sublicensees in consideration for the sublicensed Regents' Patent Rights in the form of e.g. license issue fees, milestone payments, and certain other payments but specifically excludes: (a) royalties on the sale or distribution of Licensed Products or the practice of Licensed Methods; and (b) income received by Licensee as payment or reimbursement for research or development costs at fair market value applied to the licensed Invention and conducted by or for Licensee, including costs of materials, equipment or clinical testing.

1.29 "**Territory**" means the jurisdictions where Regents' Patent Rights exist.

1.30 **"Valid Claim**" means (i) a claim of an issued patent that has not expired or been held unenforceable or invalid by a final judgment or decision of a court or other government agency of competent jurisdiction from which no appeal has been or can be taken, and which has not been admitted to be invalid or unenforceable through reissue, disclaimer or the like, or (ii) a claim of a pending patent application that has not been abandoned or finally rejected without the possibility of appeal or re-filing. For purposes of clarity, both (i) and (ii) are Valid Claims for purposes of this Agreement.

*Confidential material redacted and filed separately with the Commission.

2. GRANT

2.1 Subject to the limitations set forth in this Agreement, The Regents hereby grants to Licensee, and Licensee hereby accepts an exclusive (even as to The Regents, subject to Paragraph 2.3) license (with rights to sublicense as further described in Paragraph 3.1) (the "**License**") under Regents' Patent Rights, in jurisdictions where Regents' Patent Rights exist, to make, have made, use, sell, offer for sale and import Licensed Products and to practice Licensed Methods in the Field of Use to the extent permitted by law. Licensee will not make, use, have made, sell, offer for sale, or import Licensed Products or practice Licensed Methods outside the Field of Use. For the avoidance of doubt, Affiliates and Joint Ventures have no rights hereunder unless granted a Sublicense.

2.2 The License is subject to all the applicable provisions of any license to the United States Government executed by The Regents and is subject to any overriding obligations to the United States Federal Government under 35 U.S.C. §§200-212, applicable governmental implementing regulations, and the U.S. Government sponsored research agreement or other guidelines.

2.3 The Regents expressly reserves the right to: (a) use Regents' Patent Rights and associated technology for educational and research purposes, clinical research, (b) publicly disclose research results, (c) use Regents' Patent Rights and associated technology to offer and perform clinical diagnostic and prognostic services, and (d) allow other non-profit institutions to use Regents' Patent Rights and associated technology for the same purposes as all of the foregoing.

If Licensee files a claim including in any way the assertion that any portion of Regents' Patent Rights is invalid or unenforceable where the filing is by Licensee, a third party on behalf of Licensee, or a third party at the written urging of, or with the deliberate assistance of, the Licensee, then, if such challenge fails, the royalty rate due hereunder will immediately double with no further notice from The Regents (any such action, a "**Patent Challenge**"). The Parties agree, however, that, notwithstanding the foregoing, the following actions or filings shall not constitute a Patent Challenge for purposes of this Agreement: (i) arguments and comments made by or on behalf of Licensee, any Affiliate thereof, or any Sublicensee in its usual course of business with respect to prosecution of Licensee's, its Affiliates', or any Sublicensees' patents or patent applications in response to communications from patent offices or Regulatory Authorities, provided that such arguments and comments are primarily directed at differentiating Licensee's, its Affiliates', or any Sublicensees' patents or patent applications as patentably distinct from the Regents' Patent Rights and not primarily aimed at questioning or contesting the validity, enforceability, patentability, priority of invention or other claim to priority, or patent term adjustment of the Regents' Patent Rights; (ii) arguments and comments made by Licensee, any Affiliate thereof, or any Sublicensee in legal proceedings in defense of Licensee's, its Affiliates', or any Sublicensees' patents or patent applications, but only if an opposing party uses Regents' Patent Rights to challenge the validity or enforceability of the defended patents or patent applications of Licensee, any Affiliate thereof, or any Sublicensee, provided that such arguments and comments are primarily directed at differentiating Licensee's, its Affiliates', or Sublicensees' patents or patent applications as patentably distinct from the Regents' Patent Rights and not primarily aimed at questioning or contesting the validity, enforceability, patentability, priority of invention or other claim to priority, or patent term adjustment of the Regents' Patent Rights; (iii) any defenses, counterclaims, or countersuits brought by a Sublicensee in response to a legal proceeding filed by or on behalf of Licensor or any licensee, sublicensee, or transferee thereof with respect to any Regents' Patent Rights against such Sublicensee with respect to an alleged or actual infringement of Regents' Patent Rights by such Sublicensee with respect to a product or service, other than a Product, not intended for use in the Field (or the use or manufacture thereof) and where such Sublicensee does not expressly question or contest the validity or enforceability of the Regents' Patent Rights with respect to any Product or any other product or service intended for use in the Field (or the use or manufacture thereof) (i.e., if such Sublicensee expressly contests the validity or enforceability of the Regents' Patent Rights with respect to any Product or other product or service intended for use in the Field (or the use or manufacture thereof) ; (iv) if a non-Affiliate third party Sublicensee withdraws, files a dismissal with prejudice, or takes any action having similar effect, with respect to any action or proceeding commenced by such Sublicensee in any patent office, Governmental Authority, or court in which it challenged the validity or enforceability of any Regents' Patent Rights within thirty (30) days after the initial filing of such action or proceeding, and delivers a copy of such withdrawal or dismissal with prejudice, or reasonable documentary evidence of any similar action having similar effect, to The Regents within such thirty (30) day period; or (v) any interference, opposition, re-examination or similar proceeding or any other legal proceeding with a patent office, Regulatory Authority, or any court in which one or more claims or allegations challenges the validity or enforceability of any Regents' Patent Rights to the extent the party instituting, maintaining, or furthering such action or proceeding is only actively engaged in the initiation, maintenance, or furthering thereof prior to the date on which such party became an Affiliate of Licensee or Sublicensee, provided, that such Affiliate files a dismissal with prejudice, or takes any action having similar effect, with respect to such action or proceeding commenced by such Affiliate within thirty (30) days after becoming an Affiliate of Licensee, and delivers a copy of such withdrawal or dismissal with prejudice, or reasonable documentary evidence of any similar action having similar effect, to The Regents within such thirty (30) day period.

3. SUBLICENSES

3.1 The Regents hereby grants to Licensee the right to sublicense the rights granted to Licensee hereunder ("**Sublicenses**"), and Licensee hereby accepts such right. All Sublicenses will: (i) be issued in writing, (ii) include an express prohibition against issuing further sublicenses under any or all of Regents' Patent Rights and (iii) to the extent applicable include all of the rights of The Regents and require the performance of obligations due to The Regents (and, if applicable, the U.S. Government under 35 U.S. C. §§201-212) contained in this Agreement. For the purposes of this Agreement, and solely as between Licensee and The Regents hereunder, operations of Sublicensees performed under the purview of their applicable Sublicenses are deemed to be the operations of Licensee, for which Licensee is responsible.

3.2 Licensee must pay to The Regents a percentage of all Sublicensing Income according to the following:

3.2a * Percent (* %) of any Sublicensing Income received under a Sublicense executed prior to the *;

3.2b * Percent (* %) of any Sublicensing Income received under a Sublicense executed after the *; and

3.2c * Percent (* %) of any Sublicensing Income received under a Sublicense executed after the *.

Licensee must pay such Sublicensing Income to The Regents on or before the following dates:

- February 28 (for Sublicensing Income received by Licensee on or before the last day of the calendar quarter ending December 31 of the prior year);
- May 31 (for Sublicensing Income received by Licensee on or before the last day of the calendar quarter ending March 31);
- August 31 (for Sublicensing Income received by Licensee on or before the last day of the calendar quarter ending June 30); and

*Confidential material redacted and filed separately with the Commission.

· November 30 (for Sublicensing Income received by Licensee on or before the last day of the calendar quarter ending September 30).

3.3 On Net Sales of Licensed Products sold or disposed of by a Sublicensee, Licensee must pay to The Regents an earned royalty in accordance with Article 5 (ROYALTIES) as if these were Licensee's Net Sales. Any royalties received by Licensee in excess of royalties due to The Regents under this Paragraph 3.3 belong to Licensee.

3.4 Licensee must provide to The Regents a copy of each Sublicense within thirty (30) days of execution and is prohibited from entering into any Side Deal with a third party where such Side Deal intentionally dilutes, diverts, conceals or misrepresents the amount of consideration paid to the Licensee in consideration for a Sublicense.

3.5 Licensee will require that each Sublicensee provide Licensee with reports that are sufficiently detailed to establish all amounts due to The Regents under this Agreement. Licensee will provide a copy of all such information submitted to Licensee by Sublicensees relevant to the computation of the payments due to The Regents under this Agreement within thirty (30) days after receipt of such information from such Sublicensee.

3.6 Upon the termination of this Agreement, each agreement containing a Sublicense (a "**Sublicense Agreement**") which provides for its survival upon such termination shall survive termination, with The Regents as the Sublicensee's direct licensor, provided that:

3.6a the respective Sublicensee is not in material breach of its Sublicense Agreement, or if then in such breach, cures such breach in accordance with the Sublicense Agreement;

3.6b such Sublicensee's payment obligations with respect to its exercise of its surviving rights to the Regents' Patent Rights (but not with respect to its exercise or enjoyment of any other rights or assets) shall be the corresponding payment obligations set forth in this Agreement;

3.6c such Sublicensee delivers to The Regents, within ninety (90) days after termination of this Agreement, a license agreement, executed by such Sublicensee and proposed thereby for execution by the Regents, that (a) is consistent with the terms and conditions set forth in this Agreement with respect to The Regents' Patent Rights, as reasonably modified to be no greater in scope than the scope of the Sublicense granted to Sublicensee with respect to territory, duration/term of the Sublicense, Licensed Products, Field of Use, etc. (e.g. if the Sublicensee's Sublicense, as in effect immediately prior to such termination, included rights and obligations only with respect to a particular Licensed Product, country in the Territory, and/or indication, the license agreement shall only include rights and obligations with respect to such a particular Licensed Product, country in the Territory, and/or indication) (such a license agreement, a "**New License Agreement**"), provided that (x) such New License Agreement shall not impose any obligations on such Sublicensee in excess of those obligations of Licensee under this Agreement corresponding to such Sublicensee's rights to The Regents' Patent Rights, and The Regents shall not be entitled to impose any additional obligations on such Sublicensee as a condition to The Regents' execution of a New License Agreement therewith; and (y) The Regents shall not have any obligations or duties to such Sublicensee in excess of those obligations or duties corresponding to, and consistent with, those of The Regents set forth in this Agreement with respect to the applicable rights of such Sublicensee to the Regents' Patent Rights;

3.6d the rights of The Regents under the New License Agreement(s) will not be less than the rights of The Regents under this Agreement, including all financial consideration and other rights of The Regents, and the duties of The Regents under the New License Agreement(s) will not be greater than the duties of The Regents under this Agreement; and

3.6e The Regents shall promptly execute any New License Agreement, provided that all of the conditions thereto for the benefit of The Regents in Paragraphs (3.6a) - (3.6d) above have been materially satisfied.

Prior to any such assignment, Licensee will furnish to The Regents the completed licensee contact information form attached hereto as "**APPENDIX C**" and incorporated herein by this reference.

4. FEES

4.1 Licensee will pay to The Regents a license issue fee of **Two Hundred Thousand Dollars ($200,000.00)** within thirty (30) days after the Effective Date. This fee is non-refundable and is not an advance against royalties.

4.2 For each Licensed Product reaching the milestones indicated below, Licensee must make the following payments ("**Milestone Payments**") to The Regents within thirty (30) days of reaching such milestone. For purposes of clarity such Milestone Payments are due from Licensee irrespective of whether the associated milestone listed below was reached by Licensee itself or a third party acting on Licensee's behalf or by a Sublicensee, Joint Venture or Affiliate. Each of the Milestone Payments listed below is payable only one time, regardless of the number of times a milestone is achieved:

4.2a * Dollars ($ *) upon *;

4.2b * Dollars ($ *) upon *;

4.2c * Dollars ($ *) upon *;

4.2d * Dollars ($ *) upon *;

4.2e * Dollars ($ *) upon *;

4.2f * Dollars ($ *) upon *;

4.2g * Dollars ($ *) upon *.

4.3 Licensee must pay to The Regents the license maintenance fee ("**License Maintenance Fee**") set forth below beginning on the one-year anniversary date of the Effective Date of this Agreement and continuing annually on each anniversary date of the Effective Date.

Anniversary Date of the Agreement Effective Date	**License Maintenance Fee**
* and *	* Dollars ($ *)
* and *	* Dollars ($ *)
* and each subsequent anniversary date	* Dollars ($ *)

Includes confidential material redacted in the publicly-filed copy of the Agreement.

The maintenance fee will not be due and payable on any anniversary date of the Effective Date if on that date Licensee is commercially selling a Licensed Product and paying an earned royalty to The Regents on the sales of that Licensed Product. The license maintenance fees are non-refundable and are not an advance against royalties.

5. ROYALTIES

5.1 Licensee must pay to The Regents an earned royalty at the rate of *percent (* %) of Net Sales for Net Sales less than * US Dollars ($ *) for each calendar year and * percent (* %) of Net Sales that exceed * US Dollars ($ *) for the same calendar year ("**Earned Royalty**"). This Earned Royalty will accrue for the duration of this Agreement.

5.2 Licensee must pay Earned Royalties owed to The Regents on a quarterly basis. Licensee must pay such Earned Royalties on or before the following dates:

- February 28 (for any Final Sales that took place on or before the last day of the calendar quarter ending December 31 of the prior year);
- May 31 (for any Final Sales that took place on or before the last day of the calendar quarter ending March 31);
- August 31 (for any Final Sales that took place on or before the last day of the calendar quarter ending June 30); and
- November 30 (for any Final Sales that took place on or before the last day of the calendar quarter ending September 30).

5.3 Licensee must pay to The Regents the following minimum annual royalties (referred to below as "**Minimum Annual Royalty**") during each of the following calendar years (measured relative to the calendar year in which there was a First Commercial Sale, and referred to below as "**Calendar Years after FCS**") for the life of this Agreement:

Calendar Years after FCS	**Minimum Annual Royalty**
*	* Dollars ($ *)
* and *	* Dollars ($ *)
* and *	* Dollars ($ *)

Licensee must pay the Minimum Annual Royalty for a given Calendar Year after FCS to The Regents on or before February 28 of such Calendar Year after FCS. The Minimum Annual Royalty for a given Calendar Year after FCS will be credited against the Earned Royalty due and owing with respect to Net Sales made during the calendar year in which such Minimum Annual Royalty was paid. By way of example, if FCS took place on February 1, 2008, the first Calendar Year After FCS would be 2009 and the Minimum Annual Royalty would be due on or before February 28, 2009.

5.4 All monies due The Regents must be paid in United States funds. With respect to sales of Licensed Products in a currency other than United States Dollars, the royalties due The Regents will first be determined in the foreign currency of the country in which the Licensed Products were sold and, second, converted into equivalent United States Funds by using the applicable conversion rates for buying and selling United States dollars for such foreign currency as published by Reuters on the final business day of the quarter in which such sales were made.

*Confidential material redacted and filed separately with the Commission.

5.5 Any tax for the account of The Regents required to be withheld by Licensee under the laws of any foreign country must be promptly paid by Licensee for and on behalf of The Regents to the appropriate governmental authority. Licensee will use its best efforts to furnish The Regents with proof of payment of any tax. Licensee is responsible for all bank transfer charges. All payments made by Licensee in fulfilment of The Regents' tax liability in any particular country will be credited against fees or royalties due The Regents for that country.

5.6 If at any time legal restrictions prevent the acquisition or prompt remittance of United States Dollars by Licensee with respect to any country where a Licensed Product is sold, Licensee shall pay royalties due to The Regents from Licensee's other sources of United States Dollars.

5.7 If any patent or any claim included in Regents' Patent Rights is held invalid or unenforceable in a final decision by a court of competent jurisdiction from which no appeal has or can be taken, all obligation to pay royalties based on that patent or claim or any claim patentably indistinct from it will cease as of the date of that final decision. Licensee will not, however, be relieved from paying any royalties that accrued before that decision or that is based on another patent or claim not involved in that decision.

