RADIUS HEALTH, INC.

FORM 10-Q
(Quarterly Report)

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Address	ATTN: CHIEF FINANCIAL OFFICER 950 WINTER STREET WALTHAM, MA 02451
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2017

Or

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

For the transition period from to .

Commission File Number 001-35726

Radius Health, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**80-0145732**
(State or other jurisdiction of Incorporation or organization)	(IRS Employer Identification Number)

950 Winter Street
Waltham, Massachusetts 02451
(Address of Principal Executive Offices and Zip Code)

(617) 551-4000
(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T 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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

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

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

Number of shares of the registrant’s Common Stock, $.0001 par value per share, outstanding as of July 31, 2017 : 43,504,250 shares

RADIUS HEALTH, INC.
FORM 10-Q
FOR THE QUARTER ENDED JUNE 30, 2017

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PART I FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

Radius Health, Inc.
Condensed Consolidated Balance Sheets
(In thousands, except share and per share amounts)

	June 30, 2017	December 31, 2016
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 135,110	$ 258,567
Restricted cash	47	47
Marketable securities	79,606	73,880
Trade receivables, net	1,211	—
Inventory	1,636	—
Prepaid expenses and other current assets	5,940	2,315
Total current assets	223,550	334,809
Property and equipment, net	6,738	4,922
Intangible assets	8,579	—
Other assets	558	551
Total assets	$ 239,425	$ 340,282
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 4,396	$ 6,128
Accrued expenses and other current liabilities	27,378	26,597
Total current liabilities	31,774	32,725
Other non-current liabilities	331	379
Total liabilities	$ 32,105	$ 33,104
Commitments and contingencies		
Stockholders' equity:		
Common stock, $.0001 par value; 200,000,000 shares authorized, 43,502,335 shares and 43,141,134 shares issued and outstanding at June 30, 2017 and December 31, 2016, respectively	4	4
Additional paid-in-capital	960,736	935,671
Accumulated other comprehensive income	3	71
Accumulated deficit	(753,423)	(628,568)
Total stockholders' equity	207,320	307,178
Total liabilities and stockholders' equity	$ 239,425	$ 340,282

See accompanying notes to unaudited condensed consolidated financial statements.

Radius Health, Inc.
Condensed Consolidated Statements of Operations and Comprehensive Loss
(Unaudited, in thousands, except share and per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
REVENUES:				
Product revenue, net	$ 980	$ —	$ 980	$ —
OPERATING EXPENSES:				
Cost of sales	105	—	105	—
Research and development	19,652	26,891	39,179	54,374
Selling, general and administrative	50,121	17,193	88,220	30,839
Loss from operations	(68,898)	(44,084)	(126,524)	(85,213)
OTHER (EXPENSE) INCOME:				
Other expense, net	(97)	(95)	(17)	(96)
Interest income	557	744	1,164	1,411
NET LOSS	$ (68,438)	$ (43,435)	$ (125,377)	$ (83,898)
OTHER COMPREHENSIVE LOSS:				
Unrealized (loss) gain from available-for-sale securities	(32)	(49)	(69)	183
COMPREHENSIVE LOSS	$ (68,470)	$ (43,484)	$ (125,446)	$ (83,715)
LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS - BASIC AND DILUTED (Note 10)	$ (68,438)	$ (43,435)	$ (125,377)	$ (83,898)
LOSS PER SHARE:				
Basic and diluted	$ (1.58)	$ (1.01)	$ (2.90)	$ (1.95)
WEIGHTED AVERAGE SHARES:				
Basic and diluted	43,410,053	43,042,883	43,300,243	43,027,903

See accompanying notes to unaudited condensed consolidated financial statements.

Radius Health, Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited, in thousands)

	Six Months Ended June 30,	
	2017	**2016**
CASH FLOWS USED IN OPERATING ACTIVITIES:		
Net loss	$ (125,377)	$ (83,898)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	695	216
Amortization of premium (discount) on marketable securities, net	(75)	782
Stock-based compensation	20,533	10,632
Changes in operating assets and liabilities:		
Inventory	(1,636)	—
Trade receivables, net	(1,211)	—
Prepaid expenses and other current assets	(3,625)	1,772
Other long-term assets	(7)	(188)
Accounts payable	(1,732)	(3,201)
Accrued expenses and other current liabilities	(466)	1,248
Other non-current liabilities	(48)	—
Net cash used in operating activities	(112,949)	(72,637)
CASH FLOWS (USED IN) PROVIDED BY INVESTING ACTIVITIES:		
Purchases of property and equipment	(1,131)	(919)
Payments for capitalized milestones	(8,712)	—
Purchases of marketable securities	(111,983)	(225,497)
Sales and maturities of marketable securities	106,264	258,257
Net cash (used in) provided by investing activities	(15,562)	31,841
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES:		
Proceeds from exercise of stock options	4,024	1,672
Proceeds from issuance of shares under employee stock purchase plan	1,030	—
Net cash provided by financing activities	5,054	1,672
NET DECREASE IN CASH AND CASH EQUIVALENTS	(123,457)	(39,124)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	258,567	159,678
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 135,110	$ 120,554
SUPPLEMENTAL DISCLOSURES:		
Cash paid for income taxes	$ 21	$ —
Property and equipment purchases in accrued expenses at period end	$ 1,247	$ 345

See accompanying notes to unaudited condensed consolidated financial statements.

Radius Health, Inc.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Organization

Radius Health, Inc. (“Radius” or the “Company”) is a science-driven fully integrated biopharmaceutical company that is committed to developing and commercializing innovative therapeutics in the areas of osteoporosis, oncology and endocrine diseases. On April 28, 2017, the Company's first commercial product, TYMLOS ™ for subcutaneous injection ("abaloparatide-SC"), was approved by the U.S. Food and Drug Administration (“FDA”) for the treatment of postmenopausal women with osteoporosis at high risk for fracture defined as history of osteoporotic fracture, multiple risk factors for fracture, or patients who have failed or are intolerant to other available osteoporosis therapy. The Company's European Marketing Authorisation Application ("MAA") for abaloparatide for subcutaneous injection, which, if approved, will be marketed in the European Union as Eladynos™, is under review by the Committee for Medicinal Products for Human Use of the EMA ("CHMP"). The Company's clinical pipeline includes an investigational abaloparatide transdermal patch ("abaloparatide-TD") for potential use in the treatment of women with postmenopausal osteoporosis and the investigational drug elacestrant (RAD1901) for potential use in the treatment of hormone-driven and/or hormone-resistant breast cancer, as well as for potential use in the treatment of vasomotor symptoms in postmenopausal women. Radius is also developing RAD140, a non-steroidal, selective androgen receptor modulator under investigation for potential use in the treatment of hormone receptor positive breast cancer.

The Company is subject to the risks associated with biopharmaceutical companies with a limited operating history, including dependence on key individuals, a developing business model, the necessity of securing regulatory approvals to market its investigational product candidates, market acceptance and the successful commercialization of TYMLOS, or any of the Company’s investigational product candidates following receipt of regulatory approval, competition for TYMLOS or any of the Company's investigational product candidates following receipt of regulatory approval, and the continued ability to obtain adequate financing to fund the Company’s future operations. The Company has incurred losses and expects to continue to incur additional losses for the foreseeable future. As of June 30, 2017 , the Company had an accumulated deficit of $ 753.4 million, and total cash, cash equivalents and marketable securities of $ 214.7 million.

Based upon its cash, cash equivalents and marketable securities balance as of June 30, 2017 , the Company believes that, prior to the consideration of proceeds from partnering and/or collaboration activities, it has sufficient capital to fund its development plans, U.S. commercial activities and other operational activities for not less than twelve months from the date of this filing. The Company expects to finance its commercial launch activities in the United States and development costs of its clinical product portfolio with its existing cash and cash equivalents and marketable securities, or through strategic financing opportunities that could include, but are not limited to, partnering or other collaboration agreements, future offerings of its equity, royalty-based financing arrangements, the incurrence of debt, or other alternative financing arrangements which may include a combination of the foregoing. However, there is no guarantee that any of these strategic or financing opportunities will be executed or executed on favorable terms, and some could be dilutive to existing stockholders. If the Company fails to obtain additional capital, it may be unable to conduct its planned commercialization activities or complete its planned preclinical studies and clinical trials and obtain approval of certain investigational product candidates from the FDA or foreign regulatory authorities.

2. Basis of Presentation and Significant Accounting Policies

Basis of Presentation —The accompanying unaudited condensed consolidated financial statements and the related disclosures of the Company have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) for interim financial reporting and as required by Regulation S-X, Rule 10-01. Accordingly, they do not include all the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (including those which are normal and recurring) considered necessary for a fair presentation of the interim financial information have been included.

When preparing financial statements in conformity with GAAP, the Company must make estimates and assumptions that affect the reported amounts of assets, liabilities, expenses and related disclosures at the date of the financial statements. Actual results could differ from those estimates. Additionally, operating results for the six months ended June 30, 2017 are not necessarily indicative of the results that may be expected for any other interim period or for the fiscal year ending December 31, 2017 . Subsequent events have been evaluated up to the date of issuance of these financial statements. These interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes, which are contained in our Annual Report on Form 10-K for the year ended December 31, 2016 (“2016 Form 10-K”), filed with the Securities and Exchange Commission (“SEC”) on February 24, 2017.

Certain prior period amounts have been reclassified to conform to the current period presentation.

Significant Accounting Policies — The significant accounting policies identified in the Company's 2016 Form 10-K that require the Company to make estimates and assumptions include: research and development costs, stock-based compensation and fair value measures. There were no changes to significant accounting policies during the six months ended June 30, 2017 , except for the adoption of two Accounting Standards Updates ("ASU") issued by the Financial Accounting Standards Board ("FASB"), as well as significant accounting policies over revenue, inventory, and intangibles, each of which is detailed below.

Stock-based Compensation — In March 2016, the FASB issued Accounting Standards Update No. 2016-09, *Improvements to Employee Share-Based Payment Accounting* ("ASU 2016-09"). This revised standard affects the accounting for forfeitures, cash flow presentation and income taxes. Specifically, this standard provides an accounting policy election to account for forfeitures as they occur, requires all excess tax benefits and deficiencies on share-based payment awards to be recognized as income tax expense or benefit in the statement of operations, requires the tax effects of exercised or vested awards should be treated as discrete items in the reporting period in which they occur, and requires that excess tax benefits to be classified with other income tax cash flows as an operating activity. The standard permits early adoption in any annual or interim period and will be applied by means of a cumulative-effect adjustment to retained earnings as of the beginning of the fiscal year of adoption.

Historically, the Company recognized stock-based compensation net of estimated forfeitures over the vesting period of the respective grant. Effective January 1, 2017, the Company adopted ASU 2016-09 and changed its accounting policy to recognize forfeitures as they occur. The new forfeiture policy election was adopted using a modified retrospective approach with a cumulative effect adjustment of approximately $0.5 million to retained earnings as of January 1, 2017. In addition, the Company recognized $6.1 million of accumulated excess tax benefits as deferred tax assets that under the previous guidance could not be recognized until the benefits were realized through a reduction in cash taxes paid. This part of the guidance was applied using a modified retrospective method with a cumulative-effect adjustment to the accumulated deficit for the excess tax benefits not previously recognized. However, given the full valuation allowance placed on the additional $6.1 million of deferred tax assets, the recognition upon adoption had no impact to our accumulated deficit as of January 1, 2016. The adoption of ASU 2016-09 effective January 1, 2017 had no other material impacts on the Company's results of operations, financial position or cash flows.