5.8 No royalties will be collected or paid on Licensed Products sold to the United States Federal Government or any agency of the United States Government. Licensee and its Sublicensee will reduce the amount charged for Licensed Products distributed to the United States Government by the amount of the royalty.

5.9 For the avoidance of doubt, in no event will the provisions of this Paragraph 5.9 apply to Net Sales subject to reduction for Combination ProductIf (a) a Licensed Product is Covered by a claim of any patent(s) or patent application(s) owned, licensed, or controlled by a non-Affiliate third party (other than The Regents) in the Territory, and Licensee, an Affiliate thereof, or any Sublicensee licenses such patent(s) or patent application(s); or (b) Licensee, an Affiliate thereof, or any Sublicensee reasonably determines that it is necessary or advisable to obtain a license to any patent(s) or patent application(s) owned, licensed, or controlled by a non-Affiliate third party (other than The Regents) in order to minimize, mitigate, or avoid the risk of infringement-related litigation with respect to the manufacture, use, Commercialization or development of a Licensed Product in the Territory ("**Third Party Royalty**"), then Licensee shall be entitled to deduct* percent (* %) of the consideration actually paid to any such non-Affiliate third party for any such rights in a particular country from any payments due to The Regents under Section 5.3 of this Agreement, provided that:

(i) Prior to giving effect to the reduction contemplated by this Paragraph 5.9, the sum of such Third Party Royalty rate and the Earned Royalty rate set forth in Paragraph 5.1 is equal to, or greater than, * percent (* %);

(ii) On an ongoing basis and prior to reduction of any Earned Royalty due The Regents under this Agreement for a given calendar quarter, Licensee first provides written evidence to The Regents of Licensee's royalty obligations to such non-Affiliate third party for such calendar quarter demonstrating that such royalty obligation is in consideration for patent rights owned or controlled by such non-Affiliate third party without a license to which Licensee would infringe such non-Affiliate third party patent rights in the manufacture, use, import, offer for sale, or sale of a Licensed Product; and

(iii) Amounts payable will not be reduced, with respect to any calendar quarter, below * percent (*%) of the amounts otherwise due to The Regents with respect to such calendar quarter without such offset.

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6. DILIGENCE

6.1 Upon execution of this Agreement, Licensee must use Commercially Reasonable Efforts to earnestly and diligently (a) develop Licensed Products and Licensed Methods; (b) bring to market Licensed Products and Licensed Methods; and (c) manufacture and sell Licensed Products and Licensed Methods in quantities sufficient to meet the market demands for them (all of the foregoing collectively "**Commercialization**"). For purposes of clarity, the requirements under the foregoing subsection (b) and (c) shall continue to apply after a First Commercial Sale. The Regents agrees that the activities of Sublicensees and contractors with respect to Licensed Products shall be deemed to be performance by Licensee of its diligence obligations.

6.2 The Regents has the right and option to either terminate this Agreement or reduce Licensee's exclusive license to a nonexclusive license if Licensee fails to perform any of the terms in Paragraph 6.1 or this Paragraph 6.2. This right, if exercised by The Regents, supersedes the rights granted in Article 2 (GRANT).

6.2a Licensee will enroll first patient in a *Clinical Trial for a Licensed Product or Licensed Method within * (*) years of the Effective Date.

6.2b Licensee will enroll first patient in a * Clinical Trial for a Licensed Product or Licensed Method within * (*) years of the Effective Date.

6.2c Licensee will enroll first patient in a * Clinical Trial for a Licensed Product or Licensed Method within * (*) years of the Effective Date.

6.2d Licensee will obtain approval to * or * from a Regulatory Authority within * (*) years of the Effective Date.

6.3 Without limiting Licensee's obligations under Paragraphs 6.1 and 6.2 of this Agreement, Licensee has the sole discretion for making all decisions as to how to Commercialize any Licensed Product.

7. PATENT FILING, PROSECUTION AND MAINTENANCE

7.1 **Patent Prosecution**

7.1a Regents' Patent Rights will be held in the name of The Regents and obtained with counsel of The Regents' choice. The Regents shall control all Patent Actions and all decisions with respect to Patent Actions and will reasonably consider any comments or suggestions by Licensee with respect to Patent Actions. The Regents is entitled to take action to preserve rights and minimize costs whether or not Licensee has commented, and will use reasonable efforts to file, prosecute and maintain Regents' Patent Rights and to not allow any Regents' Patent Rights for which Licensee is licensed and is underwriting the costs of to lapse or become abandoned without Licensee's written authorization under this Article 7, except for the filing of continuations, divisionals, or the like that substitute for the lapsed application. The Regents shall have no requirement to file, prosecute, or maintain Regents' Patent Rights if Licensee is more than * (*) days overdue to pay at least * dollars ($ *) in invoiced Patent Cost obligations as set forth in this Article 7 and does not cure such breach.

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7.1b The Regents will (a) furnish the Licensee with copies of all correspondence relating to the Regents' Patent Rights from the United States Patent and Trademark Office (USPTO) and any other patent office, as well as copies of all proposed responses to such correspondence in time for Licensee to review and comment on such response; (b) give Licensee an opportunity to review the text of each patent application relating to Regents' Patent Rights before filing; (c) consult with Licensee with respect thereto; and (d) supply Licensee with a copy of the application as filed, together with notice of its filing date and serial number. The Regents shall give Licensee the opportunity to provide comments on and make requests of The Regents concerning the preparation, filing, prosecution, protection and maintenance of the Regents' Patent Rights, and shall reasonably consider such comments and requests.

7.1c Licensee has the right to request Patent Actions via a written request to The Regents ninety (90) days prior to the deadline set by the patent office in the territory such Patent Action is to take place in (a "**Patent Prosecution Request**"). The absence of a given Patent Prosecution Request by such deadline will be considered an election not to secure the patent rights associated with the specific phase of patent prosecution in such territory ("**Abandoned Patent Rights**"), and such Abandoned Patent Rights will not be part of Regents' Patent Rights and therefore not subject to this Agreement, and Licensee will have no further rights or license to them. The Regents will have the right to file patent applications at its own expense in any territory with respect to Abandoned Rights.

7.2 **Past Patent Costs**

Licensee will bear all Patent Costs incurred prior to the term of this Agreement of approximately ***Dollars ($ *)** ("**Past Patent Costs**"). Licensee must send payment for such Past Patent Costs to The Regents within thirty (30) days of Licensee's receipt of an invoice for these costs.

7.3 **Ongoing Patent Costs**

Licensee will bear all Patent Costs incurred during the term of this Agreement ("**Ongoing Patent Costs**") and shall pay in advance The Regents' patent counsel's estimated costs for undertaking a Patent Action, which estimates The Regents will share with Licensee, before The Regents authorizes its patent counsel to proceed ("**Advanced Payment**"). Fees and expenses that are due to incidentals (for example photocopy charges or long distance phone charges) are not included within such estimate unless expressly so stated, nor is Licensee's interaction with The Regents' counsel such as by phone calls, e-mails, and in person meetings. The absence of this Advanced Payment will be considered an election not to secure the patent rights associated with the specific phase of patent prosecution in such territory, and such patent application(s) and patent(s) will not be part of Regents' Patent Rights and therefore not subject to this Agreement, and Licensee will have no further rights or license to them.

7.4 **Termination of Patent Prosecution by Licensee**

7.4a Licensee may terminate its obligations with respect to any or all of Regents' Patent Rights by providing written notice to The Regents ("**Patent Termination Notice**"). Termination of Licensee's obligations with respect to such patent application or patent will be effective three (3) months after receipt of such Patent Termination Notice by The Regents. The Regents will use reasonable efforts to curtail Patent Costs chargeable to Licensee under this Agreement after this Patent Termination Notice is received by The Regents. The Regents may continue prosecution or maintenance of these application(s) or patent(s) at its sole discretion and expense, and such application(s) and patent(s) will not be part of Regents' Patent Rights and therefore not subject to this Agreement, and Licensee will have no rights or license to them.

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7.5 **Patent Extensions**

7.5a Licensee will apply for an extension of the term of any patent included within The Regents' Patent Rights, if appropriate in Licensee's reasonable discretion after discussion with The Regents, under the Drug Price Competition and Patent Term Restoration Act of 1984 and/or European, Japanese and other foreign counterparts. Licensee shall prepare all documents, and The Regents agrees to execute the documents and to take additional action as Licensee reasonably requests in connection therewith. Licensee will be liable for all documented out-of-pocket costs relating to such application.

7.5b If either party (in the case of The Regents, the licensing officer responsible for administration of this Agreement) receives notice pertaining to the infringement or potential infringement of any issued patent included with Regents' Patent Rights under the Drug Price Competition and Patent Term Restoration Act of 1984 (and/or foreign counterparts of this law) then that party shall within ten (10) days notify the other party after receipt of such notice of infringement.

8. PATENT INFRINGEMENT

8.1 In the event that The Regents (to the extent of the actual knowledge of the licensing professional responsible for the administration of this Agreement) or Licensee learns of infringement of any Regents' Patent Rights licensed under this Agreement, the knowledgeable party will provide the other with (i) written notice of such infringement and (ii) evidence of such infringement available to it (the "**Infringement Notice**"). During the period in which, and in the jurisdiction where, Licensee has exclusive rights under this Agreement, except as set forth below, neither The Regents nor Licensee will notify a third party (including the infringer) of infringement or put such third party on notice of the existence of any Regents' Patent Rights without first meeting, either in-person or by teleconference, within fifteen (15) business days of receipt of the respective Infringement Notice to discuss a reasonable plan of action (the "**Infringement Meeting**"). Notwithstanding the foregoing, in the event the Infringement Meeting does not occur within fifteen (15) business days following the date of receipt of the respective Infringement Notice, (a) Licensee shall be permitted to notify third parties (including the infringer) of such infringement and/or put such third party on notice of the existence of any Regents' Patent Rights, and (b) if Licensee provides any such notice to a third party within thirty (30) days following the date of the respective Infringement Notice, Licensee shall notify The Regents of the same at or prior to the time Licensee provides such notice to a third party. If, before the earlier of the Infringement Meeting or the expiration of the above-mentioned fifteen (15) business day period, Licensee puts such infringer on notice of the existence of any Regents' Patent Rights with respect to such infringement without first obtaining the written consent of The Regents and if a declaratory judgment action is filed by such infringer against The Regents, then Licensee's right to initiate a suit against such infringer for infringement under Paragraph 8.2 below will terminate immediately without the obligation of The Regents to provide notice to Licensee. Both The Regents and Licensee will use their diligent efforts to cooperate with each other to terminate such infringement without litigation.

8.2 Licensee shall have the exclusive, first and primary right, but not the obligation, to institute suit, prosecute and control any action or proceeding with respect to such infringement against the infringer, provided that (i) Licensee shall not institute a suit against the infringer with respect to such infringement prior to the respective Infringement Meeting unless such Infringement Meeting does not occur within fifteen (15) business days following the date of the respective Infringement Notice, and (ii) Licensee shall provide ten (10) days' prior written notice to The Regents if it is going to institute such a suit within thirty (30) days following the date of the respective Infringement Notice. Subject to Article 8.6, Licensee shall be free to enter into a settlement, consent judgment, or other voluntary disposition with respect to any such action. The Regents may voluntarily join such suit at its own expense, but may not thereafter commence suit against the infringer for the acts of infringement that are the subject of Licensee's suit or any judgment rendered in the suit. Licensee may not join The Regents in a suit initiated by Licensee without The Regents' prior written consent, such consent subject to the approval of the UC Board of Regents. The Regents will support any such request made to the UC Board of Regents, and will make best efforts to ensure a prompt response to such request.. If The Regents is joined in any litigation instituted by Licensee, then Licensee will pay any documented costs incurred by The Regents arising out of such suit, including but not limited to, any legal fees of counsel that The Regents selects and retains to represent it in the suit.

8.3 If, within one eighty (180) days following the date the Infringement Notice is received, infringing activity of potential commercial significance by the infringer has not been abated and if Licensee has not brought suit against the infringer or taken other legal action to abate such infringement, then The Regents may institute suit for patent infringement against the infringer. If The Regents institutes such suit, then Licensee may not join such suit without The Regents' consent and may not thereafter commence suit against the infringer for acts of infringement that are subject to The Regents' suit or any judgment rendered in that suit. The Regents shall not join Licensee in a suit initiated by The Regents' without Licensee's prior written consent.

8.4 Any recovery or settlement received in connection with any suit will first be shared by The Regents and Licensee equally to cover any litigation costs each incurred and next shall be paid to The Regents or Licensee to cover any litigation costs it incurred in excess of the litigation costs of the other. In any suit initiated by Licensee, any recovery in excess of litigation costs will be shared between Licensee and The Regents as follows:

The Regents will receive * percent (* %) of the recovery, except for any portion of the recovery or settlement attributable and paid as enhanced damages for willful infringement, for which The Regents will receive * percent (* %) of the recovery.

In any suit initiated by The Regents in conformity with the provisions of this Article 8, any recovery in excess of litigation costs will belong to The Regents. The Regents and Licensee agree to be bound by all final and non-appealable determinations of patent infringement, validity and enforceability (but no other issue) resolved by any adjudicated judgment in a suit brought in compliance with this Article 8 (PATENT INFRINGEMENT).

8.5 Licensee's rights under this Article 8 may be exercised by its Sublicensees to the extent provided in the applicable Sublicense Agreement.

8.6 Any agreement made by Licensee for purposes of settling litigation or other dispute shall comply with the requirements of Article 3 (SUBLICENSES) of this Agreement. No settlement, consent judgment or other voluntary disposition of any action described in this Article 8 shall (i) materially limit the scope, validity, or enforceability of patents included in the Regents' Patent Rights or (ii) admit fault or wrongdoing on the part of The Regents or Licensee, without the prior written approval of the Regents and Licensee, which, such approval not to be unreasonably withheld.

8.7 Each party will cooperate with the other in litigation proceedings instituted hereunder but at the expense of the party who initiated the suit (unless such suit is being jointly prosecuted by the parties).

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8.8 Any litigation proceedings will be controlled by the party bringing the suit, except that The Regents may be represented by counsel of its choice in any suit brought by Licensee.

9. PROGRESS AND ROYALTY REPORTS

9.1 Beginning January 31, 2018, and thereafter until the First Commercial Sale of a Licensed Product, Licensee must submit to The Regents annual progress reports summarizing Licensee's (and any Affiliates', Joint Ventures', and Sublicensees') activities related to the development and testing of all Licensed Products and the obtaining of the governmental approvals necessary for marketing.

9.2 Each progress report must include all of the following for each semi-annual period:

9.2a Summary of work completed.
9.2b Key scientific discoveries.
9.2c Summary of work in progress.
9.2d Current schedule of anticipated events or milestones.
9.2e An updated listing of any and all Sublicenses granted by Licensee or any Sublicensees.
9.2f The names and addresses of all Sublicensees, and a current and valid phone number and e-mail address for a principal point of contact at each such Sublicensee who is responsible for administering the Sublicense.
9.2g Number of company employees.

9.3 After the First Commercial Sale of each Licensed Product, Licensee must submit quarterly royalty reports to The Regents by February 28, May 31, August 31 and November 30 of each year (i.e., within sixty (60) days from the end of each calendar quarter). Licensee will state in its royalty report if it had no sales of any Licensed Product in the applicable quarter. Each royalty report must cover Licensee's and all Sublicensees' activities for most recently completed calendar quarter and shall include the completed Royalty Statement attached hereto as "**APPENDIX B**" and incorporated herein by this reference, showing:

9.3a Number of each Licensed Product sold by Licensee and any Sublicensees and the corresponding commercial name of each such Licensed Product;
9.3b Gross sales, Final Sales and Net Sales of each Licensed Product made by Licensee and any Sublicensees;
9.3c Earned Royalties payable to The Regents;
9.3d The method and currency exchange rates (if any) used to calculate the Earned Royalty based on Net Sales;
9.3e A specification of all deductions and their dollar value that were taken to arrive at Net Sales;
9.3f A list of all countries in which Licensed Products are being manufactured; and
9.3g Date of First Commercial Sale (this need only be reported in the first royalty report following such First Commercial Sale).

9.4 The Regents shall have the right to terminate this Agreement in accordance with Article 12 (TERMINATION BY THE REGENTS) if Licensee does not provide progress reports and royalty reports in accordance with this Article 9.