Revenue Recognition — On April 28, 2017, the FDA approved TYMLOS. Subsequent to receiving FDA approval, the Company entered into a limited number of arrangements with wholesalers in the U.S. (collectively, its "Customers") to distribute TYMLOS. These arrangements are the Company's initial contracts with customers and, as a result the Company adopted Accounting Standards Codification ("ASC") Topic 606 - *Revenue from Contracts with Customers* ("Topic 606"). There is no transition to Topic 606 because the Company has no historical revenue. This standard applies to all contracts with customers, except for contracts that are within the scope of other standards, such as leases, insurance, collaboration arrangements, and financial instruments. Under Topic 606, an entity recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration which the entity expects to be entitled in exchange for those goods or services.

To determine revenue recognition for arrangements that an entity determines are within the scope of Topic 606, the entity performs the following five steps: (i) identify the contract(s) with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract, and (v) recognize revenue when (or as) the entity satisfies a performance obligation. The Company only applies the five-step model to arrangements that meet the definition of a contract under Topic 606, including when it is probable that the entity will collect the consideration it is entitled to in exchange for the goods or services it transfers to the customer. At contract inception, once the contract is determined to be within the scope of Topic 606, the Company assesses the goods or services promised within each contract and determines those that are performance obligations, and assesses whether each promised good or service is distinct. The Company then recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied. For a complete discussion of accounting for product revenue, see *Product Revenue, Net* (below).

Product Revenue, Net — The Company sells TYMLOS to a limited number of wholesalers in the U.S. (collectively, its "Customers"). These Customers subsequently resell the Company's products to specialty pharmacy providers, as well as other retail pharmacies and certain medical centers or hospitals. In addition to distribution agreements with Customers, the Company enters into arrangements with health care providers and payors that provide for government mandated and/or privately negotiated rebates, chargebacks, and discounts with respect to the purchase of the Company's products.

The Company recognizes revenue on product sales when the Customer obtains control of the Company's product, which occurs at a point in time (upon delivery). Product revenues are recorded net of applicable reserves for variable consideration, including discounts and allowances.

If taxes should be collected from Customers relating to product sales and remitted to governmental authorities, they will be excluded from revenue. The Company expenses incremental costs of obtaining a contract when incurred, if the expected amortization period of the asset that the Company would have recognized is one year or less. However, no such costs were incurred during the three and six months ended June 30, 2017 .

Reserves for Variable Consideration — Revenues from product sales are recorded at the net sales price (transaction price), which includes estimates of variable consideration for which reserves are established. Components of variable consideration include trade discounts and allowances, product returns, provider chargebacks and discounts, government rebates, payor rebates, and other incentives, such as voluntary patient assistance, and other allowances that are offered within contracts between the Company and its Customers, payors, and other indirect customers relating to the Company's sale of its products. These reserves, as detailed below, are based on the amounts earned, or to be claimed on the related sales, and are classified as reductions of accounts receivable (if the amount is payable to the Customer) or a current liability (if the amount is payable to a party other than a Customer). These estimates take into consideration a range of possible outcomes which are probability-weighted in accordance with the expected value method in Topic 606 for relevant factors such as current contractual and statutory requirements, specific known market events and trends, industry data, and forecasted customer buying and payment patterns. Overall, these reserves reflect the Company's best estimates of the amount of consideration to which it is entitled based on the terms of the respective underlying contracts.

The amount of variable consideration which is included in the transaction price may be constrained, and is included in the net sales price only to the extent that it is probable that a significant reversal in the amount of the cumulative revenue recognized under the contract will not occur in a future period. The Company's analyses also contemplated application of the constraint in accordance with the guidance, under which it determined a material reversal of revenue would not occur in a future period for the estimates detailed below as of June 30, 2017 and, therefore, the transaction price was not reduced further during the three months ended June 30, 2017 . Actual amounts of consideration ultimately received may differ from the Company's estimates. If actual results in the future vary from the Company's estimates, the Company will adjust these estimates, which would affect net product revenue and earnings in the period such variances become known.

Trade Discounts and Allowances — The Company generally provides Customers with discounts which include incentive fees that are explicitly stated in the Company's contracts and are recorded as a reduction of revenue in the period the related product revenue is recognized. In addition, the Company compensates (through trade discounts and allowances) its Customers for sales order management, data, and distribution services. However, the Company has determined such services received to date are not distinct from the Company's sale of products to the Customer and, therefore, these payments have been recorded as a reduction of revenue within the statement of operations and comprehensive loss through June 30, 2017 , as well as a reduction to trade receivables, net on the condensed consolidated balance sheets.

Product Returns — Consistent with industry practice, the Company generally offers Customers a limited right of return for product that has been purchased from the Company based on the product's expiration date, which lapses upon shipment to a patient. The Company estimates the amount of its product sales that may be returned by its Customers and records this estimate as a reduction of revenue in the period the related product revenue is recognized, as well as reductions to trade receivables, net on the condensed consolidated balance sheets. The Company currently estimates product return liabilities using available industry data and its own sales information, including its visibility into the inventory remaining in the distribution channel. The Company has not received any returns to date and believes that returns of its products will be minimal.

Provider Chargebacks and Discounts — Chargebacks for fees and discounts to providers represent the estimated obligations resulting from contractual commitments to sell products to qualified healthcare providers at prices lower than the list prices charged to Customers who directly purchase the product from the Company. Customers charge the Company for the difference between what they pay for the product and the ultimate selling price to the qualified healthcare providers. These reserves are established in the same period that the related revenue is recognized, resulting in a reduction of product revenue and trade receivables, net. Chargeback amounts are generally determined at the time of resale to the qualified healthcare provider by Customers, and the Company generally issues credits for such amounts within a few weeks of the Customer's notification to the Company of the resale. Reserves for chargebacks consist of credits that the Company expects to issue for units that remain in the distribution channel inventories at each reporting period-end that the Company expects will be sold to qualified healthcare providers, and chargebacks that Customers have claimed, but for which the Company has not yet issued a credit.

Government Rebates — The Company is subject to discount obligations under state Medicaid programs and Medicare. These reserves are recorded in the same period the related revenue is recognized, resulting in a reduction of product revenue and the establishment of a current liability which is included in accrued expenses and other current liabilities on the condensed consolidated balance sheets. For Medicare, the Company also estimates the number of patients in the prescription drug coverage gap for whom the Company will owe an additional liability under the Medicare Part D program. The Company's liability for these rebates consists of invoices received for claims from prior quarters that have not been paid or for which an invoice has not yet been received, estimates of claims for the current quarter, and estimated future claims that will be made for

product that has been recognized as revenue, but which remains in the distribution channel inventories at the end of each reporting period.

Payor Rebates — The Company contracts with certain private payor organizations, primarily insurance companies and pharmacy benefit managers, for the payment of rebates with respect to utilization of its products. The Company estimates these rebates and records such estimates in the same period the related revenue is recognized, resulting in a reduction of product revenue and the establishment of a current liability.

Other Incentives — Other incentives which the Company offers include voluntary patient assistance programs, such as the co-pay assistance program, which are intended to provide financial assistance to qualified commercially-insured patients with prescription drug co-payments required by payors. The calculation of the accrual for co-pay assistance is based on an estimate of claims and the cost per claim that the Company expects to receive associated with product that has been recognized as revenue, but remains in the distribution channel inventories at the end of each reporting period. The adjustments are recorded in the same period the related revenue is recognized, resulting in a reduction of product revenue and the establishment of a current liability which is included as a component of accrued expenses and other current liabilities on the condensed consolidated balance sheets.

To date, the Company's only source of product revenue has been from the U.S. sales of TYMLOS, which it began shipping to Customers in May 2017. The following table summarizes activity in each of the product revenue allowance and reserve categories for the three months ended June 30, 2017 (in thousands):

	Chargebacks, Discounts, and Fees	Government and other rebates	Returns	Total
Beginning balance	$ —	$ —	$ —	$ —
Provision related to sales in the current year	271	86	75	432
Credit and payments made	—	—	—	—
Ending balance	$ 271	$ 86	$ 75	$ 432

Chargebacks, discounts, fees, and returns are recorded as reductions of trade receivables, net on the condensed consolidated balance sheets. Government and other rebates are recoded as a component of accrued expenses and other current liabilities on the condensed consolidated balance sheets.

Inventory —The Company values its inventories at the lower of cost or estimated net realizable value. The Company determines the cost of its inventories, which includes amounts related to materials and manufacturing overhead, on a first-in, first-out basis. The Company performs an assessment of the recoverability of capitalized inventory during each reporting period, and it writes down any excess and obsolete inventories to their estimated realizable value in the period in which the impairment is first identified. Such impairment charges, should they occur, are recorded within cost of product revenues. The determination of whether inventory costs will be realizable requires estimates by management. If actual market conditions are less favorable than projected by management, additional write-downs of inventory may be required, which would be recorded as a cost of product sales in the consolidated statements of operations and comprehensive loss.

The Company capitalizes inventory costs associated with the Company's products after regulatory approval when, based on management's judgment, future commercialization is considered probable and the future economic benefit is expected to be realized. Inventory acquired prior to receipt of marketing approval of a product candidate is expensed as research and development expense as incurred. Inventory that can be used in either the production of clinical or commercial product is expensed as research and development expense when selected for use in a clinical manufacturing campaign.

Shipping and handling costs for product shipments are recorded as incurred in cost of product revenues along with costs associated with manufacturing the product, and any inventory write-downs.

Intangible Assets —The Company maintains definite-lived intangible assets related to certain capitalized milestones. These assets are amortized over their remaining useful lives, which are estimated based on the shorter of the remaining patent life or the estimated useful life of the underlying product. Intangible assets are amortized using the economic consumption method if anticipated future revenues can be reasonably estimated. The straight-line method is used when future revenues cannot be reasonably estimated.

The Company assesses its intangible assets for impairment if indicators are present or changes in circumstance suggest that impairment may exist. Events that could result in an impairment, or trigger an interim impairment assessment, include the receipt of additional clinical or nonclinical data regarding one of the Company's drug candidates or a potentially competitive drug candidate, changes in the clinical development program for a drug candidate, or new information regarding potential sales

for the drug. If impairment indicators are present or changes in circumstance suggest that impairment may exist, the Company performs a recoverability test by comparing the sum of the estimated undiscounted cash flows of each intangible asset to its carrying value on the condensed consolidated balance sheet. If the undiscounted cash flows used in the recoverability test are less than the carrying value, the Company would determine the fair value of the intangible asset and recognize an impairment loss if the carrying value of the intangible asset exceeds its fair value.

Accounting Standards Updates — In January 2016, the FASB issued ASU No. 2016-01, Financial Statements-Overall (Subtopics 825-10) ("ASU 2016-01"). ASU 2016-01 provides updated guidance on the recognition and measurement of financial assets and financial liabilities that will supersede most current guidance. ASU 2016-01 primarily affects the accounting for equity investments, financial liabilities under the fair value option, and the presentation and disclosure requirements for financial instruments. The amendments in ASU 2016-01 supersede the guidance to classify equity securities with readily determinable fair values into different categories and require equity securities to be measured at fair value with changes in the fair value recognized through net income. The amendments under ASU 2016-01 are effective, for public business entities, for periods beginning after December 15, 2017, including interim periods within those fiscal years. Early adoption is permitted. The Company does not expect the adoption of ASU 2016-01 to have a material impact on its results of operations, financial position or cash flows.