9.5 Because of the provisions under 35 U.S.C. §41(h), Licensee must notify The Regents if Licensee or any of its Sublicensees ceases to be a small entity (as defined by the United States Patent and Trademark Office).

10. BOOKS AND RECORDS

10.1 Licensee must keep accurate books and records necessary to verify the accuracy of payments hereunder. Licensee must preserve such books and records for at least five (5) years from the date of the royalty payment to which they pertain. Such books and records will be open, not more than once per calendar year, to examination by representatives or agents of The Regents during regular office hours to verify the accuracy of payments hereunder, provided that such accountant first enters into a nondisclosure agreement at least as restrictive as Article 30 (CONFIDENTIALITY) of this Agreement with Licensee. The auditor will be prohibited, and shall not disclose any information to The Regents other than whether (i) the payments made hereunder were not accurate and (ii) if such payments were not accurate, the amount of the inaccuracy. Licensee will pay documented fees and expenses of such audit if an underpayment of more than * percent (* %) of the total payments due The Regents within a given year under this Agreement is discovered (in each case pursuant to the final, non-appealable determination of a court of competent jurisdiction), otherwise The Regents will pay the fees and expenses of inspections. Payment owed by Licensee hereunder for underpayment of royalties will be due within thirty (30) days of the later of the termination of The Regent's audit or court determination, and payment by Licensee for any examination costs incurred by The Regents will be due within thirty (30) days from the date of The Regents' invoice. If the accountant discovers an overpayment of amounts due hereunder, Licensee may credit the amount of such overpayment against future royalty payments that may be due and payable to The Regents. All information accessed or received by an accountant in connection with this Paragraph 10.1 shall be deemed confidential information of Licensee in accordance with Article 30.

11. LIFE OF THE AGREEMENT

11.1 Unless otherwise terminated by operation of law or by acts of the parties in accordance with the terms of this Agreement, the term of this Agreement (the "**Term**") shall commence on the Effective Date recited on page one and remain in effect until there are no Valid Claims of Regents' Patent Rights.

11.2 Upon termination of this Agreement, Licensee will have no further right to make, have made, use or sell any Licensed Product except as provided in Article 14 (DISPOSITION OF LICENSED PRODUCTS ON HAND UPON TERMINATION).

11.3 Any expiration or termination of this Agreement will not affect the rights and obligations set forth in the following Articles:

Article 1	DEFINITIONS;
Paragraph 3.6	Survival of Sublicenses;
Article 10	BOOKS AND RECORDS;
Article 14	DISPOSITION OF LICENSED PRODUCTS ON HAND UPON TERMINATION;
Article 16	USE OF NAMES AND TRADEMARKS;
Article 17	LIMITED WARRANTY;
Article 18	INDEMNIFICATION;
Article 19	LIMITATION OF LIABILITY;
Article 24	FAILURE TO PERFORM;
Article 25	GOVERNING LAWS; and
Article 30	CONFIDENTIALITY.

*Confidential material redacted and filed separately with the Commission.

12. TERMINATION BY THE REGENTS

12.1 If Licensee violates or fails to perform any material term of this Agreement, then The Regents may give written notice of the default ("**Notice of Default**") to Licensee. If Licensee does not repair such default within sixty (60) days after receipt by Licensee of the Notice of Default ("**Period to Cure**"), then The Regents has the right to terminate this Agreement and the License by a second written notice ("**Notice of Termination**") to Licensee. If The Regents sends a Notice of Termination to Licensee, then this Agreement automatically terminates on the effective date of this notice. Termination does not relieve Licensee of its obligation to pay any monies owed at the time of the Termination Effective Date, and does not impair any accrued right of The Regents.

13. TERMINATION BY LICENSEE

13.1 Licensee has the right at any time to terminate this Agreement in whole or with respect to any portion of Regents' Patent Rights by giving written notice to The Regents. This notice of termination will be subject to Article 20 (NOTICES) and will be effective thirty (30) days after the effective date of the notice ("**Termination Effective Date**").

13.2 Any termination in accordance with Paragraph 13.1 does not relieve Licensee of any obligation or liability accrued prior to termination. Nor does termination rescind anything done by Licensee or any payments made to The Regents prior to the effective date of termination. Termination does not affect in any manner any rights of The Regents arising under this Agreement prior to termination.

14. DISPOSITION OF LICENSED PRODUCTS ON HAND UPON TERMINATION

14.1 Upon termination of this Agreement by Licensee, Licensee may continue to sell any previously made Licensed Products during the one hundred eighty (180) days following the Termination Effective Date.

14.2 Upon termination of this Agreement by The Regents for (i) failure to pay patent costs per the terms of this Agreement, or (ii) failure to provide progress or royalty reports in the form and at the times specified in this Agreement, Licensee may continue to sell all previously made Licensed Products during the one hundred eighty (180) days following the effective date of the Notice of Termination. Licensee will not have this right if this Agreement is terminated for any other causes.

14.3 Licensee must submit royalty reports on the sale of Licensed Products allowed under this Article 14 in accordance with Article 9 (PROGRESS AND ROYALTY REPORTS) and must pay royalties on such sales at the same rate and at the same time provided in this Agreement for royalties on sales of Licensed Products made during the term of this Agreement.

14.4 Except as set forth in this Article 14 (DISPOSITION OF LICENSED PRODUCTS ON HAND UPON TERMINATION), Licensee will not otherwise make, sell, offer for sale, or import Licensed Products after termination of this Agreement by Licensee or The Regents.

15. PATENT MARKING

15.1 Licensee shall comply with all patent marking laws applicable to Licensed Products made, used or sold under the terms of this Agreement, or their containers. Licensee shall be responsible for all monetary and legal liabilities arising from or caused by failure to abide by applicable patent marking laws.

16. USE OF NAMES AND TRADEMARKS

16.1 Licensee will not use any name, trade name, trademark or other designation of The Regents' or its employees (including contraction, abbreviation or simulation of any of the foregoing) in advertising, publicity or other promotional activity. Unless required by law, Licensee is expressly prohibited from using the name "The Regents of the University of California" or the name of any campus of the University of California in advertising, publicity, or other promotional activity, without written permission of The Regents.

17. LIMITED WARRANTY

17.1 The Regents represents and warrants that it has the lawful right to grant the licenses granted hereunder to Licensee.

17.2 This license and the associated invention are provided **WITHOUT WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER WARRANTY, EXPRESS OR IMPLIED. THE REGENTS MAKES NO REPRESENTATION OR WARRANTY THAT ANY LICENSED PRODUCT WILL NOT INFRINGE ANY PATENT OR OTHER PROPRIETARY RIGHT.**

17.3 Nothing in this Agreement will be construed as:

17.3a A warranty or representation by The Regents as to the validity or scope of any Regents' Patent Rights.

17.3b A warranty or representation that anything made, used, sold or otherwise disposed of under any license granted in this Agreement is or will be free from infringement of patents, copyrights, trademarks or any other forms of intellectual property rights or tangible property rights of third parties.

17.3c Obligating The Regents to bring or prosecute actions or suits against third parties for patent, copyright or trademark infringement except as provided in Article 8 (PATENT INFRINGEMENT).

17.3d Conferring by implication, estoppel or otherwise any license or rights under any patents of The Regents other than Regents' Patent Rights as defined herein, regardless of whether such patents are dominant or subordinate to Regents' Patent Rights.

17.3e Obligating The Regents to furnish any know-how not provided in Regents' Patent Rights.

18. INDEMNIFICATION

18.1 To the maximum extent permitted by law, Licensee will, and will require its Sublicensees to, indemnify, hold harmless and defend The Regents, The Regents' officers, employees, and agents, the sponsors of the research that led to the Invention, the inventors of the patents and patent applications in Regents' Patent Rights and their respective employers (the "**Indemnitees**")from and against any and all liability, claims, suits, losses, damages, costs, fees and expenses resulting from or arising out of exercise of this license or any Sublicense; provided, however, that Licensee and Sublicensees will have no obligations under this Paragraph 18.1 with respect to claims, demands or actions arising out of an Indemnitee's gross negligence, intentional misconduct or breach of this Agreement. Indemnification includes but is not limited to products liability. If The Regents, in its sole discretion, believes that there will be a conflict of interest or it will not otherwise be adequately represented by counsel chosen by Licensee to defend The Regents in accordance with this Paragraph 18.1, then The Regents may retain counsel of its choice to represent it, and Licensee will pay all documented expenses for such representation. Licensee's agreement to indemnify, defend, and hold harmless under this Section 18.1 is conditioned upon the Indemnitee (a) providing written notice to Licensee of any claim, demand or action arising out of the indemnified matter as soon as reasonably possible; (b) permitting Licensee (or Sublicensee, as the case may be) to assume control over the investigation of, preparation and defense against, and settlement or voluntary disposition of any such claim, demand or action; (c) assisting the Licensee (or Sublicensee, as the case may be), in the investigation, preparation, defense, and settlement or voluntary disposition of any such claim, demand or action; and (d) not compromising, settling, or entering into any voluntary disposition of any such claim, demand or action without the Licensee's (or Sublicensee's, as the case may be) prior written consent; provided, however, that, if the Indemnitee fails to promptly notify Licensee pursuant to the foregoing clause (a), Licensee (or Sublicensee, as the case may be) will only be relieved of its indemnification obligation to the extent materially prejudiced by such failure.

18.2 Licensee, at its sole cost and expense, must insure its activities in connection with the work under this Agreement and obtain, keep in force and maintain Commercial Form General Liability Insurance (contractual liability included) with limits as follows:

18.2a	Each occurrence	$ * .
18.2b	Products/completed operations aggregate	$ * .
18.2c	Personal and advertising injury	$ * .
18.2d	General aggregate	$ * .

18.3 If the above insurance is written on a claims-made form, it shall continue for * (*) years following termination or expiration of this Agreement. The insurance shall have a retroactive date of placement prior to or coinciding with the Effective Date of this Agreement.

18.4 Licensee will obtain, keep in force and maintain Worker's Compensation Insurance as legally required in the jurisdiction in which Licensee is doing business.

18.5 Licensee expressly understands, however, that the coverages and limits in Paragraph 18.2 do not in any way limit Licensee's liability or indemnification obligations. Licensee's insurance must:

18.5a State that The Regents of the University of California is endorsed as an additional insured under the coverages listed in Paragraph 18.2.

18.5b Include a provision that the coverages will be primary and will not participate with nor will be excess over any valid and collective insurance or program of self-insurance carried or maintained by The Regents.

Licensee shall provide thirty (30) days advance written notice to The Regents of any material change to the insurance required under this Agreement including but not limited to cancellation of any of its insurance coverages, nonpayment of premium, purchase of new or substitute coverages.

18.6 The Regents shall notify Licensee in writing of any claim or suit brought against The Regents in respect of which The Regents intends to invoke the provisions of this Article 18 (INDEMNIFICATION). To the extent that The Regents elect to permit Licensee authority to defend or settle such claim or suit, Licensee may not admit liability or wrongdoing on the part of The Regents without The Regents' prior express written consent. Licensee shall keep The Regents informed on a current basis of its defense of any claims under this Article 18 (INDEMNIFICATION).

*Confidential material redacted and filed separately with the Commission.

18.7 Licensee must furnish The Regents with (i) valid certificates of insurance evidencing compliance with all requirements of this Agreement and (ii) additional insured endorsements for Licensee's applicable policies of insurance naming "The Regents of the University of California" as an additional insured. Per occurrence forms, including ISO Form CG or its equivalent, are acceptable additional insured endorsement forms. Naming The Regents as an additional insured on the certificates of insurance alone shall not be considered as compliance with The Regents' insurance requirements. Licensee must furnish both such documents within thirty (30) days of the execution of the Agreement and once per year thereafter for the duration of this Agreement. The Regents has the right to terminate this Agreement in accordance with Article 12 (TERMINATION BY THE REGENTS) should Licensee fail to provide items (i) and (ii) by the dates set forth above.

19. LIMITATION OF LIABILITY

19.1 **SUBJECT TO PARAGRAPH 18.1, NEITHER PARTY WILL BE LIABLE FOR ANY LOST PROFITS, COSTS OF PROCURING SUBSTITUTE GOODS OR SERVICES, LOST BUSINESS, ENHANCED DAMAGES FOR INTELLECTUAL PROPERTY INFRINGEMENT OR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR OTHER SPECIAL DAMAGES SUFFERED BY THE OTHER PARTY ARISING OUT OF OR RELATED TO THIS AGREEMENT FOR ALL CAUSES OF ACTION OF ANY KIND (INCLUDING TORT, CONTRACT, NEGLIGENCE, STRICT LIABILITY AND BREACH OF WARRANTY) EVEN IF THE REGENTS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE REGENTS WILL NOT BE LIABLE FOR ANY DIRECT DAMAGES SUFFERED BY LICENSEE, SUBLICENSEES, JOINT VENTURES, OR AFFILIATES ARISING OUT OF OR RELATED TO PATENT RIGHTS IN CONNECTION WITH THE ASSIGNMENT OR LICENSE OF SUCH PATENT RIGHTS BY THE REGENTS' INVENTORS TO THIRD PARTIES.**

20. NOTICES

20.1 Any notice, progress report, royalty report or payment (except for Advanced Payments due under this Agreement) required to be given to either party must be sent to the respective address given below and is effective: (a) on the date of delivery if delivered in person, (b) five (5) days after mailing if mailed by first-class certified mail, postage paid, or (c) on the next business day if sent by overnight delivery. Either party may change its designated address by written notice.

For Licensee:	**Mustang Bio, Inc.** **c/o Fortress Biotech, Inc.** **2 Gansevoort, 9th Floor** **New York, NY 10014** **Attention: Legal Department**
For The Regents:	**The Regents of the University of California** **University of California, Los Angeles** **Technology Development Group** **10889 Wilshire Boulevard, Suite 920** **Los Angeles, CA 90095-7191** **Attention: Sr. Director of Licensing** ***Ref: UCLA Case Nos.*** * ***&*** *

A copy of any such notice that relates to equity, or instruments convertible into equity, issued or sold pursuant to the Agreement has will also be sent via email to: campus.investments@ucop.edu.

All Advanced Payments due under this Agreement shall be sent via wire transfer as follows. In order to ensure that funds are properly credited to your account, please reference invoice number or UC Control Number on all wire transfers.

Bank of America
100 West 33rd Street
New York, NY 10001
Attn: OTT Depository Account No. *
ABA Transit Routing Number: *
Beneficiary Name: Regents of the University of California
SWIFT Code: B of A *

20.2 Licensee shall furnish to The Regents the completed licensee contact information form attached hereto as "**APPENDIX C**" concurrent to execution of the Agreement and incorporated herein by this reference, showing:

20.2a The Progress Reports Contact (i.e. the contact responsible for ensuring that such progress reports are submitted to The Regents);

20.2b The Patent Prosecution Contact to whom patent prosecution correspondence should be sent to; and

20.2c The Financial Contact (i.e. the contact responsible for ensuring that payments are made under this Agreement to The Regents).

21. ASSIGNABILITY

21.1 **Consent to Assign**
This Agreement is binding upon and inures to the benefit of The Regents, its successors and permitted assignees. This Agreement is personal to Licensee and assignable by Licensee only with the prior written consent of The Regents; provided, however, that Licensee is permitted to assign this Agreement without the consent of The Regents if the assignment of this Agreement is to: (a) an Affiliate of Licensee; or (b) in conjunction with the transfer to a non-Affiliate third party of all or substantially all of the business or assets of Licensee to which this license relates.

Conditions of Assignment
No later than thirty (30) days following the effective date of any assignment of this Agreement all of the following terms and conditions shall be met and if they are not then this Agreement and any assignment thereof will be considered null and void with no further notice from The Regents.

(i) Licensee shall inform The Regents in writing of the identity of the proposed acquirer or successor entity and shall provide updated contact information in writing to The Regents for such acquirer or successor entity by updating and submitting in writing to The Regents Appendix C of this Agreement;

*Confidential material redacted and filed separately with the Commission.

(ii) The proposed acquirer or successor entity shall agree in writing to be bound by all the terms and conditions of this Agreement as if such acquirer or successor entity were the original Licensee and a copy of such written agreement shall be provided to The Regents by Licensee or the proposed acquirer or successor entity; and

(iii) The proposed acquirer or successor entity shall provide a written statement to The Regents that they assume responsibility for any and all liabilities that arise under this Agreement on and after the effective date of the assignment of this Agreement.