In February 2016, the FASB issued ASU No. 2016-02, *Leases* ("ASU 2016-02"). ASU 2016-02 supersedes the lease guidance under FASB Accounting Standards Codification ("ASC") Topic 840, *Leases* , resulting in the creation of FASB ASC Topic 842, *Leases* . ASU 2016-02 requires a lessee to recognize in the statement of financial position a liability to make lease payments and a right-of-use asset representing its right to use the underlying asset for the lease term for both finance and operating leases. ASU 2016-02 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2018. Early adoption is permitted. The Company is currently assessing the potential impact of adopting ASU 2016-02 on its financial statements and related disclosures.

In August 2016, the FASB issued ASU No. 2016-15, *Classification of Certain Cash Receipts and Cash Payments* ("ASU 2016-15"). ASU 2016-15 addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice. ASU 2016-15 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2017. Early adoption is permitted. The Company does not expect the adoption of ASU 2016-05 to have a material impact on its results of operations, financial position or cash flows.

In May 2017, the FASB issued ASU 2017-09, *Compensation-Stock Compensation* (Topic 718) Scope of Modification Accounting. ASU 2017-09 provides clarification on when modification accounting should be used for changes to the terms or conditions of a share-based payment award. The amendments in ASU 2017-09 are effective for all entities for annual periods, and interim periods within those annual periods, beginning after December 15, 2017, with early adoption permitted, applied prospectively to an award modified on or after the adoption date. This ASU does not change the accounting for modifications but clarifies that modification accounting guidance should only be applied if there is a change to the value, vesting conditions, or award classification and would not be required if the changes are considered non-substantive. The Company is currently assessing the impact that adopting this new accounting standard will have on its consolidated financial statements.

3. Accrued Expenses and Other Current Liabilities

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

	June 30, 2017	December 31, 2016
Commercial costs	$ 7,618	$ 4,038
Research costs - Nordic	—	1,228
Research costs - other	5,688	8,404
Payroll and employee benefits	9,888	9,338
Professional fees	4,063	3,494
Other current liabilities	121	95
Total accrued expenses and other current liabilities	$ 27,378	$ 26,597

4. Marketable Securities

Available-for-sale marketable securities and cash and cash equivalents as of June 30, 2017 and December 31, 2016 consist of the following (in thousands):

	June 30, 2017			
	Amortized Cost Value	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Cash and cash equivalents:				
Cash	$ 98,201	$ —	$ —	$ 98,201
Money market funds	30,573	—	—	30,573
Domestic corporate debt securities	6,336	—	—	6,336
Total	$ 135,110	$ —	$ —	$ 135,110
Marketable securities:				
Domestic corporate debt securities	$ 34,918	$ —	$ (9)	$ 34,909
Domestic corporate commercial paper	44,685	12	—	44,697
Total	$ 79,603	$ 12	$ (9)	$ 79,606

	December 31, 2016			
	Amortized Cost Value	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Cash and cash equivalents:				
Cash	$ 77,443	$ —	$ —	$ 77,443
Money market funds	173,631	—	—	173,631
Domestic corporate commercial paper	5,487	—	—	5,487
Domestic corporate debt securities	2,006	—	—	2,006
Total	$ 258,567	$ —	$ —	$ 258,567
Marketable securities:				
Domestic corporate debt securities	$ 19,317	$ —	$ (2)	$ 19,315
Domestic corporate commercial paper	31,852	78	—	31,930
Asset-backed securities	22,639	—	(4)	22,635
Total	$ 73,808	$ 78	$ (6)	$ 73,880

There were no debt securities that had been in an unrealized loss position for more than 12 months as of June 30, 2017 or December 31, 2016 . There were 15 debt securities in an unrealized loss position for less than 12 months at June 30, 2017 and there were 13 debt securities that had been in an unrealized loss position for less than 12 months at December 31, 2016 . The aggregate unrealized loss on these securities as of June 30, 2017 and December 31, 2016 was approximately $9 thousand and $6 thousand, respectively, and the fair value was $33.7 million and $35.7 million, respectively. The Company considered the decrease in market value for these securities to be primarily attributable to current economic conditions. As it was not more likely than not that the Company would be required to sell these securities before the recovery of their amortized cost basis, which may be at maturity, the Company did not consider these investments to be other-than-temporarily impaired as of June 30, 2017 .

As of June 30, 2017 , marketable securities consisted of investments that mature within one year.

5. Fair Value Measurements

The Company determines the fair values of its financial instruments based upon the fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Below are the three levels of inputs that may be used to measure fair value:

- Level 1—Quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

- Level 2—Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Transfers into or out of any hierarchy level are recognized at the end of the reporting period in which the transfers occurred. There were no material transfers between any levels during the six months ended June 30, 2017 and 2016, respectively.

The following table summarizes the financial instruments measured at fair value on a recurring basis in the accompanying condensed consolidated balance sheets as of June 30, 2017 and December 31, 2016 (in thousands):

	As of June 30, 2017			
	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents:				
Cash	$ 98,201	$ —	$ —	$ 98,201
Money market funds (1)	30,573	—	—	30,573
Domestic corporate debt securities (2)	—	6,336	—	6,336
Total	$ 128,774	$ 6,336	$ —	$ 135,110
Marketable Securities				
Domestic corporate debt securities (2)	$ —	$ 34,909	$ —	$ 34,909
Domestic corporate commercial paper (2)	—	44,697	—	44,697
Total	$ —	$ 79,606	$ —	$ 79,606

	As of December 31, 2016			
	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents:				
Cash	$ 77,443	$ —	$ —	$ 77,443
Money market funds (1)	173,631	—	—	173,631
Domestic corporate commercial paper (2)	—	5,487	—	5,487
Domestic corporate debt securities (2)	—	2,006	—	2,006
Total	$ 251,074	$ 7,493	$ —	$ 258,567
Marketable Securities				
Domestic corporate debt securities (2)	$ —	$ 19,315	$ —	$ 19,315
Domestic corporate commercial paper (2)	—	31,930	—	31,930
Asset-backed securities (2)	—	22,635	—	22,635
Total	$ —	$ 73,880	$ —	$ 73,880

(1) Fair value is based upon quoted market prices.

(2) Fair value is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Inputs are obtained from various sources, including market participants, dealers and brokers.

6. License Agreements

Ipsen

In September 2005, the Company entered into a license agreement (the "License Agreement"), as amended, with an affiliate of Ipsen Pharma SAS ("Ipsen") under which the Company exclusively licensed certain Ipsen compound technology and related patents covering abaloparatide to research, develop, manufacture and commercialize certain compounds and related products in all countries, except Japan (where the Company has an option to negotiate a co-promotion agreement for abaloparatide-SC) and France (where the Company's commercialization rights were subject to certain co-marketing and co-promotion rights

exercisable by Ipsen, provided that certain conditions included in the License Agreement were met). The Company believes that Ipsen's co-marketing and co-promotion rights in France have permanently expired. Ipsen also granted the Company an exclusive right and license under the Ipsen compound technology and related patents to make and have made compounds or product in Japan. Ipsen further granted the Company an exclusive right and license under certain Ipsen formulation technology and related patents solely for purposes of enabling the Company to develop, manufacture and commercialize compounds and products covered by the compound technology license in all countries, except Japan and France (as discussed above).

In consideration for these rights, the Company made nonrefundable, non-creditable payments in the aggregate of $13.0 million to Ipsen, including payment in recognition of certain milestones having been achieved through June 30, 2017 . The License Agreement provides for further payments upon the achievement of certain future regulatory and commercial milestones. Total additional milestone payments that could be payable under the agreement is €24.0 million (approximately $27.4 million). In connection with the FDA's approval of TYMLOS in April 2017, the Company paid Ipsen a milestone of €8.0 million (approximately $8.7 million) under the License Agreement, which the Company recorded as an intangible asset within the condensed consolidated balance sheet as of June 30, 2017 and will amortize over the remaining patent life or the estimated useful life of the underlying product. The agreement also provides that the Company will pay to Ipsen a fixed five percent royalty based on net sales of the product by the Company or its sublicensees on a country-by-country basis until the later of the last to expire of the licensed patents or for a period of 10 years after the first commercial sale in such country. The date of the last to expire of the abaloparatide patents licensed from or co-owned with Ipsen, barring any extension thereof, is expected to be March 26, 2028.

If the Company sublicenses abaloparatide to a third party, then the agreement provides that the Company would pay Ipsen a percentage of certain payments received from such sublicensee (in lieu of milestone payments not achieved at the time of such sublicense). The applicable percentage is in the low double-digit range. In addition, if the Company or its sublicensees commercialize a product that includes a compound discovered by it based on or derived from confidential Ipsen know-how, then the agreement provides that the Company would pay to Ipsen a fixed low single digit royalty on net sales of such product on a country-by-country basis until the later of the last to expire of licensed patents that cover such product or for a period of 10 years after the first commercial sale of such product in such country.

The License Agreement expires on a country-by-country basis on the later of (1) the date the last remaining valid claim in the licensed patents expires in that country, or (2) a period of 10 years after the first commercial sale of the licensed products in such country, unless it is sooner terminated in accordance with its terms.

The Company is currently in arbitration proceedings with Ipsen in connection with the License Agreement. See "Legal Proceedings" for more information.

Eisai Co. Ltd.

In June 2006, the Company entered into a license agreement (the “Eisai Agreement”), with Eisai Co. Ltd. (“Eisai”). Under the Eisai Agreement, Eisai granted to the Company an exclusive right and license to research, develop, manufacture and commercialize elacestrant (RAD1901) and related products from Eisai in all countries, except Japan. In consideration for the rights to elacestrant, the Company paid Eisai an initial license fee of $0.5 million , which was expensed during 2006. In March 2015, the Company entered into an amendment to the Eisai Agreement (the “Eisai Amendment”) in which Eisai granted to the Company the exclusive right and license to research, develop, manufacture and commercialize elacestrant in Japan. In consideration for the rights to elacestrant in Japan, the Company paid Eisai an initial license fee of $0.4 million upon execution of the Eisai Amendment, which was recognized as research and development expense in 2015 . The Eisai Amendment, as amended, also provides for additional payments of up to $22.3 million , payable upon the achievement of certain clinical and regulatory milestones.

Under the Eisai Agreement, as amended, should a product covered by the licensed technology be commercialized, the Company will be obligated to pay to Eisai royalties in a variable mid-single digit range based on net sales of the product on a country-by-country basis. The royalty rate will be reduced, on a country-by-country basis, at such time as the last remaining valid claim in the licensed patents expires, lapses or is invalidated and the product is not covered by data protection clauses. In addition, the royalty rate will be reduced, on a country-by-country basis, if, in addition to the conditions specified in the previous sentence, sales of lawful generic versions of such product account for more than a specified minimum percentage of the total sales of all products that contain the licensed compound during a calendar quarter. The latest licensed patent is expected to expire, barring any extension thereof, on August 18, 2026.

The Eisai Agreement, as amended, also grants the Company the right to grant sublicenses with prior written approval from Eisai. If the Company sublicenses the licensed technology to a third party, the Company will be obligated to pay Eisai, in addition to the milestones referenced above, a fixed low double-digit percentage of certain fees received from such sublicensee and royalties in the low single digit range based on net sales of the sublicensee. The Eisai Agreement expires on a country-by-

country basis on the later of (1) the date the last remaining valid claim in the licensed patents expires, lapses or is invalidated in that country, the product is not covered by data protection clauses, and the sales of lawful generic versions of the product account for more than a specified percentage of the total sales of all pharmaceutical products containing the licensed compound in that country; or (2) a period of 10 years after the first commercial sale of the licensed products in such country, unless it is sooner terminated.

7. Research Agreements

Abaloparatide-SC Phase 3 Extension Study

The Company contracted with Nordic Bioscience Clinical Development VII A/S ("Nordic") to conduct a Phase 3 clinical trial of abaloparatide-SC (the "Phase 3 Clinical Trial"). The Company also contracted with Nordic to perform an extension study to evaluate six months of standard-of-care osteoporosis management following the completion of the Phase 3 Clinical Trial (the "Extension Study"), and, upon completion of this initial six months, an additional period of 18 months of standard-of-care osteoporosis management (the “Second Extension”).

In April 2015, the Company contracted with Nordic to perform additional services, including additional monitoring of patients enrolled in the Second Extension. Payments in cash to be made to Nordic for these additional services were denominated in euros and totaled up to approximately € 4.1 million (approximately $ 4.3 million).

Payments in cash to be made to Nordic for the services related to the Extension Study and Second Extension were denominated in both euros and U.S. dollars and totaled up to € 11.9 million (approximately $ 12.5 million) and $ 1.1 million, respectively. As of December 31, 2016, the last patient's final visit in the Second Extension had occurred and all obligations due to Nordic in relation to the Extension Study had been paid.

8. Stock-Based Compensation

Stock Options

A summary of stock option activity during the six months ended June 30, 2017 is as follows (in thousands, except for per share amounts):

	Shares	Weighted-Average Exercise Price (in dollars per share)	Weighted-Average Contractual Life (In Years)	Aggregate Intrinsic Value
Options outstanding at December 31, 2016	6,374	$ 31.60		
Granted	1,631	43.86		
Exercised	(318)	12.65		
Cancelled	(218)	35.37		
Expired	—	—		
Options outstanding at June 30, 2017	7,469	$ 34.98	7.46	$ 99,843
Options exercisable at June 30, 2017	3,525	$ 26.69	5.92	$ 75,462

The weighted-average grant-date fair value per share of options granted during the three and six months ended June 30, 2017 was $ 19.90 and $ 24.02 , respectively. As of June 30, 2017 , there was approximately $78.8 million of total unrecognized compensation expense related to unvested stock options, which is expected to be recognized over a weighted-average period of approximately 2.8 years.

Restricted Stock Units

The Company awards restricted stock units ("RSUs") to employees under its 2011 Equity Incentive Plan. Each RSU entitles the holder to receive one share of the Company's common stock when the RSU vests. The RSUs vest in four substantially equal installments on each of the first four anniversaries of the vesting commencement date, subject to the employee's continued employment with, or service to, the Company on such vesting date. Compensation expense is recognized on a straight-line basis. In February 2017, the Company awarded 84,950 restricted stock units ("RSUs") to employees at an average grant date fair value of $ 45.65 per RSU.

A summary of RSU activity during the six months ended June 30, 2017 is as follows (in thousands, except for per share amounts):

	RSUs	Weighted-Average Grant Date Fair Value (in dollars per share)
RSUs Outstanding at December 31, 2016	57	$ 33.03
Granted	85	45.65
Vested	(14)	33.03
Forfeited	(11)	42.09
RSUs Outstanding at June 30, 2017	117	$ 41.41

As of June 30, 2017 , there was approximately $4.6 million of total unrecognized compensation expense related to unvested RSUs, which is expected to be recognized over a weighted-average period of approximately 3.3 years.

Employee Stock Purchase Plan

In September 2016, the Company initiated the first offering period under the Company's 2016 Employee Stock Purchase Plan (the "ESPP"), pursuant to which eligible employees may purchase shares of the Company's common stock on the last day of each predetermined six -month offering period at 85% of the lower of the fair market value per share at the beginning or end of the applicable offering period. The offering periods run from March 1 through August 31 and from September 1 through February 28 (or February 29, in a leap year) of each year.

As of June 30, 2017 , the Company had recorded a liability of $1.2 million related to its ESPP obligations. In accordance with the terms of our employee stock purchase plan, the Company recorded stock-based compensation expense of $0.3 million and $0.6 million for the three and six -month periods ended June 30, 2017 , respectively.

9. Income Taxes

The Company did not record a federal or state income tax provision or benefit for the six months ended June 30, 2017 and 2016 due to the expected loss before income taxes to be incurred for the years ended December 31, 2017 and 2016 , as well as the Company's continued maintenance of a full valuation allowance against its net deferred tax assets.

In December 2016, the Company migrated certain of its intellectual property to a foreign holding company operating in Bermuda. During 2017, the Company implemented additional steps relating to this internal strategy including executing transfer-pricing and cost share arrangements.

10. Net Loss Per Share

Basic and diluted net loss per share is calculated as follows (in thousands, except share and per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Numerator:				
Net loss	$ (68,438)	$ (43,435)	$ (125,377)	$ (83,898)
Denominator:				
Weighted-average number of common shares used in loss per share - basic and diluted	43,410,053	43,042,883	43,300,243	43,027,903
Loss per share - basic and diluted	$ (1.58)	$ (1.01)	$ (2.90)	$ (1.95)

The following potentially dilutive securities, prior to the use of the treasury stock method, have been excluded from the computation of diluted weighted-average shares outstanding, as they would be anti-dilutive. For the three and six months ended June 30, 2017 and 2016 , all the Company's options to purchase common stock, warrants, and restricted stock units outstanding were assumed to be anti-dilutive as earnings attributable to common stockholders was in a loss position.

	Three and Six Months Ended June 30,	
	2017	2016
Options to purchase common stock	7,468,544	6,079,346
Warrants	605,415	631,587
Restricted stock units	117,253	58,500

11. Commitments and Contingencies

Litigation - The Company may be subject to legal proceedings and claims which arise in the ordinary course of its business. In the Company's opinion, the ultimate resolution of these matters is not expected to have a material effect on its consolidated financial statements. The Company records a liability in its consolidated financial statements for these matters when a loss is known or considered probable and the amount can be reasonably estimated. The Company reviews these estimates each accounting period as additional information is known and adjusts the loss provision when appropriate. If a matter is both probable to result in a liability and the amounts of loss can be reasonably estimated, the Company estimates and discloses the possible loss or range of loss to the extent necessary to make the consolidated financial statements not misleading. If the loss is not probable or cannot be reasonably estimated, a liability is not recorded in its consolidated financial statements.

In November 2016, the Company received notice that in October 2016, Ipsen had initiated arbitration proceedings against the Company in the International Chamber of Commerce's International Court of Arbitration. Ipsen's Request for Arbitration alleged that the Company breached various provisions of the License Agreement concerning abaloparatide, including regarding Ipsen's right to co-promote abaloparatide in France and a license from the Company with respect to Japan. Ipsen is seeking declaratory relief, compliance with the License Agreement, damages, costs and fees as a result of the purported breaches, and has alleged that the monetary value of these claims is approximately €50 million .

In January 2017, the Company submitted an Answer denying Ipsen's claims and alleging counterclaims against Ipsen for breach of the License Agreement and other declaratory judgment. The Company asserted, among other things, that Ipsen's claimed rights to co-promote abaloparatide in France and to a license from the Company with respect to Japan have permanently expired, and that Ipsen has breached the License Agreement by, among other things, allowing certain patents to expire and by purporting to license to a third party certain manufacturing and other rights that the Company contends Ipsen exclusively licensed to the Company. The Company is seeking dismissal of Ipsen's claims, as well as declaratory relief, compliance with the License Agreement, and other damages, costs and fees to be determined by the Arbitral Tribunal.

In February 2017, Ipsen submitted a Reply denying the Company's counterclaims and alleging that the Company is precluded from asserting them. Following a preliminary hearing before the Arbitral Tribunal to determine certain jurisdictional and contractual defenses asserted by Ipsen in its Reply, on July 17, 2017, the Arbitral Tribunal issued a decision finding it has jurisdiction to decide the Company's counterclaims and that the Company's counterclaims are not contractually barred.

On July 31, 2017, Ipsen submitted its Statement of Claim to the Arbitral Tribunal. The arbitration proceeding is continuing and a hearing on the merits is anticipated to be held in December 2017. Given that this matter is at a preliminary stage, the Company cannot predict or assess the likely outcome of these proceedings.

Manufacturing Agreements - In June 2016, the Company entered into a supply agreement with Ypsomed AG ("Ypsomed"), pursuant to which Ypsomed agreed to supply commercial and clinical supplies of a disposable pen injection device (the "Device") customized for subcutaneous injection of TYMLOS. The Company agreed to purchase a minimum number of Devices at prices per Device that decrease with an increase in quantity supplied. In addition, the Company agreed to make milestone payments for Ypsomed's capital developments regarding the initiation of the commercial supply of the Device and to pay a one-time capacity fee. All costs and payments under the agreement are delineated in Swiss Francs. The agreement has an initial term of three years from the earlier of the date of delivery of the first commercial Devices for regulatory approval and June 1, 2017, after which it automatically renews for two -year terms until terminated. The Company agreed to purchase the Device subject to certain minimum annual quantity requirements under the agreement. During the initial term of the agreement, the Company estimates that it will be obligated to make total minimum payments to Ypsomed of approximately CHF 3.9 million ($ 4.0 million) in the aggregate, including the milestone payments and one-time capacity fee.

In June 2016, the Company entered into a commercial supply agreement with Vetter Pharma International, GmbH ("Vetter"), pursuant to which Vetter agreed to formulate the finished TYMLOS drug product containing the active pharmaceutical ingredient ("API") of TYMLOS, to fill cartridges with the drug product, to assemble the pen delivery device, and to package and label the pen for commercial distribution. The Company agreed to purchase the cartridges and pens in specified batch sizes at a price per unit. For labeling and packaging services, the Company agreed to pay a per unit price dependent upon the number of pens loaded with cartridges that are labeled and packaged. These prices are subject to an annual price adjustment. The

agreement has an initial term of five years, which began on January 1, 2016, after which, it automatically renews for two -year terms unless either party provides notice of non-renewal two years before the end of the then current term. There are no minimum purchase requirements under the terms of this contract.

In July 2016, the Company entered into a manufacturing services agreement with Polypeptide Laboratories Holding AB ("PPL"), as successor-in-interest to Lonza Group Ltd., pursuant to which PPL agreed to manufacture the commercial and clinical supplies of the API for TYMLOS. The Company agreed to purchase the API in batches at a price per gram in euros, subject to an annual increase by PPL. The Company also agreed to purchase a minimum number of batches annually. The agreement has an initial term of six years, after which, it automatically renews for three -year terms unless either party provides notice of non-renewal 24 months before the end of the then-current term.

12. Inventory

Inventory consists of the following at June 30, 2017 (in thousands):

	June 30, 2017	December 31, 2016
Raw materials	$ 1,612	$ —
Work in process	—	—
Finished goods	24	—
Total inventories	$ 1,636	$ —

Inventory acquired prior to receipt of the marketing approval for TYMLOS was expensed as research and development expense as incurred. The Company began to capitalize the costs associated with the production of TYMLOS upon receipt of FDA approval on April 28, 2017.

13. Intangible Assets

The following table presents intangible assets as of June 30, 2017 (in thousands):

	June 30, 2017	Estimated useful life
Acquired and in-licensed rights	$ 8,712	11 Years
Less: accumulated amortization	(133)	
Total intangible asset, net	$ 8,579	

The increase in acquired and in-licensed rights as of June 30, 2017 was due to the milestone of €8.0 million (approximately $8.7 million) paid to Ipsen, which was triggered by the FDA approval of TYMLOS on April 28, 2017.