22. LATE PAYMENTS

22.1 For each royalty payment or fee not received by The Regents when due, Licensee must pay to The Regents a simple interest charge of *percent (* %) per annum to be calculated from the date payment was due until it was actually received by The Regents. For purposes of clarity, this Article 22 (LATE PAYMENTS) does not limit any rights of The Regents under this Agreement arising from the failure by Licensee to make such payments when due.

23. WAIVER

23.1 The waiver of any breach of any term of this Agreement does not waive any other breach of that or any other term.

24. FAILURE TO PERFORM

24.1 If either party takes legal action against the other because of a failure of performance due under this Agreement, then the prevailing party is entitled to reasonable attorney's fees in addition to costs and necessary disbursements.

25. GOVERNING LAW

25.1 **THIS AGREEMENT IS TO BE INTERPRETED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA**, but the scope and validity of any patent or patent application will be governed by the applicable laws of the country of the patent or patent application.

26. GOVERNMENT APPROVAL OR REGISTRATION

26.1 If this Agreement or any associated transaction is required by the law of any nation to be either approved or registered with any governmental agency, Licensee will assume all legal obligations to do so. Licensee will notify The Regents if it becomes aware that this Agreement is subject to a United States or foreign government reporting or approval requirement. Licensee will make all necessary filings and pay all costs including fees, penalties, and all other out-of-pocket costs associated with such reporting or approval process.

*Confidential material redacted and filed separately with the Commission.

27. COMPLIANCE WITH LAWS

27.1 Licensee will comply with all applicable laws and regulations in performing its obligations hereunder and in its use, manufacture, offer for sale, sale or import of Licensed Products or practice of Licensed Methods, including, but not limited to, obtaining and maintaining all necessary governmental approvals for the commercialization of Licensed Products and Licensed Methods. Licensee will observe all applicable United States and foreign laws with respect to the transfer of Licensed Products and related technical data and the provision of services using Licensed Methods to foreign countries, including and without limitation, the International Traffic in Arms Regulations (ITAR) and the Export Administration Regulations. Licensee will manufacture Licensed Products and practice the Licensed Methods in compliance with all applicable government importation laws and regulations of a country into which Licensed Products are imported.

28. PREFERENCE FOR UNITED STATES INDUSTRY

28.1 Because this Agreement grants an exclusive right to a particular use of the Invention, Licensee must manufacture in the United States any products embodying this Invention or produced through the Invention's use to the extent required by 35 U.S.C. §§200-212.

29. FORCE MAJEURE

29.1 Except for Licensee's obligation to make any payments to The Regents hereunder, the parties shall not be responsible for any failure to perform due to the occurrence of any events beyond their reasonable control that render their performance impossible or onerous, including, but not limited to: accidents (environment, toxic spill, etc.); acts of God; biological or nuclear incidents; casualties; earthquakes; fires; floods; governmental acts; orders or restrictions; inability to obtain suitable and sufficient labor, transportation, fuel and materials; local, national or state emergency; power failure and power outages; acts of terrorism; strike; and war.

29.2 Either party to this Agreement, however, will have the right to terminate this Agreement upon thirty (30) days' prior written notice if either party is unable to fulfill its obligations under this Agreement due to any of the causes specified in Paragraph 29.1 for a continuous period of * (*) year.

30. CONFIDENTIALITY

30.1 If either party discloses confidential information to the other party, the disclosing party will designate this information as confidential by appropriate legend or instruction, and the receiving party will:

30.1a Use the same degree of care to maintain the secrecy of the confidential information as it uses to maintain the secrecy of its own information of like kind.

30.1b Use the confidential information only to accomplish the purposes of this Agreement or for audit or management purposes.

*Confidential material redacted and filed separately with the Commission.

30.1c Ensure that any employees, customers, distributors and other agents to whom the confidential information is disclosed are bound to it by similar obligations of confidence and to make such disclosure only as required to accomplish the purposes of this Agreement.

30.2 Neither party will have any confidentiality obligation with respect to the confidential information belonging to or disclosed by the other party that:

30.2a the receiving party can demonstrate by written records was previously known to it;

30.2b the receiving party lawfully obtained from sources under no obligation of confidentiality;

30.2c is or becomes publicly available other than through an act or omission of the receiving party or any of its employees;

30.2d the receiving party independently develops without the use of or reference to the confidential information as demonstrated by written records; or

30.2e is required to be disclosed under the California Public Records Act, governmental audit requirement or other requirement of law.

30.3 The provisions of this Article 30 (CONFIDENTIALITY) will continue in effect for * (*) years after expiration or termination of this Agreement.

30.4 The Regents is free to release the terms and conditions of this Agreement to any and all of the following: (i) the Inventors, (ii) employees of The Regents, (iii) individual Regents, and (iv) the non-profit sponsors of the research that led to the Invention. If such release is made, then The Regents shall give notice of the confidential nature of such information.

30.5 If a third party inquires of The Regents as to whether a license to Regents' Patent Rights is available, then The Regents may disclose the existence of this Agreement and the extent of the grant in Article 2 (GRANT) and Article 3 (SUBLICENSES) to such third party, but will not disclose the name of Licensee or any other negotiated terms or conditions of this Agreement to such third party, except where The Regents is required to release information under the California Public Records Act, a governmental audit requirement or other applicable law.

30.6 Licensee hereby grants permission for The Regents (including UCLA) to include Licensee's name, Company Logo, and a link to Licensee's website in annual reports and websites that showcase technology transfer-related stories as well as links to any publicly-available news stories about Licensee on such websites.

31. MISCELLANEOUS

31.1 The headings of the several sections are inserted for convenience of reference only and are not intended to be a part of, or to affect the meaning or interpretation of, this Agreement.

31.2 This Agreement is not binding upon the parties until it has been signed below on behalf of each party, in which event it becomes effective as of the date recited on page one.

31.3 No amendment or modification of this Agreement will be valid or binding upon the parties unless made in writing and signed by each party.

31.4 This Agreement and Appendix A (REGENTS' PATENT RIGHTS) embodies the entire understanding of the parties and supersedes all previous communications, representations or understandings, either oral or written, between the parties relating to the subject matter hereof.

31.5 If any part of this Agreement is for any reason found to be unenforceable, all other parts nevertheless remain enforceable as long as a party's rights under this Agreement are not materially affected. In lieu of the unenforceable provision, the parties will substitute or add as part of this Agreement a provision that will be as similar as possible in economic and business objectives as was intended by the unenforceable provision.

31.6 No provisions of this Agreement are intended or shall be construed to confer upon or give to any person or entity other than The Regents and the Licensee any rights, remedies or other benefits under, or by reason of, this Agreement.

31.7 In performing their respective duties under this Agreement, each of the parties will be operating as an independent contractor. Nothing contained herein will in any way constitute any association, partnership, or joint venture between the parties hereto, or be construed to evidence the intention of the parties to establish any such relationship. Neither party will have the power to bind the other party or incur obligations on the other party's behalf without the other party's prior written consent.

32. COUNTERPARTS AND EXECUTION

32.1 This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Facsimile, Portable Document Format (PDF) or photocopied signatures of the Parties will have the same legal validity as original signatures.

Both The Regents and Licensee have executed this Agreement in duplicate originals by their authorized officers on the dates written below:

MUSTANG BIO, INC.

By _____
Signature

Name: _____

Title: _____

Date: _____

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

By _____
Signature

Name: Emily W. Loughran

Title: Sr. Director of Licensing

Date: _____

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

By _____
Signature

Name: Amir Naiberg

Title: Assoc. Vice Chancellor and President & CEO

Date: _____

APPENDIX A

REGENTS' PATENT RIGHTS

1) **UCLA CASE NO. *: "*Engineered Anti-Prostate Stem Cell Antigen (PSCA) Antibodies for Cancer Targeting*"**

Provisional Patent Application No. 60/784,192 entitled, "*Engineered Anti-Prostate Stem Cell Antigen (PSCA) Antibodies for Cancer Targeting*", filed March 20, 2006 (UCLA Case No. *) by Dr(s). Anna Wu and Robert E. Reiter, and assigned to The Regents.
EXPIRED. APPLICATION CLAIMING PRIORITY:

Patent Cooperation Treaty Application No. PCT/US2007/007020 entitled, "*Engineered Anti-Prostate Stem Cell Antigen (PSCA) Antibodies for Cancer Targeting*", filed on March 20, 2007 (UCLA Case No. *) by Drs. Anna Wu and Robert E. Reiter, and assigned to The Regents.
EXPIRED. APPLICATIONS CLAIMING PRIORITY:

Canadian Patent Application No. 2646329 entitled, "*Engineered Anti-Prostate Stem Cell Antigen (PSCA) Antibodies for Cancer Targeting*", filed on March 20, 2007 (UCLA Case No. *) by Drs. Anna Wu and Robert E. Reiter, and assigned to The Regents.

Japanese Patent Application No. 2012-276728 entitled, "*Engineered Anti-Prostate Stem Cell Antigen (PSCA) Antibodies for Cancer Targeting*", filed on March 20, 2007 (UCLA Case No. *) by Drs. Anna Wu and Robert E. Reiter, and assigned to The Regents.

Patent No. 1996716 in the territories of Belgium, France, Germany, Ireland, Italy, Luxembourg, Spain, Switzerland, The Netherlands, and the United Kingdom, entitled, "*Engineered Anti-Prostate Stem Cell Antigen (PSCA) Antibodies for Cancer Targeting*", issued on March 11, 2011 from European Patent Application No. 07753630.8 filed on March 20, 2007 (UCLA Case No. UCLA Case No. *) by Drs. Anna Wu and Robert E. Reiter, and assigned to The Regents.

United States Patent No. 8,940,871 entitled, "*Engineered Anti-Prostate Stem Cell Antigen (PSCA) Antibodies for Cancer Targeting*", issued on January 27, 2015 from U.S. Patent Application No. 12/293,860 filed on March 20, 2007 (UCLA Case No. UCLA Case No. *) by Drs. Anna Wu and Robert E. Reiter, and assigned to The Regents.

2) **UCLA CASE NO. *: "*High Affinity Anti-Prostate Stem Cell Antigen (PSCA) Antibodies for Cancer Targeting and Detection*"**

Provisional Patent Application No. 60/969,939 entitled, "*High Affinity Anti-Prostate Stem Cell Antigen (PSCA) Antibodies for Cancer Targeting and Detection*", filed September 4, 2007 (UCLA Case No. *) by Drs. Anna Wu, Robert E. Reiter, Eric J. Lepin, James D. Marks, and Yu Zhou, and assigned to The Regents.

*Confidential material redacted and filed separately with the Commission.

EXPIRED. APPLICATION CLAIMING PRIORITY:

Patent Cooperation Treaty Application No. PCT/US2008/075291 entitled, "*High Affinity Anti-Prostate Stem Cell Antigen (PSCA) Antibodies for Cancer Targeting and Detection*", filed on March 20, 2007 (UCLA Case No. *) by Drs. Anna Wu, Robert E. Reiter, Eric J. Lepin, James D. Marks, and Yu Zhou, and assigned to The Regents.

EXPIRED. APPLICATIONS CLAIMING PRIORITY:

Canadian Patent Application No. 2698343 entitled, "*High Affinity Anti-Prostate Stem Cell Antigen (PSCA) Antibodies for Cancer Targeting and Detection*", filed on September 4, 2008 (UCLA Case No. *) by Drs. Anna Wu, Robert E. Reiter, Eric J. Lepin, James D. Marks, and Yu Zhou, and assigned to The Regents.

European Patent Application No. 08799192.3 entitled, "*High Affinity Anti-Prostate Stem Cell Antigen (PSCA) Antibodies for Cancer Targeting and Detection*", filed on September 4, 2008 (UCLA Case No. *) by Drs. Anna Wu, Robert E. Reiter, Eric J. Lepin, James D. Marks, and Yu Zhou, and assigned to The Regents.

Hong Kong Patent Application No. 10111944.2 entitled, "*High Affinity Anti-Prostate Stem Cell Antigen (PSCA) Antibodies for Cancer Targeting and Detection*", filed on September 4, 2008 (UCLA Case No. *) by Drs. Anna Wu, Robert E. Reiter, Eric J. Lepin, James D. Marks, and Yu Zhou, and assigned to The Regents.

Japanese Patent Application No. 2010-524150 entitled, "*High Affinity Anti-Prostate Stem Cell Antigen (PSCA) Antibodies for Cancer Targeting and Detection*", filed on September 4, 2008 (UCLA Case No. *) by Drs. Anna Wu, Robert E. Reiter, Eric J. Lepin, James D. Marks, and Yu Zhou, and assigned to The Regents.

Japanese Patent Application No. 2014-186846 entitled, "*High Affinity Anti-Prostate Stem Cell Antigen (PSCA) Antibodies for Cancer Targeting and Detection*", filed on September 4, 2008 (UCLA Case No. *) by Drs. Anna Wu, Robert E. Reiter, Eric J. Lepin, James D. Marks, and Yu Zhou, and assigned to The Regents.

Japanese Patent Application No. TBD entitled, "*High Affinity Anti-Prostate Stem Cell Antigen (PSCA) Antibodies for Cancer Targeting and Detection*", filed on a date to be determined (UCLA Case No. *) by Drs. Anna Wu, Robert E. Reiter, Eric J. Lepin, James D. Marks, and Yu Zhou, and assigned to The Regents.

United States Patent No. 8,940,298 entitled, "*High Affinity Anti-Prostate Stem Cell Antigen (PSCA) Antibodies for Cancer Targeting and Detection*", issued on January 27, 2015 from U.S. Patent Application No. 12/676,348 filed on September 4, 2008 (UCLA Case No. *) by Drs. Anna Wu, Robert E. Reiter, Eric J. Lepin, James D. Marks, and Yu Zhou, and assigned to The Regents.

*Confidential material redacted and filed separately with the Commission.

APPENDIX B

ROYALTY STATEMENT

UC Control No: _____Product Name/Code(s) _____

Licensee Name: _____Mustang Bio, Inc._____

Licensee Phone No: (781) 652-4501

Licensee Fax No: N/A

Licensee Email Address: ap@fortressbiotech.com Quarter Covered: _____

Product Name	Number of Units Sold	Unit Selling Price (US $)	Gross Sales (US $)	Final Sales (US $)	Net Sales (US $)	Royalty Rate (%)	Total Earned Royalties (US $)

Total Royalties Earned:_____

Less Minimum Annual Royalty:_____
(If Applicable)

Balance Due The REGENTS:_____

Prepared By:_____

APPENDIX C

MUSTANG BIO, INC. CONTACT INFORMATION

Licensee Name	Mustang Bio, Inc.	**UC Control No.**	
PATENT PROSECUTION CONTACT			
LAST NAME	Villacorta	TELEPHONE	(202) 295-4199
FIRST NAME	Gilberto	FAX	
TITLE	Partner	EMAIL	yvillacorta@foley.com
COMPANY NAME	Foley & Lardner LLP		
ADDRESS	Washington Harbour		
ADDRESS	3000 K Street, NW		
CITY, STATE, ZIP	Washington, DC 20007		
COUNTRY	USA		
PROGRESS REPORTS CONTACT			
LAST NAME	Gorelik	TELEPHONE	(781) 652-4532
FIRST NAME	Leonid	FAX	
TITLE	Vice President	EMAIL	lgorelik@fortressbiotech.com
COMPANY NAME	Fortress Biotech, Inc.		
ADDRESS	95 Sawyer Road, Suite 110		
ADDRESS			
CITY, STATE, ZIP	Waltham, MA 02453		
COUNTRY	USA		
FINANCIALS CONTACT			
LAST NAME	Fogg	TELEPHONE	(781) 652-4501
FIRST NAME	Laura	FAX	
TITLE	Accounts Payable Coordinator	EMAIL	ap@fortressbiotech.com
COMPANY NAME	Fortress Biotech, Inc.		
ADDRESS	95 Sawyer Road, Suite 110		
ADDRESS			
CITY, STATE, ZIP	Waltham, MA 02453		
COUNTRY	USA		

Exhibit 10.5

CONFIDENTIAL TREATMENT REQUESTED. Confidential portions of this document have been redacted and have been separately filed with the Commission.