The Company recorded approximately $0.1 million in amortization expense related to intangible assets, using the straight-line methodology, during the three months ended June 30, 2017 . Estimated future amortization expense for intangible assets as of June 30, 2017 is approximately $0.4 million for the remainder of 2017 , and approximately $0.8 million per year thereafter.

14. Subsequent Events

On July 13, 2017, the Company entered into a license and development agreement with Teijin Limited (“Teijin”) for abaloparatide-SC in Japan. Pursuant to the agreement, the Company granted Teijin (i) an exclusive license under certain of the Company’s intellectual property to develop and commercialize abaloparatide-SC in Japan, (ii) a non-exclusive license under certain of the Company’s intellectual property to manufacture abaloparatide-SC for commercial supply in Japan, and (iii) a right of reference to certain of the Company’s regulatory data related to abaloparatide-SC for purposes of developing, manufacturing and commercializing abaloparatide-SC in Japan. Teijin is developing abaloparatide-SC in Japan under an agreement with Ipsen and has initiated a phase 3 trial in Japanese patients with osteoporosis. In consideration for these rights, the Company will receive up to an aggregate of $50 million , including an upfront payment and payments upon the achievement of certain regulatory and sales milestones, and a fixed low double-digit royalty based on net sales of abaloparatide-SC in Japan during the royalty term. In addition, the Company has an option to negotiate for a co-promotion agreement with Teijin for abaloparatide-SC in Japan. Teijin is responsible for all costs related to the development, manufacture and commercialization of abaloparatide-SC in Japan.

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

Cautionary Statement

This Quarterly Report on Form 10-Q, including the information incorporated by reference herein, contains, in addition to historical information, forward-looking statements. We may, in some cases, use words such as "project," "believe," "anticipate," "plan," "expect," "estimate," "intend," "continue," "should," "would," "could," "potentially," "will," "may" or similar words and expressions that convey uncertainty of future events or outcomes to identify these forward-looking statements. Forward-looking statements in this Quarterly Report on Form 10-Q may include, among other things, statements about:

- *our expectations regarding commercial launch of TYMLOS in the U.S. and our ability to successfully commercialize TYMLOS in the U.S.;*
- *the therapeutic benefits and effectiveness of TYMLOS and our investigational product candidates;*
- *our ability to obtain U.S. and foreign regulatory approval for our product candidates, and the timing thereof;*
- *our ability to compete with other companies that are or may be developing or selling products that are competitive with TYMLOS or our investigational product candidates;*
- *anticipated trends and challenges in the market in which TYMLOS will compete and in other potential markets in which we may compete;*
- *our plans with respect to collaborations and licenses related to the development, manufacture or sale of TYMLOS and our investigational product candidates;*
- *the progress of, timing of and amount of expenses associated with our research, development and commercialization activities;*
- *the safety profile and related adverse events of TYMLOS and our investigational product candidates;*
- *the ability of our investigational product candidates to meet existing or future regulatory standards;*
- *our expectations regarding federal, state and foreign regulatory requirements;*
- *the success of our clinical studies for our investigational product candidates;*
- *our expectations as to future financial performance, expense levels and liquidity sources;*
- *our ability to attract, motivate, and retain key personnel; and*
- *other factors discussed elsewhere in this report.*

The outcome of the events described in these forward-looking statements is subject to known and unknown risks, uncertainties and other important factors that could cause actual results to differ materially from the results anticipated by these forward-looking statements. These important factors include our financial performance, the uncertainties inherent in the launch of any new pharmaceutical product or the execution and completion of clinical trials, uncertainties surrounding the timing of availability of data from our clinical trials, ongoing discussions with and actions by regulatory authorities, our ability to attract and retain customers, our development activities and those other factors we discuss under the caption "Risk Factors" in Item 1A of this Quarterly Report on Form 10-Q. You should read these factors and the other cautionary statements made in this Quarterly Report on Form 10-Q as being applicable to all related forward-looking statements wherever they appear in this Quarterly Report on Form 10-Q. These important factors are not exhaustive and other sections of this Quarterly Report on Form 10-Q may include additional factors which could adversely impact our business and financial performance.

You should read the following discussion of our financial condition and results of operations in conjunction with our financial statements and related notes set forth in this report. Unless the context otherwise requires, "we," "our," "us" and similar expressions used in this Management's Discussion and Analysis of Financial Condition and Results of Operations section refer to Radius Health, Inc. and our consolidated entities.

Executive Overview

We are a science-driven fully integrated biopharmaceutical company that is committed to developing and commercializing innovative therapeutics in the areas of osteoporosis, oncology and endocrine diseases. On April 28, 2017, our first commercial product, TYMLOS ™ (abaloparatide) injection, was approved by the U.S. Food and Drug Administration ("FDA") for the treatment of postmenopausal women with osteoporosis at high risk for fracture defined as history of osteoporotic fracture, multiple risk factors for fracture, or patients who have failed or are intolerant to other available osteoporosis therapy. We commenced U.S. commercial sales of TYMLOS during the second quarter of 2017. In May 2017, we announced positive top-line results from our completed 24-month ACTIVExtend clinical trial for TYMLOS, which met all of its primary and secondary endpoints. In July 2017, we entered into a license and development agreement with Teijin Limited ("Teijin") for abaloparatide for subcutaneous injection ("abaloparatide-SC") in Japan. Under this agreement, we will receive an upfront payment, additional milestone payments upon the achievement of certain regulatory and sales milestones, and a fixed low double-digit royalty based on net sales of abaloparatide-SC in Japan during the royalty term. In addition, we have an option to

negotiate for a co-promotion agreement with Teijin for abaloparatide-SC in Japan. Our European Marketing Authorisation Application (“MAA”) for abaloparatide-SC which, if approved, will be marketed in the European Union as Eladynos™, is under review by the Committee for Medicinal Products for Human Use (“CHMP”) of the European Medicines Agency (“EMA”) and we expect an opinion from the CHMP regarding the MAA for Eladynos prior to the end of 2017.

Our clinical pipeline includes an abaloparatide transdermal patch, or abaloparatide-TD, for potential use in the treatment of women with postmenopausal osteoporosis. We are focused on completing the manufacturing scale-up, production, and other activities required for the initiation of a pivotal bioequivalence study for abaloparatide-TD. In addition, we are evaluating our investigational product candidate, elacestrant (RAD1901), a selective estrogen receptor down-regulator/degrader, for potential use in the treatment of hormone-driven and/or hormone-resistant breast cancer, as well as for potential use in the treatment of vasomotor symptoms in postmenopausal women. We recently completed enrollment in both of our ongoing Phase 1 studies of elacestrant in advanced metastatic breast cancer. In June 2017, we discussed the data from these ongoing Phase 1 studies with the FDA to gain alignment on defining the next steps for our elacestrant breast cancer program, including the design of a Phase 2 trial. Following this discussion, the FDA agreed that a single-arm monotherapy Phase 2 study of under 200 patients is appropriate and provided additional feedback on the proposed clinical protocol, including confirmation that the primary endpoint will be objective response rate (“ORR”), coupled with durability of response (“DOR”). The FDA indicated that, depending on the study results, which must demonstrate superiority to then available therapies, the single-arm Phase 2 trial could be considered a pivotal study for accelerated approval as long as we have commenced a confirmatory study by the time of our NDA submission. We will provide further study details when the Phase 2 study is started and will continue to pursue additional pathways to accelerated approval. We expect to complete and report results from our elacestrant Phase 2b vasomotor trial in the second half of 2017.

We are also developing our internally developed investigational product candidate, RAD140, a non-steroidal selective androgen receptor modulator ("SARM") for potential use in the treatment of breast cancer. In December 2016, we submitted an investigational new drug application ("IND") to the FDA and expect to initiate a first-in-human Phase 1 study of RAD140 in women with hormone receptor positive breast cancer in the second half 2017.

Abaloparatide

On April 28, 2017, the FDA approved TYMLOS for the treatment of postmenopausal women with osteoporosis at high risk for fracture defined as history of osteoporotic fracture, multiple risk factors for fracture, or patients who have failed or are intolerant to other available osteoporosis therapy. We are developing two formulations of abaloparatide: abaloparatide-SC and abaloparatide-TD.

Abaloparatide-SC

TYMLOS was approved in the United States in April 2017 for the treatment of postmenopausal women with osteoporosis at high risk for fracture. The first commercial sales of TYMLOS in the United States occurred in the second quarter of 2017. We are commercializing TYMLOS in the United States through our commercial organization. We hold worldwide commercialization rights to abaloparatide-SC, except for Japan, where we have an option to negotiate a co-promotion agreement with Teijin for abaloparatide-SC. In December 2014, we announced positive 18-month top-line data from our Phase 3 ACTIVE clinical trial. These results were published in the Journal of the American Medical Association ("JAMA") in August 2016. In June 2015, we announced the positive top-line data from the first six months of the ACTIVExtend clinical trial of TYMLOS and the 25-month combined fracture data from the ACTIVE and ACTIVExtend clinical trials. These data were published in the Mayo Clinic Proceedings in February 2017.

The combined 25-month fracture data from our Phase 3 clinical trial program for TYMLOS formed the basis of our regulatory submissions in the United States and Europe. In November 2015, we submitted an MAA for Eladynos to the EMA, which was validated and is currently undergoing active regulatory assessment by the CHMP. In July 2017, the CHMP issued a second Day-180 List of Outstanding Issues and requested additional data analyses related to the safety and efficacy of abaloparatide-SC in the process of their ongoing regulatory review. We expect that the CHMP may adopt an opinion regarding our MAA for Eladynos prior to the end of 2017. Assuming regulatory success, we intend to enter into one or more collaborations for the commercialization of Eladynos outside of the United States prior to commercial launch in the European Union.

In May 2017, we announced positive top-line results from the completed 24-month ACTIVExtend clinical trial of TYMLOS, which met all of its primary and secondary endpoints. In ACTIVExtend, patients who had completed 18 months of TYMLOS (abaloparatide) injections or placebo in the ACTIVE Phase 3 trial were transitioned to receive 24 additional months of open-label alendronate. For the subset of ACTIVE trial patients (n=1139) that enrolled in the ACTIVExtend trial, the previous TYMLOS-treated patients had a significant 84% relative risk reduction ($p<0.0001$) in the incidence of new vertebral fractures compared with women who received placebo followed by alendronate. They also demonstrated a 39% risk reduction in nonvertebral fractures ($p=0.038$), a 34% risk reduction clinical fractures ($p=0.045$) and a 50% risk reduction in major

osteoporotic fractures (p=0.011) compared with women who received placebo followed by alendronate. At the 43-month timepoint, for all patients (n=1645) that enrolled in the ACTIVE trial, TYMLOS-treated patients had a statistically significant risk reduction in new vertebral fractures (p<0.0001), nonvertebral fractures (p=0.038), clinical fractures (p=0.045), and major osteoporotic fractures (p<0.001), compared with women who received placebo followed by alendronate. While not a pre-specified endpoint, there was also a statistically significant risk reduction in hip fractures (p=0.027) at the 43-month time point in the TYMLOS-treated patients, compared with women who received placebo followed by alendronate. The adverse events reported during the alendronate treatment period were similar between the previous TYMLOS-treated patients and the previous placebo group. The incidences of cardiovascular adverse events including serious adverse events were similar between groups. There have been no cases of osteonecrosis of the jaw or atypical femoral fracture in the entire TYMLOS development program. The results from the completed ACTIVExtend trial will be presented at an upcoming scientific meeting in the third quarter of 2017 and we plan to submit a supplemental new drug application in connection with this data to the FDA prior to the end of 2017. In July 2017, we entered into a license and development agreement with Teijin for abaloparatide-SC in Japan. Pursuant to the agreement, we will receive an upfront payment, additional milestone payments upon the achievement of certain regulatory and sales milestones, and a fixed low double-digit royalty based on net sales of abaloparatide-SC in Japan during the royalty term. In addition, we have an option to negotiate for a co-promotion agreement with Teijin for abaloparatide-SC in Japan.

Abaloparatide-TD

We are also developing abaloparatide-transdermal, which we refer to as abaloparatide-TD, based on 3M's patented Microstructured Transdermal System technology for potential use as a short wear-time transdermal patch. We hold worldwide commercialization rights to the abaloparatide-TD technology. We are developing abaloparatide-TD toward future global regulatory submissions to build upon the potential success of TYMLOS. We commenced a human replicative clinical evaluation of the optimized abaloparatide-TD patch in December 2015, with the goal of achieving comparability to TYMLOS. In September 2016, we presented results from this evaluation, which showed that the pharmacokinetic profile of an optimized abaloparatide-TD patch with respect to Tmax, T1/2, and AUC was successfully modified so as to improve comparability to TYMLOS. The results of this clinical evaluation will inform the design of a pivotal bioequivalence study that will be initiated following completion of activities related to manufacturing scale-up, production, and other activities required for the initiation of that study.

Commercial, Medical and Compliance Organizations

We intend to commercialize TYMLOS on our own in the United States through our field-based sales organization of more than 200 regional sales managers and clinical sales specialists who are experienced in launching specialty pharmaceutical products, including many with osteoporosis sales experience.

After receiving regulatory approval of TYMLOS in the United States in April 2017 for the treatment of postmenopausal women at high risk of osteoporotic fracture, we have focused commercial efforts on increasing access to, and utilization of, TYMLOS. We have a full-spectrum commercialization team that includes experienced professionals in marketing, communications, professional education, patient education, reimbursement and market access, trade, distribution and call centers, commercial operations, commercial analytics, market research, and forecasting.

We also have a distribution network of well-established distributors and specialty pharmacies for TYMLOS in the United States. Under our distribution model, both the distributors and specialty pharmacies take physical delivery of TYMLOS and the specialty pharmacies dispense TYMLOS directly to patients.

Our medical organization is comprised of 40 professionals, many field-based, with clinical and scientific experience within academic medical centers, clinical medical practice, research institutions, and industry. Our team is organized by key functions, including medical affairs, pharmacovigilance, medical information, publications, and health economics outcomes research.

Under the leadership of our Chief Compliance Officer, we have implemented a compliance program in support of a strong culture of compliance and good corporate governance. Our leadership, managers and staff have devoted substantial amounts of time to compliance initiatives, including establishing and maintaining effective disclosure and financial controls and corporate governance practices, as required by the Sarbanes-Oxley Act of 2002, as amended, and rules subsequently implemented by the Securities and Exchange Commission ("SEC") and NASDAQ.

Elacestrant (RAD1901)

Elacestrant (RAD1901) is a selective estrogen receptor down-regulator/degrader ("SERD"), that has potential for use as a daily oral non-steroidal treatment for hormone-driven and/or hormone-resistant, breast cancer. We hold worldwide commercialization rights to elacestrant. Elacestrant is currently being investigated in postmenopausal women with advanced estrogen receptor positive, or ER-positive, HER2-negative breast cancer, the most common form of the disease. Studies completed to date indicate that the compound has the potential for use as a single agent or in combination with other therapies

for the treatment of breast cancer. In April 2017, we presented new preclinical data on the impact of elacestrant in preclinical models of endocrine sensitive/resistant breast cancer.

Phase 1 - Dose-Escalation Study

In December 2014, we commenced a Phase 1, multicenter, open-label, multiple-part, dose-escalation study of elacestrant in postmenopausal women with ER-positive and HER2-negative advanced breast cancer in the United States to determine the recommended dose for a Phase 2 clinical trial and to make a preliminary evaluation of the potential anti-tumor effect of elacestrant. Part A of this Phase 1 study was designed to evaluate escalating doses of elacestrant. The Part B expansion cohort was initiated at 400-mg daily dosing in March 2016 to allow for an evaluation of additional safety, tolerability and preliminary efficacy. The patients enrolled in this study are heavily pretreated ER-positive, HER2-negative advanced breast cancer patients who have received a median of 3 prior lines of therapy including fulvestrant and CDK4/6 inhibitors, and about 50% of the patients had ESR1 mutations. We recently completed patient enrollment in our Phase 1 dose-escalation and expansion study.

In December 2016, we reported positive results from this ongoing Phase 1 dose-escalation and expansion study. These results showed that elacestrant was well-tolerated with the most commonly reported adverse events being low grade nausea and dyspepsia. Enrollment in the Part C tablet dosage form cohort was completed in November 2016.

In June 2017, we reported additional positive data from this ongoing Phase 1 dose-escalation and expansion study. As of the study cut-off date of April 28, 2017, the elacestrant single agent ORR, was 23% with five confirmed partial responses in heavily pre-treated patients with advanced ER-positive breast cancer. In the 400-mg patient group of 26 patients with mature data, the median progression free survival was 4.5 months. These results showed that elacestrant was well-tolerated with the most commonly reported adverse events being low grade nausea and dyspepsia.

Phase 1 - FES-PET Study

In December 2015, we commenced a Phase 1 ^{18}F fluoroestradiol positron emission tomography, or FES-PET, study in patients with metastatic breast cancer in the European Union which includes the use of FES-PET imaging to assess estrogen receptor occupancy in tumor lesions following elacestrant treatment. We recently completed patient enrollment in the European Phase I FES-PET study.

In December 2016, we reported positive results from the ongoing Phase 1 FES-PET study. The first three enrolled patients dosed at the 400-mg cohort had a tumor FES-PET signal intensity reduction ranging from 79% to 91% at day 14 compared to baseline. The most commonly reported adverse events reported to date in this study have been grade 1 and 2 nausea and dyspepsia. We enrolled 5 additional patients in the 400-mg daily oral cohort, followed by 8 patients in the 200-mg daily oral cohort.

Phase 1 - Recent Progress

To date, no dose limiting toxicities have been reported in the elacestrant program. We recently completed patient enrollment in both of our ongoing elacestrant Phase 1 breast cancer trials. In June 2017, we discussed the data from the ongoing Phase 1 studies with the FDA to gain alignment on defining the next steps for our elacestrant breast cancer program, including the design of a Phase 2 trial. Following this discussion, the FDA agreed that a single-arm monotherapy Phase 2 study of under 200 patients is appropriate and provided additional feedback on the proposed clinical protocol, including confirmation that the primary endpoint will be ORR, coupled with DOR. The FDA indicated that, depending on the study results, which must demonstrate superiority to then available therapies, the single-arm Phase 2 trial could be considered a pivotal study for accelerated approval as long as we have commenced a confirmatory study by the time of our NDA submission. We will provide further study details when the Phase 2 study is started and will continue to pursue additional pathways to accelerated approval.

Potential for use in Combination Therapy

In July 2015, we announced that early but promising preclinical data showed that our investigational drug elacestrant, in combination with Pfizer's palbociclib, a cyclin-dependent kinase, or CDK 4/6 inhibitor, or Novartis' everolimus, an mTOR inhibitor, was effective in shrinking tumors. In preclinical patient-derived xenograft breast cancer models with either wild type or mutant ESR1, treatment with elacestrant resulted in marked tumor growth inhibition, and the combination of elacestrant with either agent, palbociclib or everolimus, showed anti-tumor activity that was significantly greater than either agent alone. We believe that this preclinical data suggests that elacestrant has the potential to overcome endocrine resistance, is well-tolerated, and has a profile that is well suited for use in combination therapy.

Collaborations

In July 2016, we entered into a preclinical collaboration with Takeda Pharmaceutical Company Limited to evaluate the combination of our investigational drug elacestrant with Takeda's investigational drug TAK-228, an oral mTORC 1/2 inhibitor in Phase 2b development for the treatment of breast, endometrial and renal cancer, with the goal of potentially exploring such combination in a clinical study.

In January 2016, we entered into a worldwide clinical collaboration with Novartis Pharmaceuticals to evaluate the safety and efficacy of combining our investigational drug elacestrant, with Novartis' investigational agent LEE011 (ribociclib), a CDK 4/6 inhibitor, and BYL719 (alpelisib), an investigational phosphoinositide 3-kinase inhibitor. We expect the results from these studies will be presented at an upcoming scientific meeting.

Phase 2b - Vasomotor Symptoms Study

Elacestrant is also being evaluated at low doses as an estrogen receptor ligand for the potential relief of the frequency and severity of moderate to severe hot flashes in postmenopausal women with vasomotor symptoms. We expect to report results from our Phase 2b clinical study of elacestrant for the potential treatment of postmenopausal vasomotor symptoms in the second half of 2017.

RAD140

RAD140 is a nonsteroidal selective androgen receptor modulator, or SARM. The androgen receptor, or AR, is highly expressed in many ER-positive, ER-negative, and triple-negative receptor breast cancers. Due to its receptor and tissue selectivity, potent activity, oral bioavailability, and long half-life, we believe RAD140 could have clinical potential in the treatment of breast cancer. We hold worldwide commercialization rights to RAD140, which resulted from an internal discovery program.

In July 2016, we reported that RAD140 in preclinical xenograft models of breast cancer demonstrated potent tumor growth inhibition when administered alone or in combinations with CDK4/6 inhibitors. It is estimated that 77% of breast cancers show expression of the androgen receptor. Our data suggest that RAD140 activity at the androgen receptor leads to activation of AR signaling pathways including an AR-specific tumor suppressor. In April 2017, we presented these RAD140 preclinical results at a major scientific congress. We submitted an IND to the FDA for RAD140 in December 2016 and plan to initiate a first-in-human Phase 1 study of RAD140 in women with hormone receptor positive breast cancer in 2017.

Financial Overview

Product Revenue

Product revenue is derived from sales of our product, TYMLOS, in the United States.

Research and Development Expenses

Research and development expenses consist primarily of clinical testing costs made to contract research organizations ("CROs"), salaries and related personnel costs, fees paid to consultants and outside service providers for regulatory and quality assurance support, licensing of drug compounds and other expenses relating to the manufacture, development, testing and enhancement of our product candidates. We expense our research and development costs as they are incurred.

None of the research and development expenses, in relation to our investigational product candidates, are currently borne by third parties. TYMLOS (abaloparatide) historically has represented the largest portion of our research and development expenses for our development programs. We began tracking program expenses for TYMLOS (abaloparatide) in 2005, and program expenses from inception to June 30, 2017 were approximately $ 213.2 million . We began tracking program expenses for abaloparatide-TD in 2007, and program expenses from inception to June 30, 2017 were approximately $ 40.1 million . We began tracking program expenses for elacestrant (RAD1901) in 2006, and program expenses from inception to June 30, 2017 were approximately $ 58.4 million . We began tracking program expenses for RAD140 in 2008, and program expenses from inception to June 30, 2017 were approximately $ 10.3 million . These expenses relate primarily to external costs associated with manufacturing, preclinical studies and clinical trial costs.

Costs related to facilities, depreciation, stock-based compensation, and research and development support services are not directly charged to programs as they benefit multiple research programs that share resources.