EXCLUSIVE LICENSE AGREEMENT

THIS EXCLUSIVE LICENSE AGREEMENT (the "**Agreement**") is made and entered into as of the 17th day of February, 2017 (the "**Effective Date**") by and between Mustang Bio, Inc. (f/k/a Mustang Therapeutics, Inc.), a Delaware corporation with a principal place of business at 3 Columbus Circle, New York, NY 10019 ("**Licensee**") and City of Hope, a California nonprofit public benefit corporation located at 1500 East Duarte Road, Duarte, California 91010 ("**City of Hope**" or "**COH**"). Licensee and COH are each sometimes referred to herein individually as a "**Party**" and collectively as the "**Parties**."

WHEREAS:

A. COH operates an academic research and medical center that encourages the use of its inventions, discoveries and intellectual property for the benefit of the public and COH owns or Controls (as defined below) certain Patent Rights (as defined below) useful in the Field (as defined below);

B. COH owns or Controls (as defined below) certain Patent Rights (as defined below) useful in the Field (as defined below);

C. The research may have been sponsored in part by the National Institute of Health, and as a consequence this license is subject to obligations to the United States Federal Government under 35 U.S.C. §§ 200-212 and applicable U.S. government regulations;

D. The research was sponsored in part by a grant from the California Institute for Regenerative Medicine (the "**CIRM Grant**"), and as a consequence this license is subject to applicable law and other obligations as applicable to exclusive licensees under the CIRM Grant; and

E. Licensee is a company dedicated to the commercial development and exploitation in the Field (as defined below) of products and services that incorporate one or more of the technologies described in the Patent Rights and therefore Licensee desires to obtain from COH a worldwide, exclusive license under the Patent Rights, on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the amount and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE 1: DEFINITIONS

1.1 "**Affiliate**" of a Party means a Person that, directly or indirectly (through one or more intermediaries) controls, is controlled by, or is under common control with such Party. For purposes of this Section 1.1, "control" means (i) the direct or indirect ownership of 50 percent or more of the voting stock or other voting interests or interests in profits, or (ii) the ability to otherwise control or direct the decisions of board of directors or equivalent governing body thereof.

1.2 "**Business Day**" means any day, other than a Saturday, Sunday or day on which commercial banks located in Los Angeles, California, are authorized or required by law or regulation to close.

1.3 "**Change of Control**" means (i) any transaction or series of related transactions following which the holders of Licensee's capital stock immediately prior to such transaction or series of related transactions collectively are the owners of less than 50% of the outstanding equity interests of Licensee entitled to (a) vote with respect to the election of directors (or positions having a similar function) or (b) receive the proceeds upon any sale, liquidation or dissolution of Licensee, (ii) a sale, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, of all or a material portion of Licensee's interest in the Licensed Product or Licensed Service or (iii) a sale, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, of all or a material portion of Licensee's right title, or interest in its assets taken as a whole.

1.4 "**Commercially Reasonable Efforts**" means the exercise of such efforts and commitment of such resources by Licensee, directly or through one or more Sublicensees, in a diligent manner consistent with organizations in the pharmaceutical industry for a comparable development or commercialization program at a similar stage of development or commercialization. In the event that Licensee or a Sublicensee with respect to a given Licensed Product or Licensed Service, has a program or product that competes with the programs contemplated by this Agreement with respect to such Licensed Product or Licensed Service, then "Commercially Reasonable Efforts" shall also mean efforts at least comparable to those efforts and resources expended by Licensee or its Sublicensee on the competing program and/or product or service.

1.5 "**COH CAR**" means a chimeric antigen receptor that is licensed to Licensee by COH pursuant to an applicable license agreement between the Parties, including but not limited to, pursuant to that certain Amended and Restated Exclusive License Agreement between the Parties of even date herewith relating to IL-13, and that certain Amended and Restated Exclusive License Agreement between the Parties of even date herewith relating to CD123.

1.6 "**COH Confidential Information**" means Confidential Information disclosed or provided by, or on behalf of, COH to Licensee or its designees.

1.7 "**Confidential Information**" means: (i) all information and materials (of whatever kind and in whatever form or medium) disclosed by or on behalf of a Party to the other Party (or its designee) in connection with this Agreement, whether prior to or during the term of this Agreement and whether provided orally, electronically, visually, or in writing; provided that all such information and materials initially disclosed in writing or electronically shall be clearly marked as "CONFIDENTIAL" and all such materials and information initially disclosed orally shall be reduced to writing and marked as "CONFIDENTIAL" within 10 days following the date of initial oral disclosure; (ii) all copies of the information and materials described in (i) above; and (iii) the existence and each of the terms and conditions of this Agreement; provided further that Confidential Information shall not include information and materials to the extent a Party can demonstrate through its contemporaneous written records that such information and materials are or have been:

(a) known to the receiving Party, or in the public domain, at the time of its receipt by a Party, or which thereafter becomes part of the public domain other than by virtue of a breach of this Agreement or the obligations of confidentiality under this Agreement;

(b) received without an obligation of confidentiality from a Third Party having the right to disclose without restrictions such information;

(c) independently developed by or on behalf of the receiving Party without use of or reference to Confidential Information disclosed by the other Party; or

(d) released from the restrictions set forth in this Agreement by the express prior written consent of the disclosing Party.

1.8 "**Control(s)**" or "**Controlled**" means the possession by a Party, as of the Effective Date, of rights sufficient to effect the grant of rights set forth in this Agreement without violating the terms of any agreement with any Third Party.

1.9 "**Covers**" or "**Covered by**," means with reference to a particular Licensed Product or Licensed Service that the manufacture, use, sale, offering for sale, or importation of such Licensed Product or performance of such Licensed Service would, but for ownership of, or a license granted under this Agreement to, the relevant Patent Right, infringe a Valid Claim in the country in which the activity occurs.

1.10 "**Dispute**" means any controversy, claim or legal proceeding arising out of or relating to this Agreement, or the interpretation, breach, termination, or invalidity thereof.

1.11 "**Field**" means the treatment and diagnosis of all human diseases.

1.12 "**First Commercial Sale**" means, with respect to a particular Licensed Product or Licensed Service in a given country, the first arm's-length commercial sale of such Licensed Product or the first performance of such Licensed Service following Marketing Approval in such country by or under authority of Licensee or any Sublicensee to a Third Party who is not a Sublicensee.

1.13 "**GAAP**" means generally accepted accounting principles, consistently applied, as promulgated from time to time by the Financial Accounting Standards Board.

1.14 "**License Year**" means each calendar year during the term of this Agreement; except that the first License Year shall commence on the Effective Date and end on December 31 of the calendar year in which the Effective Date occurs.

1.15 "**Licensed Product**" means a product (including kits, component sets or components thereof, regardless of concentration or formulation) that: (i) is Covered by a Valid Claim, (ii) is manufactured by a process or used in a method Covered by a Valid Claim, or (iii) contains, as an active ingredient, any substance the manufacture, use, offer for sale or sale of which is Covered by a Valid Claim. By way of clarification, "Licensed Product" shall include a product manufactured in a country in which such manufacture is Covered by a Valid Claim and thereafter exported to and sold in a country in which no Valid Claim exists.

1.16 "**Licensed Service**" means any service the performance of which would, but for the license granted herein, infringe a Valid Claim.

1.17 "**Licensee Confidential Information**" means Confidential Information disclosed or provided by, or on behalf of, Licensee to COH or its designees.

1.18 "**Licensee Net Sales**" means the total gross amount invoiced by Licensee and its Affiliates (regardless of whether and when such invoices are actually paid) on the sale of Licensed Products and Licensed Services to Third Parties (including, without limitation, the provision of any product by Licensee or its Affiliates that incorporates a Licensed Product or Licensed Service but for clarity excluding documented sponsored research and/or development activities, valued at the actual direct cost of such activities on a fully burdened basis (including reasonable margin for overhead)), less the following items, as determined from the books and records of Licensee or its Affiliates:

(a) insurance, handling and transportation charges actually invoiced;

(b) amounts repaid, credited or allowed for rejection, return or recall;

(c) sales or other excise taxes or other governmental charges levied on or measured by the invoiced amount (including, without limitation, value added taxes);

(d) brokerage, customs and import duties or charges; and

(e) normal and customary trade and quantity discounts (including chargebacks and allowances) and rebates which relate to the Licensed Products or Licensed Services.

Sales of Licensed Products between or among Licensee, its Affiliates or its Sublicensees shall be excluded from the computation of Licensee Net Sales, except in those instances in which the purchaser is also the end-user of the Licensed Product sold. Further, transfers of reasonable quantities of Licensed Product by Licensee, any of its Affiliates or of its Sublicensee to a Third Party that is not a Sublicensee for use in the development of such Licensed Product (and not for resale) and transfers of industry standard quantities of Licensed Product for promotional purposes shall not be deemed a sale of such Licensed Product that gives rise to Licensee Net Sales for purposes of this Section 1.18.

1.19 "**Marketing Approval**" means all approvals, licenses, registrations or authorizations of any federal, state or local regulatory agency, department, bureau or other governmental entity, necessary for the manufacturing, use, storage, import, transport, marketing and sale of Licensed Products or performance of Licensed Services in a country or regulatory jurisdiction.

1.20 "**Patent Rights**" means: (i) U.S. Patent Application No. *, (ii) U.S. Patent Application No. *, (iii) patents, patent applications, continuation and divisional applications and foreign equivalents that claim the same invention(s) and priority date as the foregoing, (iv) continuation-in-part applications that repeat a substantial portion of any of the foregoing applications, (v) Letters Patent or the equivalent issued on any of the foregoing applications throughout the world, and (vi) amendments, extensions, renewals, reissues, and re-examinations of any of the foregoing. Notwithstanding the foregoing, "Patent Rights" shall only include any continuation-in-part application to the extent that claims in such continuation-in-part application are supported in the specification of the parent application, unless otherwise mutually agreed to in writing by the Parties to this Agreement.

1.21 "**Person**" means any person or entity, including any individual, trustee, corporation, partnership, trust, unincorporated organization, limited liability company, business association, firm, joint venture or governmental agency or authority.

1.22 "**Sublicensee**" means any Affiliate of Licensee or Third Party which enters into an agreement with Licensee involving the grant to such Affiliate or Third Party of any rights under the license granted to Licensee pursuant to this Agreement.

1.23 "**Sublicensee Net Sales**" means the total gross amount invoiced by Sublicensee (regardless of whether and when such invoices are actually paid) on the sale of Licensed Products and Licensed Services to Third Parties (including, without limitation, the provision of any product by Sublicensee that incorporates a Licensed Product or Licensed Service but for clarity excluding documented sponsored research and/or development activities, valued at the actual direct cost of such activities on a fully burdened basis (including reasonable margin for overhead)), less the following items, as determined from the books and records of Licensee, its Affiliates or its Sublicensees:

(a) insurance, handling and transportation charges actually invoiced;

(b) amounts repaid, credited or allowed for rejection, return or recall;

(c) sales or other excise taxes or other governmental charges levied on or measured by the invoiced amount (including, without limitation, value added taxes);

(d) brokerage, customs and import duties or charges; and

(e) normal and customary trade and quantity discounts (including chargebacks and allowances) and rebates which relate to the Licensed Products or Licensed Services.

Sales of Licensed Products between or among Licensee, its Affiliates or its Sublicensees shall be excluded from the computation of Sublicensee Net Sales, except in those instances in which the purchaser is also the end-user of the Licensed Product sold. Further, transfers of reasonable quantities of Licensed Product by Licensee, any of its Affiliates or of its Sublicensee to a Third Party that is not a Sublicensee for use in the development of such Licensed Product (and not for resale) and transfers of industry standard quantities of Licensed Product for promotional purposes shall not be deemed a sale of such Licensed Product that gives rise to Sublicensee Net Sales for purposes of this Section 1.23.

*Confidential material redacted and filed separately with the Commission.

1.24 "**Sublicense Revenues**" means all consideration, in whatever form, due from a Sublicensee in return for the grant of a sublicense of Licensee's rights hereunder, excluding consideration in the form of: (i) royalties received by Licensee and calculated wholly as a function of sales of Licensed Products or Licensed Services, (ii) payments or reimbursement for documented sponsored research and/or development activities, valued at the actual direct cost of such activities on a fully burdened basis (including reasonable margin for overhead), (iii) payment or reimbursement of reasonable patent expenses actually incurred or paid by Licensee and not otherwise reimbursed, or payment of patent expenses required to by paid by Licensee hereunder, (iv) payments for the purchase of equity in Licensee at the fair market value of such equity, (v) payments recognized as Sublicensee Net Sales under this Agreement for which a royalty is payable to COH, and (vi) payments received in connection with an arms-length sale of Licensed Products in finished dosage form to a commercial distributor of pharmaceutical products for distribution of such Licensed Products to end users; provided, that, the royalty due under this Agreement is paid with respect to Licensee Net Sales or Sublicensee Net Sales, as applicable, of such Licensed Products. By way of clarification, the principal amount of any loan or other extension of credit provided to Licensee or an Affiliate of Licensee in connection with the grant of a sublicense by Licensee that is other than an arm's-length credit relationship shall be deemed to constitute "Sublicense Revenues."

1.25 "**Territory**" means the entire world.

1.26 "**Third Party**" means a Person that is neither a Party to this Agreement nor an Affiliate of a Party.

1.27 "**Valid Claim**" means a claim of a pending patent application or an issued and unexpired patent included in the Patent Rights in a particular jurisdiction, which claim has not, in such jurisdiction, been finally rejected or been declared invalid or cancelled by the patent office or a court of competent jurisdiction in a decision that is no longer subject to appeal as a matter of right.

ARTICLE 2: DEVELOPMENT AND COMMERCIALIZATION EFFORTS

2.1 **Development and Commercialization Responsibilities**. Licensee shall have the sole right and responsibility for, and control over, all development, manufacturing and commercialization activities (including all regulatory activities) with respect to Licensed Products and Licensed Services in the Field.

2.2 **Licensee Diligence**. Licensee shall use Commercially Reasonable Efforts to develop and commercialize Licensed Products and Licensed Services in the Field, directly or through one or more Sublicensees. Without limiting the foregoing, if Licensee, directly or through one or Sublicensees, fails to use Commercially Reasonable Efforts in furtherance of the accomplishment of any one of the "**Diligence Milestones**" set forth in this Section 2.2 by the date specified (each a "**Deadline Date**") corresponding to such Diligence Milestone, COH shall have the right, on notice to Licensee, to terminate this Agreement or convert the grant of rights hereunder from exclusive to non-exclusive without any change in the other terms and conditions of this Agreement.

Bout "**Deadline Date**"	"**Diligence Milestone**"
1. * from the Effective Date	Infusion of at least * with the first Licensed Product or Licensed Service.
2. * from the Effective Date	Submission of at least * (*) additional Investigational New Drug ("**IND**") application in connection with a Licensed Product or Licensed Service after the Effective Date by or on behalf of Licensee or a Sublicensee. For clarity, such additional IND application shall be (i) in addition to any IND application related to a Licensed Product or a Licensed Service existing as of the Effective Date, and (ii) directed to a new indication not already proposed in such IND application existing as of the Effective Date.
3. * from the Effective Date	Infusion of at least * with a Licensed Product or Licensed Service in connection with each additional IND application described in Diligence Milestone 2.

2 . 3 **Governance**. COH and Licensee shall each designate one individual to serve as the main point of contact for communications related to development and commercialization of Licensed Products and Licensed Services under this Agreement (each a "**Designated Representative**"). The initial Designated Representative of COH shall be George Megaw, and the initial Designated Representative of Licensee shall be Samuel W. Berry. Each Party may replace its Designated Representative at any time upon prior notice to the other Party. Licensee shall keep COH reasonably informed as to its commercial development plan and progress in the development and commercialization of Licensed Products and Licensed Services. Without limiting the foregoing, on or before January 15 and July 15 of each year during the term of this Agreement, Licensee shall provide to COH a written report setting forth, in reasonable detail, its plans, activities, and achievements with respect to the development and commercialization of Licensed Products and Licensed Services during the preceding six months (the "**Semi-Annual Report**"). Each Semi-Annual Report shall also include the COH reference number, OTL 16-126. The Designated Representatives shall meet in person twice each calendar year to present and discuss the current Semi-Annual Report at such location and date as mutually agreed. Each Party shall be responsible for all expenses incurred by its Designated Representative in the participation in such annual meetings. A copy of each Semi-Annual Report shall be provided, in addition to the persons set forth in Section 14.7, to: The Office of Technology Licensing, email: licensing@coh.org.