The following table sets forth our research and development expenses that are directly attributable to the programs listed below for the three and six months ended June 30, 2017 and 2016 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Abaloparatide-SC*	$ 1,297	$ 6,612	$ 297	$ 12,389
Abaloparatide-TD	327	1,544	1,032	3,690
Elacestrant (RAD1901)	29	5,142	2,907	13,259
RAD140	(37)	770	1,321	1,127

**2017 expenses were net of the FDA's refund of NDA fees of $2.4 million previously paid and expensed in the first quarter of 2016.*

Selling, General and Administrative Expenses

Selling, general and administrative expenses consist primarily of salaries and related expenses for pre-launch commercial operations, executive, finance and other administrative personnel, professional fees, business insurance, rent, general legal activities, including the cost of maintaining our intellectual property portfolio, and other corporate expenses.

Our results also include stock-based compensation expense as a result of the issuance of stock option grants to our employees, directors and consultants. The stock-based compensation expense is included in the respective categories of expense in the statement of operations and comprehensive loss (i.e., research and development or general and administrative expenses).

Interest Income and Other Income

Interest income reflects interest earned on our cash, cash equivalents and marketable securities. Other income for the first half of 2017 reflects a portion of the Massachusetts Life Science Center awards recognized as income for certain taxes paid.

Critical Accounting Policies and Estimates

Our management's discussion and analysis of financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC"), and generally accepted accounting principles in the United States ("GAAP"). The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities and expenses, as well as related disclosures. We evaluate our policies and estimates on an ongoing basis, including those related to revenue recognition, accrued clinical expenses, research and development expenses, stock-based compensation and fair value measures, which we discussed in our Annual Report on Form 10-K for the year ended December 31, 2016 . We base our estimates on historical experience and various other assumptions that we believe are reasonable under the circumstances. Our actual results may differ from these estimates under different assumptions or conditions.

We have reviewed our policies and estimates to determine our critical accounting policies for the three and six months ended June 30, 2017 . There were no changes to significant accounting policies during the six months ended June 30, 2017 , except for the adoption of two Accounting Standards Updates issued by the Financial Accounting Standards Board, as well as significant accounting policies over revenue, inventory, and intangibles, each of which is detailed below, except intangibles, which is not considered a critical accounting policy and estimate by management.

Stock-based Compensation - In March 2016, the FASB issued Accounting Standards Update No. 2016-09, *Improvements to Employee Share-Based Payment Accounting* ("ASU 2016-09"). This revised standard affects the accounting for forfeitures, cash flow presentation and income taxes. Specifically, this standard provides an accounting policy election to account for forfeitures as they occur, requires all excess tax benefits and deficiencies on share-based payment awards to be recognized as income tax expense or benefit in the statement of operations, requires the tax effects of exercised or vested awards should be treated as discrete items in the reporting period in which they occur, and requires that excess tax benefits to be classified with other income tax cash flows as an operating activity. The standard permits early adoption in any annual or interim period and will be applied by means of a cumulative-effect adjustment to retained earnings as of the beginning of the fiscal year of adoption.

Historically, the Company recognized stock-based compensation net of estimated forfeitures over the vesting period of the respective grant. Effective January 1, 2017, the Company adopted ASU 2016-09 and changed its accounting policy to recognize forfeitures as they occur. The new forfeiture policy election was adopted using a modified retrospective approach with a cumulative effect adjustment of approximately $0.5 million to retained earnings as of January 1, 2017. In addition, the Company recognized $6.1 million of accumulated excess tax benefits as deferred tax assets that under the previous guidance could not be recognized until the benefits were realized through a reduction in cash taxes paid. This part of the guidance was

applied using a modified retrospective method with a cumulative-effect adjustment to the accumulated deficit for the excess tax benefits not previously recognized. However, given the full valuation allowance placed on the additional $6.1 million of deferred tax assets, the recognition upon adoption had no impact to our accumulated deficit as of January 1, 2016. The adoption of ASU 2016-09 effective January 1, 2017 had no other material impacts on the Company's results of operations, financial position or cash flows.

Revenue Recognition - On April 28, 2017, the FDA approved TYMLOS. Subsequent to receiving FDA approval, the Company entered into a limited number of arrangements with wholesalers in the U.S. (collectively, its "Customers") to distribute TYMLOS. These arrangements are the Company's initial contracts with customers and, as a result, the Company adopted Accounting Standards Codification ("ASC") Topic 606 - *Revenue from Contracts with Customers* ("Topic 606"). There is no transition to Topic 606 because the Company has no historical revenue. This standard applies to all contracts with customers, except for contracts that are within the scope of other standards, such as leases, insurance, collaboration arrangements, and financial instruments. Under Topic 606, an entity recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration which the entity expects to be entitled in exchange for those goods or services.

To determine revenue recognition for arrangements that an entity determines are within the scope of Topic 606, the entity performs the following five steps: (i) identify the contract(s) with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract, and (v) recognize revenue when (or as) the entity satisfies a performance obligation. The Company only applies the five-step model to arrangements that meet the definition of a contract under Topic 606, including when it is probable that the entity will collect the consideration it is entitled to in exchange for the goods or services it transfers to the customer. At contract inception, once the contract is determined to be within the scope of Topic 606, the Company assesses the goods or services promised within each contract and determines those that are performance obligations, and assesses whether each promised good or service is distinct. The Company then recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied.

Inventory -The Company values its inventories at the lower of cost or estimated net realizable value. The Company determines the cost of its inventories, which includes amounts related to materials and manufacturing overhead, on a first-in, first-out basis. The Company performs an assessment of the recoverability of capitalized inventory during each reporting period, and it writes down any excess and obsolete inventories to their estimated realizable value in the period in which the impairment is first identified. Such impairment charges, should they occur, are recorded within cost of product revenues. The determination of whether inventory costs will be realizable requires estimates by management. If actual market conditions are less favorable than projected by management, additional write-downs of inventory may be required, which would be recorded as a cost of product sales in the consolidated statements of operations and comprehensive loss.

The Company capitalizes inventory costs associated with the Company's products after regulatory approval when, based on management's judgment, future commercialization is considered probable and the future economic benefit is expected to be realized. Inventory acquired prior to receipt of marketing approval of a product candidate is expensed as research and development expense as incurred. Inventory that can be used in either the production of clinical or commercial product is expensed as research and development expense when selected for use in a clinical manufacturing campaign.

Shipping and handling costs for product shipments are recorded as incurred in cost of product revenues along with costs associated with manufacturing the product, and any inventory write-downs.

Results of Operations

Three Months Ended June 30, 2017 and 2016 (in thousands, except percentages)

	Three Months Ended June 30,		Change	
	2017	2016	$	%
Revenues:				
Product revenue, net	$ 980	$ —	$ 980	100 %
Operating expenses:				
Cost of sales	105	—	105	100 %
Research and development	19,652	26,891	(7,239)	(27)%
Selling, general and administrative	50,121	17,193	32,928	192 %
Loss from operations	(68,898)	(44,084)	24,814	56 %
Other (expense) income:				
Other expense, net	(97)	(95)	2	2 %
Interest income	557	744	(187)	(25)%
Net loss	$ (68,438)	$ (43,435)	$ 25,003	58 %

Product revenue — We began commercially selling TYMLOS within the United States in May 2017, following receipt of the FDA's approval to do so on April 28, 2017. For the three months ended June 30, 2017 we recorded approximately $1.0 million of net product revenue. For further discussion regarding our revenue recognition policy, see Note 2, "Basis of Presentation and Significant Accounting Policies", in the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Cost of sales — Cost of sales of $0.1 million for the three months ended June 30, 2017 , consisted of costs associated with the manufacturing of TYMLOS, royalties owed to our licensor for such sales, and certain period costs. Based on our policy to expense costs associated with the manufacture of our products prior to regulatory approval, certain of the costs of TYMLOS units recognized as revenue during the three months ended June 30, 2017 were expensed prior to the April 2017 FDA approval and, therefore, are not included in cost of sales during this period. We expect cost of sales to increase in relation to product revenues as we deplete these inventories.

Research and development expenses — For the three months ended June 30, 2017 , research and development expense was $ 19.7 million compared to $ 26.9 million for the six months ended June 30, 2016 , a decrease of $ 7.2 million , or 27% . This decrease was primarily driven by a $5.3 million decrease in regulatory and professional fees associated with abaloparatide-SC regulatory applications, a $5.1 million decrease in RAD1901 project costs, and a $1.2 million decrease in development costs associated with the abaloparatide-TD program. This decrease was partially offset by a $4.5 million increase in compensation expense, including stock-based compensation, due to an increase in headcount from 86 research and development employees as of June 30, 2016 to 109 research and development employees as of June 30, 2017 .

Selling, general and administrative expenses — For the three months ended June 30, 2017 , selling, general and administrative expense was $ 50.1 million compared to $ 17.2 million for the three months ended June 30, 2016 , an increase of $ 32.9 million , or 192% . This increase was primarily the result of an increase of approximately $9.5 million in professional fees and support costs during the three months ended June 30, 2017 , including the costs associated with increasing headcount and preparing for the commercialization of TYMLOS in the United States. This increase was also driven by a $19.6 million increase in compensation expense, including stock-based compensation, due to an increase in headcount from 62 general and administrative employees as of June 30, 2016 to 119 selling, general and administrative employees and 253 sales related personnel as of June 30, 2017 .

Interest income —For the three months ended June 30, 2017 , interest income was approximately $ 0.6 million compared to $ 0.7 million for the three months ended June 30, 2016 , a decrease of $ 0.2 million , or 25% . This decrease was primarily due to the combined effects of a decrease in the balance of our investments coupled with an increase in the rate of return on investments in the three months ended June 30, 2017 as compared to those of the three months ended June 30, 2016 .

Six Months Ended June 30, 2017 and 2016 (in thousands, except percentages)

	Six Months Ended June 30,		Change	
	2017	2016	$	%
Revenues:				
Product revenue, net	$ 980	$ —	$ 980	100 %
Operating expenses:				
Cost of sales	105	$ —	105	100 %
Research and development	39,179	54,374	(15,195)	(28)%
Selling, general and administrative	88,220	30,839	57,381	186 %
Loss from operations	(126,524)	(85,213)	41,311	48 %
Other (expense) income:				
Other expense, net	(17)	(96)	(79)	(82)%
Interest income (expense), net	1,164	1,411	(247)	(18)%
Net loss	$ (125,377)	$ (83,898)	$ 41,479	49 %

Product revenue — We began commercially selling TYMLOS within the United States in May 2017, following receipt of the FDA's approval to do so on April 28, 2017. For the six months ended June 30, 2017 we recorded approximately $1.0 million of net product revenue. For further discussion regarding our revenue recognition policy, see Note 2, "Basis of Presentation and Significant Accounting Policies", in the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Cost of sales — Cost of sales of $0.1 million for the six months ended June 30, 2017 , consisted of costs associated with the manufacturing of TYMLOS, royalties owed to our licensor for such sales, and certain period costs. Based on our policy to expense costs associated with the manufacture of our products prior to regulatory approval, certain of the costs of TYMLOS units recognized as revenue during the six months ended June 30, 2017 were expensed prior to the April 2017 FDA approval and, therefore, are not included in cost of sales during this period. We expect cost of sales to increase in relation to product revenues as we deplete these inventories.

Research and development expenses — For the six months ended June 30, 2017 , research and development expense was $ 39.2 million compared to $54.4 million for the six months ended June 30, 2016 , a decrease of $ 15.2 million , or 28% . This decrease was primarily driven by a $12.1 million decrease in abaloparatide-SC project costs, a $10.4 million decrease in RAD1901 project costs, and a $2.7 million decrease in development costs associated with abaloparatide-TD. This decrease was partially offset by a $9.1 million increase in compensation expense, including stock-based compensation, due to an increase in headcount from 86 research and development employees as of June 30, 2016 to 109 research and development employees as of June 30, 2017 .