*Confidential material redacted and filed separately with the Commission.

ARTICLE 3: LICENSE GRANTS

3.1 **Grant of Rights**. COH hereby grants to Licensee an exclusive royalty-bearing right and license under the Patent Rights to make, have made, use, offer for sale, sell and import Licensed Products and to perform Licensed Services, in the Field, in the Territory. The foregoing grant of rights shall be subject to: (i) the retained rights of the U.S. Government in the Patent Rights pursuant to 35 U.S.C. §§ 200-212 and applicable U.S. government regulations, (ii) the royalty-free right of COH and its Affiliates to practice the Patent Rights for educational and research uses, (iii) the right of COH and its Affiliates to publicly disclose research results, and (iv) the right of COH and its Affiliates to allow other non-profit institutions to use the Patent Rights for the same purposes as (ii) and (iii).

3.2 **No Implied Licenses**. Licensee acknowledges that the licenses granted in this Agreement are limited to the scope expressly granted and that, subject to the terms and conditions of this Agreement, all other rights under all Patent Rights and other intellectual property rights Controlled by COH are expressly reserved to COH.

3.3 **Sublicensing**. Licensee shall have the right to sublicense its rights hereunder without the consent of COH, effective on notice to COH. The terms and conditions of each sublicense of Licensee's rights hereunder shall be consistent with this Agreement. A true and complete copy of each sublicense of Licensee's rights hereunder, as well as any amendment thereto, shall be delivered to COH promptly following the effective date of each such sublicense or amendment.

3.4 **Effect of Termination on Sublicenses**.

(a) In the event that this Agreement terminates at any time for any reason, each sublicense validly granted hereunder which is in good standing as of the effective date of such termination shall continue in effect as a direct license between COH (as licensor) and Sublicensee (as licensee), provided that: (i) such sublicense, as determined by COH in its reasonable and good faith discretion, contains or imposes on COH no material obligation or liability additional to those set forth in this Agreement, (ii) the Sublicensee delivers to COH, within 30 days of the effective date of the termination of this Agreement, written acknowledgement that all payment and other obligations previously payable to Licensee under such sublicense shall thereafter be payable and due, and be paid directly to COH, and (iii) such Sublicensee (including its employees and contractors) is not at such time debarred or excluded or otherwise ineligible for participation in federally funded programs. All other sublicenses in existence as of the effective date of the termination of this Agreement which fail to satisfy the foregoing conditions shall, upon such termination, terminate.

(b) Further and in addition to the requirements of Section 3.4(a), above, the conversion of a sublicense into a direct license between COH (as licensor) and Sublicensee (as licensee) upon termination of this Agreement shall require that either [A] or [B] (but not both), below, be satisfied:

[A] On the effective date of the termination of this Agreement:

(i) the Sublicensee is not a party to a proceeding in bankruptcy or insolvency filed by or against such Sublicensee, has not made a general assignment for the benefit of its creditors, and is not in litigation with COH or any Affiliate of COH, *and*

(ii) (1) the effective royalty rate payable on Sublicensee's Net Sales of Licensed Products and Licensed Services, (2) the aggregate of other non-sale/royalty-based consideration due from Sublicensee, and (3) the other material terms and conditions of the sublicense are materially no less favorable to COH than the corresponding terms of this Agreement, *or*

[B] the terms and conditions of the sublicense had been approved by COH prior to its having been entered into by Licensee and the Sublicensee, such approval having been considered by COH expeditiously and not conditioned on the payment by Licensee of any additional consideration.

3.5 **Documentation of Licensed Services**. Licensee and its Sublicensees shall provide Licensed Services only pursuant to one or more written agreements which set forth, in reasonable detail, all consideration due to Licensee for the provision of such services. Licensee shall provide a true and complete copy of each such agreement to COH promptly following the effective date of such agreement.

ARTICLE 4: PAYMENTS

4.1 **Up-Front Payment**. Licensee shall pay to COH a one-time non-refundable license fee of $125,000 within 30 days after the Effective Date.

4.2 **License Maintenance Fee**. On or before the tenth Business Day after the end of each License Year (excluding the first License Year ending December 31, 2016, the second License Year ending December 31, 2017, and the third License Year ending December 31, 2018), Licensee shall pay to COH a non-refundable license maintenance fee of $*. The license maintenance fee paid in a given License Year shall be applied as credit against royalties otherwise due to COH pursuant to Section 4.4, below, during the License Year in which payment was made but may not be carried over and applied as credit against royalties due in subsequent years.

4.3 **Milestone Payments**. Within 30 days after the occurrence of the milestone event "**Milestone Event**" set forth below, Licensee shall pay COH or its designee the amount indicated below:

Milestone Event	**Amount Due**
#1. Upon the *	$ *

Includes confidential material redacted in the publicly-filed copy of the Agreement.

4.4 **Royalties**.

(a) **Net Sales by Licensee and Affiliates**. Licensee shall pay to COH or its designee royalties in an amount equal to *percent of Licensee Net Sales of Licensed Products and Licensed Services. Royalties shall be paid on a Licensed Product-by-Licensed Product, Licensed Service-by-Licensed Service and country-by-country basis until the expiration in each country of the last to expire of the Valid Claims in such country Covering Licensed Product or Licensed Services.

(b) **Net Sales by Sublicensees**. Licensee shall pay to COH or its designee royalties in an amount equal to * percent of Sublicensee Net Sales of Licensed Products and Licensed Services. Royalties shall be paid on a Licensed Product-by-Licensed Product, Licensed Service-by-Licensed Service and country-by-country basis until the expiration in each country of the last to expire of the Valid Claims in such country Covering Licensed Product or Licensed Services.

4.5 **Royalty Offsets**. If, in Licensee's reasonable business judgment it is necessary to pay to a Third Party, other than a Sublicensee, consideration (whether in the form of a royalty or otherwise) for the right to make, have made, use, sell, offer for sale or import a Licensed Product or Licensed Service in a given jurisdiction, and if the aggregate royalty rates of any and all royalties payable to such Third Party licensors when combined with the royalty rate payable to COH exceeds * percent in the case of Licensee Net Sales of Licensed Products or Licensed Services, then Licensee shall have the right with respect to any period for which royalties are due (i.e. a calendar quarter or calendar year) to set off * percent of the aggregate royalties otherwise payable with respect to such period and such jurisdiction to such Third Party licensors against royalties that would otherwise be due to COH hereunder with respect to such period and jurisdiction; provided, however, that each Third Party licensor agrees to be stacked proportionally; and provided further, however, that under no circumstances shall the royalty offsets permitted in this Section 4.5 result in the reduction of the effective adjusted royalty rate and the royalty amount otherwise due to COH in any period for which payment is due and in any jurisdiction pursuant to Section 4.4 above, by more than * percent (e.g., minimum effective adjusted royalty rate for Licensed Product or Licensed Services sales shall be * percent).

4.6 **Sublicense Revenues**.

4.6.1 Licensee shall pay to COH an amount equal to * percent of all Sublicense Revenues within 30 days after payment is received from the relevant Sublicensee. If Sublicense Revenues are not in cash or cash equivalents, the percentage share payable to COH pursuant to this Section 4.6.1 shall be due, in COH's sole discretion, either in kind or in its cash equivalent.

4.6.2 In the event that Licensee sublicenses its rights hereunder solely for use by such sublicensee in connection with a chimeric antigen receptor that is, as of the Effective Date or as of the date of execution of such sublicense, a COH CAR, either directly or indirectly pursuant to an applicable license or sublicense agreement (each, a "**COH CAR License**"), Licensee shall only be required to pay to COH a percentage of sublicensing revenues pursuant to the applicable COH CAR License, if any, and shall not be required to make additional payments pursuant to Section 4.6.1 of this Agreement; provided, that the sublicensee shall only receive a license to use the rights granted hereunder in connection with the applicable COH CAR. COH will determine, for purposes of Licensee invoicing, the allocation of sublicensing revenues among this Agreement and the applicable COH CAR Licenses at a time when a payment pursuant to this Section 4.6.2 is due and shall inform Licensee in writing of the determination at such time.

*Confidential material redacted and filed separately with the Commission.

4.7 **Timing of Royalty Payments**. Royalty payments due under Section 4.4 above shall be paid annually within 60 days following the end of each License Year until the first License Year in which aggregate Licensee Net Sales and Sublicensee Net Sales reach $*. Thereafter, all royalty payments due under Section 4.4 shall be paid in quarterly installments, within 60 days following the end of each calendar quarter.

4.8 **No Deductions from Payments**. Licensee is solely responsible for payment of any fee, royalty or other payment due to any Third Party not a Sublicensee in connection with the research, development, manufacture, distribution, use, sale, import or export of a Licensed Product or Licensed Service and, except as set forth in Section 4.5 above, Licensee shall not have the right to set off any amounts paid to such a Third Party, including fee, royalty or other payment, against any amount payable to COH hereunder.

4.9 **Single Royalty**. Only a single royalty payment shall be due and payable on Licensee Net Sales and Sublicensee Net Sales of a Licensed Product or performance of a Licensed Service, regardless if such Licensed Product or Licensed Service is Covered by more than one Valid Claim.

ARTICLE 5: REPORTS, AUDITS AND FINANCIAL TERMS

5.1 **Royalty Reports**. Within 60 days after the end of each calendar quarter in which a royalty payment under Article 4 is required to be made, Licensee shall send to COH a report of Licensee Net Sales and Sublicensee Net Sales of the Licensed Products and Licensed Services for which a royalty is due, which report sets forth for such calendar quarter the following information, on a Licensed Product-by-Licensed Product, Licensed Service-by-Licensed Service and country-by-country basis: (i) total Licensee Net Sales and Sublicensee Net Sales, (ii) total gross sales of Licensed Products and Licensed Services, (iii) the quantity of each Licensed Products sold and Licensed Services performed, (iv) the exchange rate used to convert Licensee Net Sales and Sublicensee Net Sales from the currency in which they are earned to United States dollars; and (v) the total royalty payments due. All royalty reports shall also include the COH reference number, OTL 16-126. A copy of each royalty report shall be provided, in addition to the persons set forth in Section 14.7, to: The Office of Technology Licensing, email: otl-royalties@coh.org.

5.2 **Additional Financial Terms**.

5.2.1 **Currency**. All payments to be made under this Agreement shall be made in United States dollars, unless expressly specified to the contrary herein. Licensee Net Sales and Sublicensee Net Sales outside of the United States shall be first determined in the currency in which they are earned and shall then be converted into an amount in United States dollars. All currency conversions shall use the conversion rate reported by Reuters, Ltd. on the last Business Day of the calendar quarter for which such payment is being determined.

5.2.2 **Payment Method**. Amounts due under this Agreement shall be paid in immediately available funds, by means of wire transfer to an account identified by COH.

*Confidential material redacted and filed separately with the Commission.

5.2.3 **Withholding of Taxes**. Licensee may withhold from payments due to COH amounts for payment of any withholding tax that is required by law to be paid to any taxing authority with respect to such payments. Licensee shall provide to COH all relevant documents and correspondence, and shall also provide to COH any other cooperation or assistance on a reasonable basis as may be necessary to enable COH to claim exemption from such withholding taxes and to receive a full refund of such withholding tax or claim a foreign tax credit. Licensee shall give COH proper evidence from time to time as to the payment of such tax. The Parties shall cooperate with each other in seeking deductions under federal and state tax laws and any double taxation or other similar treaty or agreement from time to time in force.

5.2.4 **Late Payments**. Any amounts not paid on or before the date due under this Agreement are subject to interest from the date due through and including the date upon which payment is received. Interest is calculated, over the period between the date due and the date paid, at a rate equal to * percentage point (*%) over the "bank prime loan" rate, as such rate is published in the U.S. Federal Reserve Bulletin H.15 or successor thereto on the last Business Day of the applicable calendar quarter prior to the date on which such payment is due.

5.2.5 **Blocked Currency**. If, at any time, legal restrictions prevent the prompt remittance of part or all royalties with respect to any country where a Licensed Product is sold or Licensed Service provided, payment shall be made through such lawful means or methods as Licensee may determine. When, in any country, the law or regulations prohibit both the transmittal and deposit of royalties or other payments, Licensee shall continue to report all such amounts, but may suspend payment for as long as such prohibition is in effect. As soon as such prohibition ceases to be in effect, all amounts that would have been obligated to be transmitted or deposited but for the prohibition, together with accrued interested thereon, shall promptly be transmitted to COH.

5.3 **Accounts and Audit**.

5.3.1 **Records**. Licensee shall keep, and shall require in applicable sublicense agreements, that each Sublicensee keep, full, true and accurate books of account containing the particulars of its Licensee Net Sales and Sublicensee Net Sales, as applicable, and the calculation of royalties. Licensee and its Sublicensees shall each keep such books of account and the supporting data and other records at its principal place of business. Such books and records must be maintained available for examination in accordance with this Section 5.3.1 for five calendar years after the end of the calendar year to which they pertain, and otherwise as reasonably required to comply with GAAP.

5.3.2 **Appointment of Auditor**. COH may appoint an internationally- recognized independent accounting firm reasonably acceptable to Licensee to inspect the relevant books of account of Licensee and its Sublicensees to verify any reports or statements provided, or amounts paid or invoiced (as appropriate), by Licensee or its Sublicensees.

*Confidential material redacted and filed separately with the Commission.

5.3.3 **Procedures for Audit**. COH may exercise its right to have Licensee's and its Sublicensees' relevant records examined only during the five year period during which Licensee is required to maintain records, no more than once in any consecutive four calendar quarters. Licensee and its Sublicensees are required to make records available for inspection only during regular business hours, only at such place or places where such records are customarily kept, and only upon receipt of at least 15 days advance notice from COH.

5.3.4 **Audit Report**. The independent accountant will be instructed to provide to COH an audit report containing only its conclusions and methodology regarding the audit, and specifying whether the amounts paid were correct and, if incorrect, the amount of any underpayment or overpayment.

5.3.5 **Underpayment and Overpayment**. After review of the auditor's report: (i) if there is an uncontested underpayment by Licensee for all of the periods covered by such auditor's report, then Licensee shall pay to COH the full amount of that uncontested underpayment, and (ii) if there is an uncontested overpayment for such periods, then COH shall provide to Licensee a credit against future payments (such credit equal to the full amount of that overpayment), or, if Licensee is not obligated to make any future payments, then COH shall pay to Licensee the full amount of that overpayment. Contested amounts are subject to dispute resolution under Article 12. If the total amount of any such underpayment (as agreed to by Licensee or as determined under Article 12) exceeds * percent of the amount previously paid by Licensee for the period subject to audit, then Licensee shall pay the reasonable costs for the audit. Otherwise, all costs of the audit shall be paid by COH.

ARTICLE 6: LICENSEE COVENANTS

6.1 Licensee covenants and agrees that:

(a) During the period commencing on the Effective Date and ending on the third (3rd) anniversary of the Effective Date, both Dr. Lindsay A. Rosenwald and Michael S. Weiss will hold either directorial or senior management positions of Licensee or its parent company, Fortress Biotech, Inc.; provided, that, in the event of a Change of Control of Licensee, subsequent to such Change of Control, in the event that either Dr. Lindsay A. Rosenwald or Michael S. Weiss no longer holds either a directorial or senior management position of Licensee or its parent company Fortress Biotech, Inc., then both individuals must remain materially involved with the oversight and management of the development of Licensed Products during such period; provided further that in the event of the death or permanent disability of either of Dr. Rosenwald or Mr. Weiss, Licensee will be excused from observing this Section 6.1(a) with regard to the decedent;

(b) in conducting activities contemplated under this Agreement, it shall comply in all material respects with all applicable laws and regulations including, without limitation, those related to the manufacture, use, labeling importation and marketing of Licensed Products and Licensed Services; and

*Confidential material redacted and filed separately with the Commission.

(c) without limiting the foregoing and notwithstanding any other provision in this Agreement, Licensee acknowledges and agrees that it is an exclusive Licensee under this Agreement and agrees (i) to be subject to all laws and other obligations applicable to the CIRM Grant as they apply to an exclusive Licensee, including diligence, reporting, access and pricing requirements, and (ii) to assist COH as necessary to ensure COH remains in compliance with any laws and other obligations applicable to the CIRM Grant.

ARTICLE 7: INTELLECTUAL PROPERTY; PATENT PROSECUTION, MAINTENANCE AND ENFORCEMENT.

7.1 **Patent Prosecution, Maintenance and Enforcement**.

(a) COH shall be responsible for the preparation, filing, prosecution, and maintenance of all Patent Rights, using counsel of its choice. COH will timely provide Licensee with copies of all relevant documentation relating to such prosecution and Licensee shall keep such information confidential. In addition, COH shall instruct the patent counsel prosecuting Patent Rights to (i) copy Licensee on patent prosecution documents that are received from or filed with the United States Patent and Trademark Office and foreign equivalent, as applicable; (ii) if requested by Licensee, provide Licensee with copies of draft submissions to the USPTO prior to filing; and (iii) give reasonable consideration to the comments and requests of Licensee or its patent counsel, provided that (a) COH reserves the sole right to make all final decisions with respect to the preparation, filing, prosecution and maintenance of such patent applications and patents; and (b) the patent counsel remains counsel to COH (and shall not jointly represent Licensee unless requested by Licensee and approved by COH, and an appropriate engagement letter and conflict waiver are in effect). All patents and patent applications in Patent Rights, to the extent assignable in whole or in part to COH, shall be assigned to COH.

(b) COH will not unreasonably refuse to amend any patent application in Patent Rights to include claims reasonably requested by Licensee to protect the products contemplated to be sold by Licensee under this Agreement. If Licensee informs COH of other countries or jurisdictions in which it wishes to obtain patent protection with respect to the Patent Rights, COH shall prepare, file, prosecute and maintain patent applications in such countries and any patents resulting therefrom (and, for the avoidance of doubt, such patent applications and patents shall be deemed included in the Patent Rights). On a country by country and patent by patent basis, Licensee may elect to surrender any patent or patent application in Patent Rights in any country upon sixty (60) days advance written notice to COH. Such notice shall relieve Licensee from the obligation to pay for future patent costs but shall not relieve Licensee from responsibility to pay patent costs incurred prior to the expiration of the sixty (60) day notice period. Such U.S. or foreign patent application or patent shall thereupon cease to be a Patent Right hereunder, Licensee shall have no further rights therein and COH shall be free to license its rights to that particular U.S. or foreign patent application or patent to any other party on any terms.

(c) Each Party shall promptly provide written notice to the other in the event it becomes aware of any actual or probable infringement of any of the Patent Rights in or relevant to the Field or of any Third Party claim regarding the enforceability or validity of any Patent Rights ("**Infringement Notice**"). Licensee shall, in cooperation with COH, use reasonable efforts to terminate infringement without litigation.

(d) If infringing activity has not been abated within ninety (90) days following the date the Infringement Notice takes effect, then Licensee may, following consultation with COH, in its sole discretion and at its sole expense, take action against any alleged infringer or in defense of such any claim, provided, that Licensee has exclusive rights under this Agreement. Any recovery obtained by Licensee as the result of legal proceedings initiated and paid for by Licensee pursuant to this subsection (d), after deduction of Licensee's reasonable out-of-pocket expenses incurred in securing such recovery, shall be deemed to be Licensee Net Sales or Sublicensee Net Sales, as applicable, of Licensed Products and/or Licensed Services in the calendar quarter in which such recovery was received and royalties shall be due and payable thereon accordingly.

(e) If COH is involuntarily joined in a suit initiated by Licensee, then the Licensee will pay any costs incurred by COH arising out of such suit, including but not limited to, reasonable legal fees of counsel that COH selects and retains to represent it in the suit.

(f) In the event that Licensee declines either to cause such infringement to cease (e.g., by settlement or injunction) or to initiate and thereafter diligently maintain legal proceedings against the infringer other than as part of a mutually agreed upon bona fide strategy, developed with the guidance of outside patent counsel, to preserve the Patent Rights, COH may, in its sole discretion and at its sole expense, take action against such alleged infringer or in defense of any such Third Party claim. Any recovery obtained by COH as the result of any such legal proceedings shall be for the benefit of COH only.

7.2 **Trademarks**. Licensee shall be responsible for the selection, registration, maintenance, and defense of all trademarks for use in connection with the sale or marketing of Licensed Products and Licensed Services in the Field in the Territory (the "**Marks**"), as well as all expenses associated therewith. All uses of the Marks by Licensee or a Sublicensee shall comply in all material respects with all applicable laws and regulations (including those laws and regulations particularly applying to the proper use and designation of trademarks in the applicable countries). Licensee shall not, without COH's prior written consent, use any trademarks or house marks of COH (including the COH corporate name), or marks confusingly similar thereto, in connection with Licensee commercialization of Licensed Products or Licensed Services under this Agreement in any promotional materials or applications or in any manner implying an endorsement by COH of Licensee or the Licensed Products or Licensed Services. Licensee shall own all Marks.

7.3 **Challenge to the Patent Rights by Licensee**. COH may terminate this Agreement and, notwithstanding Section 3.3 above, all Sublicenses issued hereunder, upon written notice to Licensee in the event that Licensee or any of its Affiliates or Sublicensees directly or indirectly asserts a Patent Challenge. "**Patent Challenge**" means any challenge in a legal or administrative proceeding to the patentability, validity or enforceability of any of the Patent Rights (or any claim thereof), including by: (a) filing or pursuing a declaratory judgment action in which any of the Patent Rights is alleged to be invalid or unenforceable; (b) citing prior art against any of the Patent Rights, filing a request for or pursuing a re-examination of any of the Patent Rights (other than with COH's written agreement), or becoming a party to or pursuing an interference; or (c) filing or pursuing any re-examination, opposition, cancellation, nullity or other like proceedings against any of the Patent Rights; but excluding any challenge raised as a defense against a claim, action or proceeding asserted by COH against Licensee, its Affiliates or Sublicensees. In lieu of exercising its rights to terminate under this Section 7.3 COH may elect upon written notice to increase the payments due under all of Article 4 by * percent (*%), which election will be effective retroactively to the date of the commencement of the Patent Challenge. Licensee acknowledges and agrees that this Section 7.3 is reasonable, valid and necessary for the adequate protection of COH's interest in and to the Patent Rights, and that would not have granted to Licensee the licenses under those Patent Rights, without this Section 7.3.

7.4 **Payment of COH Patent Expenses**.

(a) The Parties acknowledge that, prior to the Effective Date, COH provided to Licensee documentation of historic expenses incurred by COH with respect to the drafting, prosecution and maintenance of the Patent Rights. In consideration of such historic expenditures by COH, Licensee shall reimburse COH for such expenses within 30 days after the Effective Date.

(b) After the Effective Date, COH shall provide to Licensee an annual invoice and reasonably detailed documentation with respect to COH's out-of-pocket expenses incurred with respect to such prosecution and maintenance for the previous year. Licensee shall reimburse COH for * percent of such expenses within 30 days after receipt of such invoice and documentation.

7.5 **Marking**. Licensee and its Sublicensees shall mark all Licensed Products and all materials related to Licensed Services in such a matter as to conform with the patent laws of the country to which such Licensed Products are shipped or in which such products are sold and such Licensed Services performed.

ARTICLE 8: TERM AND TERMINATION

8.1 **Term and Expiration of Term**. The term of this Agreement (the "**Term**") shall commence on the Effective Date and, notwithstanding any other provision of this Agreement, unless sooner terminated by mutual agreement or pursuant to any other provision of this Agreement, this Agreement shall expire on a country-by-country basis and on a Patent Right-by- Patent Right basis on the later to occur of: (a) the expiration of the last to expire of any of the Patent Rights in such country (or if no patent issues, until the last patent application in Patent Rights is abandoned), and (b) the date on which the last of the remaining obligations under this Agreement between the Parties with respect to the payment of milestones or royalties with respect to Licensed Products and Licensed Services have been satisfied (such expiry of the Term hereinafter referred to as "**Expiration**").

*Confidential material redacted and filed separately with the Commission.

8.2 **Termination**.

8.2.1 **Material Breach**. Either Party may terminate this Agreement prior to its Expiration for any material breach by the other Party, provided that the Party seeking to terminate shall have first given the breaching Party notice of such material breach with reasonable particulars of the material breach, and the Party receiving the notice of the material breach shall have failed to cure that material breach within 60 days after the date of receipt of such notice.

8.2.2 **Bankruptcy**. COH shall have the right to terminate this Agreement prior to its Expiration upon notice to Licensee, in the event that: (i) Licensee seeks protection of any bankruptcy or insolvency law other than with the prior consent of City of Hope, or (ii) a proceeding in bankruptcy or insolvency is filed by or against Licensee and not withdrawn, removed or vacated within 120 days of such filing, or there is adjudication by a court of competent jurisdiction that Licensee is bankrupt or insolvent.

8.2.3 **Termination at Will by Licensee**. Licensee shall have the right to terminate this Agreement prior to its Expiration upon notice to COH without cause, effective no fewer than 90 days following the date of such notice.

8.3 **Effect of Termination**.

8.3.1 Upon any termination of this Agreement pursuant to Section 8.2 (but for clarity, not in the case of its Expiration), all rights and licenses granted to Licensee under Article 4, if any, shall immediately terminate on and as of the effective date of termination as provided in Section 8.2, except that Licensee shall have the right to continue to sell Licensed Products manufactured prior to the effective date of such termination until the sooner of: (i) 90 days after the effective date of termination, or (ii) the exhaustion of Licensee's inventory of Licensed Products.

8.3.2 Upon termination of this Agreement pursuant to Section 8.2 (but for clarity, not in the case of its Expiration):

(a) Each Party shall promptly return to the other Party all relevant records and materials in its possession or control containing or comprising the other Party's Confidential Information and to which the Party does not retain rights hereunder.

(b) Licensee shall discontinue making any representation regarding its status as a licensee of COH for Licensed Products and Licensed Services. Subject to Section 8.3.1 above, Licensee shall cease conducting any activities with respect to the marketing, promotion, sale or distribution of Licensed Products and Licensed Services.

8.3.3 Termination of this Agreement through any means and for any reason pursuant to Section 8.2 (but for clarity, not in the case of its Expiration), shall not relieve the Parties of any obligation accruing prior thereto, including the payment of all sums due and payable, and shall be without prejudice to the rights and remedies of either Party with respect to any antecedent breach of any of the provisions of this Agreement.

8.4 **Survival**. Sections 4.7, 5.1, 5.2, 5.3, 7.5, 8.3, 8.4, Article 10, Article 11, Article 12, Sections 14.2, 14.4, 14.7, and 14.10 shall survive termination of this Agreement for any reason pursuant to Section 8.2 and Expiration pursuant to Section 8.2.

ARTICLE 9: REPRESENTATIONS AND WARRANTIES

9.1 **Mutual Representations and Warranties**. COH and Licensee each represents and warrants as follows:

9.1.1 It has the right and authority to enter into this Agreement and all action required to be taken on its behalf, its officers, directors, partners and stockholders necessary for the authorization, execution, and delivery of this Agreement and, the performance of all of its obligations hereunder, and this Agreement, when executed and delivered, will constitute valid and legally binding obligations of such Party, enforceable in accordance with its terms, subject to: (i) laws limiting the availability of specific performance, injunctive relief, and other equitable remedies; and (ii) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws now or hereafter in effect generally relating to or affecting creditors' rights generally;

9.1.2 Entry into this Agreement will not constitute a breach of any other agreement to which it is party;

9.1.3 It has read this Agreement, with assistance from its counsel of choice. It understands all of this Agreement's terms. It has been given a reasonable amount of time to consider the contents of this Agreement before each Party executed it. It agrees that it is executing this Agreement voluntarily with full knowledge of this Agreement's legal significance; and

9.1.4 It has made such investigation of all matters pertaining to this Agreement that it deems necessary, and does not rely on any statement, promise, or representation, whether oral or written, with respect to such matters other than those expressly set forth herein. It agrees that it is not relying in any manner on any statement, promise, representation or understanding, whether oral, written or implied, made by any Party, not specifically set forth in this Agreement. It acknowledges that, after execution of this Agreement, it may discover facts different from or in addition to those which it now knows or believes to be true. Nevertheless, it agrees that this Agreement shall be and remain in full force and effect in all respects, notwithstanding such different or additional facts.

9.2 **Representations and Warranties of COH**. COH represents and warrants that, to the actual knowledge of the Director of its Office of Technology Transfer without independent inquiry, COH has the full power and authority to grant the rights, licenses and privileges granted herein.

9.3 **Exclusions**. Nothing in this Agreement is or shall be construed as:

9.3.1 A warranty or representation by COH as to the validity or scope of any claim or patent or patent application within the Patent Rights;

9.3.2 A warranty or representation by COH that anything made, used, sold, or otherwise disposed of under any license granted in this Agreement is or will be free from infringement of any patent rights or other intellectual property right of any Third Party;

9.3.3 A grant by COH, whether by implication, estoppel, or otherwise, of any licenses or rights under any patents other than Patent Rights as defined herein, regardless of whether such patents are dominant or subordinate to Patent Rights;

9.3.4 An obligation on COH to bring or prosecute any suit or action against a third party for infringement of any of the Patent Rights;

9.3.5 An obligation to furnish any know-how not provided in Patent Rights; or

9.3.6 A representation or warranty of the ownership of the Patent Rights other than as set forth in Section 9.29.2, above.

9.4 **DISCLAIMER**. **NO WARRANTY IS GIVEN WITH RESPECT TO THE PATENT RIGHTS, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, BY STATUTE OR OTHERWISE, AND THE PARTIES SPECIFICALLY DISCLAIM ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, VALIDITY OF THE PATENT RIGHTS OR NON-INFRINGEMENT OF THE INTELLECTUAL PROPERTY OR OTHER RIGHTS OF ANY THIRD PARTY. THE WARRANTIES SET FORTH IN SECTIONS 9.1 AND 9.2 ABOVE, ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, VALIDITY, NON-INFRINGEMENT AND ALL SUCH OTHER WARRANTIES ARE HEREBY EXPRESSLY DISCLAIMED.**

ARTICLE 10: INDEMNIFICATION

10.1 **Indemnification by Licensee**. Licensee shall defend, indemnify and hold harmless COH, its Affiliates, officers, directors, shareholders, employees and agents ("**COH Indemnitees**") from and against any and all Third Party liabilities, claims, suits, and expenses, including reasonable attorneys' fees (collectively, "**Losses**"), arising out of or are in any way attributable to: (i) the material breach of any representation or warranty made by Licensee under this Agreement, (ii) the research, development, marketing, approval, manufacture, packaging, labeling, handling, storage, transportation, use, distribution, promotion, marketing or sale of Licensed Products or Licensed Services by or on behalf of Licensee, any of its Affiliates or a Sublicensee or any other exercise of rights under this Agreement or pursuant to any sublicense, or (iii) the negligence, willful misconduct or failure to comply with applicable law by a Licensee Indemnitee or Sublicensee; in each case except to the extent that such Losses are caused directly by: (a) COH's material breach of any representation or warranty made by COH under this Agreement, (b) COH's material breach of its obligations under this Agreement, and/or (c) the gross negligence or willful misconduct of a COH Indemnitee.

10.2 **Indemnification by COH**. COH shall defend, indemnify and hold harmless Licensee and its Affiliates and their respective officers, directors, shareholders, employees and agents (collectively, the "**Licensee Indemnitees**") from and against any and all Losses caused directly by: (i) the material breach of any representation or warranty made by COH under this Agreement, or (ii) the gross negligence or willful misconduct of a COH Indemnitee, except to the extent that such Losses arise out of or are in any way attributable to: (a) the material breach of any representation or warranty made by Licensee under this Agreement, (b) the research, development, marketing, approval, manufacture, packaging, labeling, handling, storage, transportation, use, distribution, promotion, marketing or sale of Licensed Products or Licensed Services by or on behalf of Licensee or a Sublicensee, or (c) the negligence, willful misconduct or failure to comply with applicable law by a Licensee Indemnitee or a Sublicensee.

10.3 **Procedure**. The indemnities set forth in this Article 10 are subject to the condition that the Party seeking the indemnity shall forthwith notify the indemnifying Party on being notified or otherwise made aware of a liability, claim, suit, action or expense and that the indemnifying Party defend and control any proceedings with the other Party being permitted to participate at its own expense (unless there shall be a conflict of interest which would prevent representation by joint counsel, in which event the indemnifying Party shall pay for the other Party's counsel); provided, that, the indemnifying Party may not settle the liability, claim, suit, action or expense, or otherwise admit fault of the other Party or consent to any judgment, without the written consent of the other Party (such consent not to be unreasonably withheld). Notwithstanding the foregoing, no delay in the notification of the existence of any claim of Loss shall cause a failure to comply with this Section 10.3 as long as such delay shall not have materially impaired the rights of the indemnifying Party.

10.4 **Insurance**.

(a) Within 30 days following the Effective Date, Licensee shall procure at its sole expense and provide to COH evidence of comprehensive or commercial general liability insurance (contractual liability included) with limits of at least: (i) each occurrence, $*; (ii) products/completed operations aggregate, $*; (iii) personal and advertising injury, $*; and general aggregate (commercial form only), $*.

(b) The foregoing policies will provide primary coverage to COH and shall name the COH Indemnitees as additional insureds, and shall remain in effect during the term of this Agreement and for * years following the termination or expiration of the term of this Agreement. The COH Indemnitees shall be notified in writing by Licensee not less than 30 days prior to any modification, cancellation or non-renewal of such policy. Licensee's insurance must include a provision that the coverages will be primary and will not participate with nor will be excess over any valid and collective insurance or program of self-insurance carried or maintained by the COH Indemnitees. Such insurance coverage shall be maintained with an insurance company or companies having an A.M. Best's rating (or its equivalent) of A-XII or better.

(c) Licensee expressly understands that the coverage limits in Section 10.4(a) do not in any way limit the Licensee's liability.

*Confidential material redacted and filed separately with the Commission.

10.5 **LIMITATION ON DAMAGES**. **NOTWITHSTANDING ANYTHING CONTAINED IN THIS AGREEMENT TO THE CONTRARY, EXCEPT IN RELATION TO LICENSEE'S INDEMNIFICATION OBLIGATIONS UNDER SECTION 10.1 AND ANY BREACH BY LICENSEE OF ARTICLE 11 (I) IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY SPECIAL, PUNITIVE, CONSEQUENTIAL, INDIRECT, OR INCIDENTAL DAMAGES (INCLUDING LOSS OF PROFITS, COSTS OF PROCURING SUBSTITUTE GOODS, LOST BUSINESS OR ENHANCED DAMAGES FOR INTELLECTUAL PROPERTY INFRINGEMENT) WHETHER BASED UPON BREACH OF WARRANTY, BREACH OF CONTRACT, NEGLIGENCE, STRICT LIABILITY IN TORT OR ANY OTHER LEGAL THEORY, AND (II) IN NO EVENT SHALL COH BE LIABLE TO LICENSEE FOR AN AGGREGATE AMOUNT IN EXCESS OF TWO-THIRDS OF THE TOTAL CONSIDERATION PAID TO COH HEREUNDER.**

ARTICLE 11: CONFIDENTIALITY

11.1 **Confidential Information**. During the term of this Agreement and for * years thereafter without regard to the means of termination: (i) COH shall not use, for any purpose other than the purpose contemplated by this Agreement, or reveal or disclose to any Third Party Licensee Confidential Information; and (ii) Licensee shall not use, for any purpose other than the purpose contemplated by this Agreement, or reveal or disclose COH Confidential Information to any Third Party. The Parties shall take reasonable measures to assure that no unauthorized use or disclosure is made by others to whom access to such information is granted.

11.2 **Exceptions**. Notwithstanding the foregoing, a Party may use and disclose Confidential Information of the other Party as follows:

(a) if required by applicable law, rule, regulation, government requirement and/or court order, provided, that, the disclosing Party promptly notifies the other Party of its notice of any such requirement and provides the other Party a reasonable opportunity to seek a protective order or other appropriate remedy and/or to waive compliance with the provisions of this Agreement;

(b) to the extent such use and disclosure occurs in the filing or publication of any patent application or patent on inventions;

(c) as necessary or desirable for securing any regulatory approvals, including pricing approvals, for any Licensed Products or Licensed Services, provided, that, the disclosing Party shall take all reasonable steps to limit disclosure of the Confidential Information outside such regulatory agency and to otherwise maintain the confidentiality of the Confidential Information;

(d) to take any lawful action that it deems necessary to protect its interest under, or to enforce compliance with the terms and conditions of, this Agreement;

*Confidential material redacted and filed separately with the Commission.

(e) to the extent necessary, to its Affiliates, directors, officers, employees, consultants, vendors and clinicians under written agreements of confidentiality at least as restrictive as those set forth in this Agreement, who have a need to know such information in connection with such Party performing its obligations or exercising its rights under this Agreement; and

(f) by Licensee, to actual and potential investors, licensees, Sublicensees, consultants, vendors and suppliers, and academic and commercial collaborators, under written agreements of confidentiality at least as restrictive as those set forth in this Agreement.

11.3 **Certain Obligations**. During the Term and for a period of * years thereafter and subject to the exceptions set forth in Section 11.2 Licensee, with respect to COH Confidential Information, and COH, with respect to Licensee Confidential Information, agree:

(a) to use such Confidential Information only for the purposes contemplated under this Agreement,

(b) to treat such Confidential Information as it would its own proprietary information which in no event shall be less than a reasonable standard of care,

(c) to take reasonable precautions to prevent the disclosure of such Confidential Information to a Third Party without written consent of the other Party, and

(d) to only disclose such Confidential Information to those employees, agents and Third Parties who have a need to know such Confidential Information for the purposes set forth herein and who are subject to obligations of confidentiality no less restrictive than those set forth herein.

11.4 **Termination**. Upon termination of this Agreement pursuant to Section 8.2 (but for clarity, not in the case of its Expiration), and upon the request of the disclosing Party, the receiving Party shall promptly return to the disclosing Party or destroy all copies of Confidential Information received from such Party, and shall return or destroy, and document the destruction of, all summaries, abstracts, extracts, or other documents which contain any Confidential Information of the other Party in any form, except that each Party shall be permitted to retain a copy (or copies, as necessary) of such Confidential Information for archival purposes or to enforce or verify compliance with this Agreement, or as required by any applicable law or regulation.

ARTICLE 12: DISPUTE RESOLUTION

All Disputes shall be first referred to a Vice President, Center for Applied Technology Development of COH (the "**COH VP**") and the President of Licensee for resolution, prior to proceeding under the other provisions of this Article 12. A Dispute shall be referred to such executives upon one Party (the " **Initiating Party**") providing the other Party (the "**Responding Party**") with notice that such Dispute exists, together with a written statement describing the Dispute with reasonable specificity and proposing a resolution to such Dispute that the Initiating Party is willing to accept, if any. Within ten days after having received such statement and proposed resolution, if any, the Responding Party shall respond with a written statement that provides additional information, if any, regarding such Dispute, and proposes a resolution to such Dispute that the Responding Party is willing to accept, if any. In the event that such Dispute is not resolved within 60 days after the Responding Party's receipt of the Initiating Party's notice, either Party may bring and thereafter maintain suit against the other with respect to such Dispute; provided, however, that the exclusive jurisdiction of any such suit shall be the state and federal courts located in Los Angeles County, California, and the Parties hereby consent to the exclusive jurisdiction and venue of such courts.

*Confidential material redacted and filed separately with the Commission.

ARTICLE 13: GOVERNMENTAL MATTERS

13.1 **Governmental Approval or Registration**. If this Agreement or any associated transaction is required by the law of any nation to be either approved or registered with any governmental agency, Licensee shall assume all legal obligations to do so. Licensee shall notify COH if it becomes aware that this Agreement is subject to a U.S. or foreign government reporting or approval requirement. Licensee shall make all necessary filings and pay all costs including fees, penalties and all other out-of-pocket costs associated with such reporting or approval process.

13.2 **Export Control Laws**. Licensee shall observe all applicable U.S. and foreign laws with respect to the transfer of Licensed Products and related technical data to foreign countries, including, without limitation, the International Traffic in Arms Regulations and the Export Administration Regulations.

13.3 **Preference for United States Industry**. If Licensee sells a Licensed Product in the U.S., Licensee shall make Commercially Reasonable Efforts to manufacture said product substantially in the U.S.

ARTICLE 14: MISCELLANEOUS

14.1 **Assignment and Delegation**. Except as expressly provided in this Section 14.1, neither this Agreement nor any right or obligation hereunder shall be assignable in whole or in part, whether by operation of law, or otherwise by Licensee without the prior written consent of COH. Notwithstanding the foregoing, Licensee may assign or transfer its rights and obligations under this Agreement to a Person that succeeds to all or substantially all of that Party's business or assets, whether by sale, merger, operation of law or otherwise and provided that such Person agrees, in form and substance reasonably acceptable to COH, to be bound as a direct party to this Agreement in lieu of or in addition to Licensee and provided further that Licensee has complied with its obligations pursuant to Section 4.4. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the Parties hereto and their respective successors and permitted assignees. Any transfer or assignment of this Agreement in violation of this Section 14.1 shall be null and void.

14.2 **Entire Agreement**. This Agreement contains the entire agreement between the Parties relating to the subject matter hereof, and all prior understandings, representations and warranties between the Parties are superseded by this Agreement.

14.3 **Amendments**. Changes and additional provisions to this Agreement shall be binding on the Parties only if agreed upon in writing and signed by the Parties.

14.4 **Applicable Law**. This Agreement shall be construed and interpreted in accordance with the laws of the State of California and all rights and remedies shall be governed by such laws without regard to principles of conflicts of law.

14.5 **Force Majeure**. If the performance of this Agreement or any obligations hereunder is prevented, restricted or interfered with by reason of earthquake, fire, flood or other casualty or due to strikes, riot, storms, explosions, acts of God, war, terrorism, or a similar occurrence or condition beyond the reasonable control of the Parties, the Party so affected shall, upon giving prompt notice to the other Parties, be excused from such performance during such prevention, restriction or interference, and any failure or delay resulting therefrom shall not be considered a breach of this Agreement.

14.6 **Severability**. The Parties do not intend to violate any public policy or statutory common law. However, if any sentence, paragraph, clause or combination of this Agreement is in violation of any law or is found to be otherwise unenforceable, such sentence, paragraph, clause or combination of the same shall be deleted and the remainder of this Agreement shall remain binding, provided that such deletion does not alter the basic purpose and structure of this Agreement.

14.7 **Notices**. All notices, requests, demands, and other communications relating to this Agreement shall be in writing in the English language and shall be delivered in person or by mail, international courier or facsimile transmission (with a confirmation copy forwarded by courier or mail). Notices sent by mail shall be sent by first class mail or the equivalent, registered or certified, postage prepaid, and shall be deemed to have been given on the date actually received. Notices sent by international courier shall be sent using a service which provides traceability of packages. Notices shall be sent as follows:

Notices to COH:

Office of Technology Licensing
City of Hope
1500 East Duarte Road
Duarte, CA 91010
Attn: Sr. VP, Center for Applied
Technology Development
Fax 626-301-8175

with a copy to:

Office of General Counsel
City of Hope
1500 East Duarte Road
Duarte, CA 91010
Attn: General Counsel
Fax 626-301-8863

Notices to Licensee:

Mustang Bio, Inc.
2 Gansevoort, 9th Floor
New York, NY 10014
Attn: CEO

with a copy to:

Mustang Bio, Inc.
2 Gansevoort, 9th Floor
New York, NY 10014
Attn: Corporate Counsel

Either Party may change its address for notices or facsimile number at any time by sending notice to the other Party.

14.8 **Independent Contractor**. Nothing herein shall create any association, partnership, joint venture, fiduciary duty or the relation of principal and agent between the Parties hereto, it being understood that each Party is acting as an independent contractor, and neither Party shall have the authority to bind the other or the other's representatives in any way.

14.9 **Waiver**. No delay on the part of either Party hereto in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any power or right hereunder preclude other or further exercise thereof or the exercise of any other power or right. No waiver of this Agreement or any provision hereof shall be enforceable against any Party hereto unless in writing, signed by the Party against whom such waiver is claimed, and shall be limited solely to the one event.

14.10 **Interpretation**. This Agreement has been prepared jointly and no rule of strict construction shall be applied against either Party. In this Agreement, the singular shall include the plural and vice versa and the word "including" shall be deemed to be followed by the phrase "without limitation." The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

14.11 **Counterparts**. This Agreement may be executed in counterparts, each of which together shall constitute one and the same Agreement. For purposes of executing this agreement, a facsimile copy or an emailed PDF of this Agreement, including the signature pages, will be deemed an original.

14.12 **Licensee Certification**. Licensee certifies to COH, under penalty of perjury, that Licensee has not been convicted of a criminal offense related to health care, is not currently debarred, excluded or otherwise ineligible for participation in federally funded health care programs and has not arranged or contracted (by employment or otherwise) with any employee, contractor, or agent that it knew or should have known are excluded from participation in any federal health care program, and will not knowingly arrange or contract with any such individuals or entities during the term of this Agreement. Licensee agrees to notify COH in writing immediately of any threatened, proposed or actual conviction relating to health care, of any threatened, proposed or actual debarment or exclusion from participation in federally funded programs, of COH or any employee, contractor or agent of COH. Any breach of this Section 14.12 by Licensee shall be grounds for termination of this Agreement by COH in accordance with Section 8.2.1.

14.13 **Publicity**. Neither Party may issue a press releases or otherwise disclose the existence or terms of this Agreement without the prior written consent of the other Party; provided, however, that once the existence or any terms or conditions of this Agreement has been publicly disclosed in a manner mutually and reasonably agreed-to by the Parties, either Party may republish the facts previously disclosed without the prior consent of the other Party. COH may, in its sole discretion and without the approval of Licensee, publicly disclose the existence of this Agreement and the overall potential value of the Agreement to COH, so long as the detailed and specific terms and conditions of this Agreement are not disclosed. If a third party inquires whether a license is available, COH may disclose the existence of the Agreement and the extent of its grant in Section 3.1 to such third party, but will not disclose the name of the Licensee, except where COH is required to release information under either the California Public Records Act or other applicable law. Notwithstanding the foregoing, COH may disclose an unredacted copy of this Agreement as required under applicable law and other obligations as applicable to the CIRM Grant.

14.14 **No Third Party Beneficiaries**. Except for the rights of the COH Indemnities pursuant to Article 10, nothing in this Agreement, either express or implied, is intended to or shall confer upon any Third Party any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement by their duly authorized representatives.

MUSTANG BIO, INC.		CITY OF HOPE	
By:	_____	By:	_____
Name	_____	Name:	_____
Title:	_____	Title:	_____

Exhibit 31.1

MUSTANG BIO, INC.
CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Manuel Litchman, M.D., President and Chief Executive Officer (Principal Executive Officer), certify that:

(1) I have reviewed this Quarterly Report on Form 10-Q of Mustang Bio, Inc. (the "Registrant");

(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(s) 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 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 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(s) 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 controls over financial reporting.

August 14, 2017

By: /s/ Manuel Litchman
Manuel Litchman, M.D.
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

MUSTANG BIO, INC.
CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David J. Horin, Interim Chief Financial Officer (Principal Financial Officer), certify that:

(1) I have reviewed this Quarterly Report on Form 10-Q of Mustang Bio, Inc. (the "Registrant");

(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(s) 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 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 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(s) 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 controls over financial reporting.

August 14, 2017

By: /s/ David J. Horin
David J. Horin
Interim Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

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

In connection with the Quarterly Report of Mustang Bio, Inc. (the "Company") on Form 10-Q for the quarterly period ended June 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Manuel Litchman, M.D., President, and Chief Executive Officer, 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 my knowledge:

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

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

August 14, 2017

By: /s/ Manuel Litchman
Manuel Litchman, M.D.
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

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

In connection with the Quarterly Report of Mustang Bio, Inc. (the "Company") on Form 10-Q for the quarterly period ended June 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David J. Horin, Interim Chief Financial Officer, 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 my knowledge:

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

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

August 14, 2017

By: /s/ David J. Horin
David J. Horin
Interim Chief Financial Officer
(Principal Financial and Accounting Officer)