Selling, general and administrative expenses — For the six months ended June 30, 2017 , selling, general and administrative expense was $ 88.2 million compared to $ 30.8 million for the six months ended June 30, 2016 , an increase of $ 57.4 million , or 186% . This increase was primarily the result of an increase of approximately $17.9 million in professional fees and support costs during the six months ended June 30, 2017 , including the costs associated with increasing headcount and preparing for the commercialization of TYMLOS in the United States. This increase was also driven by a $34.2 million increase in compensation expense, including stock-based compensation, due to an increase in headcount from 62 general and administrative employees as of June 30, 2016 to 119 selling, general and administrative employees and 253 sales related personnel as of June 30, 2017 .

Interest income —For the six months ended June 30, 2017 , interest income was approximately $ 1.2 million compared to $ 1.4 million for the six months ended June 30, 2016 , a decrease of $ 0.2 million , or 18% . This decrease was primarily due to the combined effects of a decrease in the balance of our investments coupled with an increase in the rate of return on investments in the six months ended June 30, 2017 as compared to those of the six months ended June 30, 2016 .

Liquidity and Capital Resources

From inception to June 30, 2017 , we have incurred an accumulated deficit of $ 753.4 million , primarily as a result of expenses incurred through a combination of research and development activities related to our various product candidates and expenses supporting those activities. Our total cash, cash equivalents and short-term marketable securities balance as of June 30, 2017 was $ 214.7 million . We have financed our operations since inception primarily through the public offerings of our common stock, private sales of preferred stock, and borrowings under credit facilities and, following our commercial launch of TYMLOS in the United States, we have just begun financing a portion of our operations with product revenue.

Based upon our cash, cash equivalents and marketable securities balance, we believe that, prior to the consideration of proceeds from partnering and/or collaboration activities, we have sufficient capital to fund our development plans, U.S. commercial and other operational activities for not less than twelve months from the date of this filing. We expect to finance the future U.S. commercial activities and development costs of our clinical product portfolio with our existing cash, cash equivalents and marketable securities, or through strategic financing opportunities, that could include, but are not limited to partnering or other collaboration agreements, future offerings of equity, royalty-based financing arrangements, or the incurrence of debt or other alternative financing arrangements. However, there is no guarantee that any of these financing opportunities will be available to us on favorable terms, and some could be dilutive to existing stockholders. Our future capital requirements will depend on many factors, including the scope and progress made in our research and development and commercialization activities, the results of our clinical trials, and the review and potential approval of our products by the FDA and the EMA. The successful development of our investigational product candidates is subject to numerous risks and uncertainties associated with developing drugs, which could have a significant impact on the cost and timing associated with the development of our product candidates. If we fail to obtain additional future capital, we may be unable to complete our planned preclinical and clinical trials and obtain approval of any investigational product candidates from the FDA and foreign regulatory authorities.

TYMLOS is our only approved product and our business currently depends heavily on its successful commercialization. Successful commercialization of an approved product is an expensive and uncertain process. See “Risk Factors — Risks Related to the Discovery, Development and Commercialization of Our Product Candidates” set forth under Item 1A.

The following table sets forth the major sources and uses of cash for each of the periods set forth below (in thousands):

	Six Months Ended June 30,		Change	
	2017	2016	$	%
Net cash (used in) provided by:				
Operating activities	$ (112,949)	$ (72,637)	$ (40,312)	(55)%
Investing activities	(15,562)	31,841	(47,403)	(149)%
Financing activities	5,054	1,672	3,382	202 %
Net decrease in cash and cash equivalents	$ (123,457)	$ (39,124)	(84,333)	(216)%

Cash Flows from Operating Activities

Net cash used in operating activities during the six months ended June 30, 2017 was $ 112.9 million , which was primarily the result of a net loss of $ 125.4 million , partially offset by $ 21.2 million of net non-cash adjustments to reconcile net loss to net cash used in operations and net changes in working capital of $ 7.4 million . The $ 125.4 million net loss was primarily due to abaloparatide-SC and elacestrant program development expenses along with employee compensation and consulting costs incurred to support regulatory submissions and preparation for the commercial launch of TYMLOS in the United States. The $ 21.2 million net non-cash adjustments to reconcile net loss to net cash used in operations included stock-based compensation expense of $ 20.5 million and depreciation of $ 0.7 million .

Net cash used in operating activities during the six months ended June 30, 2016 was $ 72.6 million , which was primarily the result of a net loss of $ 83.9 million , partially offset by $ 11.6 million of net non-cash adjustments to reconcile net loss to net cash used in operations and net changes in working capital of $ 0.4 million . The $ 83.9 million net loss was primarily due to abaloparatide-SC program development expenses, including clinical and manufacturing costs, along with employee compensation and consulting costs incurred to support regulatory submissions and preparation for the commercial launch of TYMLOS in the United States. The $ 11.6 million net non-cash adjustments to reconcile net loss to net cash used in operations included stock-based compensation expense of $ 10.6 million , amortization of premiums on marketable securities of $ 0.8 million and depreciation of $ 0.2 million .

Cash Flows from Investing Activities

Net cash used in investing activities during the six months ended June 30, 2017 was $ 15.6 million , which was primarily the result of $ 112.0 million of purchases of marketable securities and $8.7 million payments for capitalized milestones. These activities were partially offset by $ 106.3 million of net proceeds received from the sale or maturity of marketable securities.

Net cash provided by investing activities during the six months ended June 30, 2016 was $ 31.8 million , which was primarily the result of $258.3 million of net proceeds received from the sale or maturity of marketable securities partially offset by $225.5 million of purchases of marketable securities.

Our investing cash flows will be impacted by the timing of purchases and sales of marketable securities. Because our marketable securities are primarily short-term in duration, we would not expect our operational results or cash flows to be significantly affected by a change in market interest rates.

Cash Flows from Financing Activities

Net cash provided by financing activities during the six months ended June 30, 2017 was $ 5.1 million , which primarily consisted of $ 4.0 million of proceeds received from exercises of stock options and $1.0 million received upon issuance of common stock under the Radius Health, Inc. 2016 Employee Stock Purchase Plan.

Net cash provided by financing activities during the six months ended June 30, 2016 consisted of $1.7 million of proceeds received from the exercise of stock options.

Contractual Obligations

Supply and Manufacturing Agreements

In June 2016, we entered into a supply agreement with Ypsomed AG ("Ypsomed"), pursuant to which Ypsomed agreed to supply commercial and clinical supplies of a disposable pen injection device ("Device"), customized for subcutaneous injection of TYMLOS. We agreed to purchase a minimum number of Devices at prices per Device that decrease with an increase in quantity supplied. In addition, we agreed to make milestone payments for Ypsomed’s capital developments in connection with the initiation of the commercial supply of the Device and to pay a one-time capacity fee. All costs and payments under the agreement are delineated in Swiss Francs. The agreement has an initial term of three years from the earlier of the date of delivery of the first commercial Devices for regulatory approval and June 1, 2017, after which, it automatically renews for two-year terms until terminated. During the initial term of the agreement, we estimate that we will be obligated to make total minimum payments to Ypsomed of approximately CHF 3.9 million ($ 4.0 million) in the aggregate, including the milestone payments and one-time capacity fee.

In June 2016, we entered into a commercial supply agreement with Vetter Pharma International, GmbH ("Vetter"), pursuant to which Vetter agreed to formulate the finished TYMLOS drug product containing the active pharmaceutical ingredient ("API"), of TYMLOS, to fill cartridges with the drug product, to assemble the pen delivery device, and to package and label the pen for commercial distribution. We agreed to purchase the cartridges and pens in specified batch sizes at a price per unit. For labeling and packaging services, we agreed to pay a per unit price dependent upon the number of pens loaded with cartridges that are labeled and packaged. These prices are subject to an annual price adjustment. The agreement has an initial term of five years, which began on January 1, 2016, after which, it automatically renews for two-year terms unless either party provides notice of non-renewal two years before the end of the then-current term. There are no minimum purchase requirements under the terms of this contract.

In July 2016, we entered into a manufacturing services agreement with Polypeptide Laboratories Holding AB ("PPL"), as successor-in-interest to Lonza Group Ltd., pursuant to which PPL agreed to manufacture the commercial and clinical supplies of the API for TYMLOS. We agreed to purchase the API in batches at a price per gram in euros, subject to an annual increase by PPL. We also agreed to purchase a minimum number of batches annually. The agreement has an initial term of a six years, after which, it automatically renews for three-year terms unless either party provides notice of non-renewal 24 months before the end of the then-current term.

Research and Development Agreements

Abaloparatide-SC Phase 3 Clinical Trial

In February 2013, we contracted with Nordic Bioscience Clinical Development VII A/S ("Nordic"), to conduct our Phase 3 clinical trial of abaloparatide-SC, or the Phase 3 Clinical Trial. Nordic also agreed to perform an extension study to evaluate six months of standard-of-care osteoporosis management following the completion of the Phase 3 Clinical Trial ("Extension Study"), and, upon completion of this initial six months, an additional period of 18 months of standard-of-care osteoporosis management ("Second Extension").

In April 2015, we contracted with Nordic to perform additional services, including monitoring of patients enrolled in the Second Extension. Payments in cash to be made to Nordic for these additional services are denominated in euro and total up to approximately € 4.1 million (approximately $ 4.3 million).

Payments in cash to be made to Nordic for the services related to the Extension Study and the Second Extension are denominated in both euros and U.S. dollars and total up to € 11.9 million (approximately $ 12.5 million) and $ 1.1 million , respectively. As of December 31, 2016 , the last patient's final visit in the Second Extension had occurred and all obligations due to Nordic in relation to the Extension Study have been paid.

License Agreement Obligations

TYMLOS (abaloparatide)

In September 2005, we entered into a license agreement with Ipsen, as amended, or the License Agreement, under which we exclusively licensed certain Ipsen compound technology and related patents covering abaloparatide to research, develop, manufacture and commercialize certain compounds and related products in all countries, except Japan (where we have an option to negotiate a co-promotion agreement for abaloparatide-SC with Teijin) and France (where our commercialization rights were subject to certain co-marketing and co-promotion rights exercisable by Ipsen, provided that certain conditions included in the License Agreement were met). We believe that Ipsen's co-marketing and co-promotion rights in France have permanently expired. Ipsen also granted us an exclusive right and license under the Ipsen compound technology and related patents to make and have made compounds or product in Japan. Ipsen further granted us an exclusive right and license under certain Ipsen formulation technology and related patents solely for purposes of enabling us to develop, manufacture and commercialize compounds and products covered by the compound technology license in all countries, except Japan and France (as discussed above).

In consideration for the rights to abaloparatide and in recognition of certain milestones having been met to date, we have paid to Ipsen an aggregate amount of $13.0 million . The License Agreement further requires us to make payments upon the achievement of certain future regulatory and commercial milestones. Total additional milestone payments that could be payable under the agreement are € 24.0 million (approximately $ 27.4 million). In connection with the FDA's approval of TYMLOS in April 2017, we are obligated to pay Ipsen a milestone of €8.0 million (approximately $8.7 million) under the License Agreement, which we will record as an intangible asset and amortize over the remaining term of the License Agreement or the expected product life-cycle of TYMLOS, whichever is shorter. The agreement also provides that we will pay to Ipsen a fixed five percent royalty based on net sales of the product by us or our sublicensees on a country-by-country basis until the later of the last to expire of the licensed patents or for a period of 10 years after the first commercial sale in such country. The date of the last to expire of the abaloparatide patents licensed from or co-owned with Ipsen, barring any extension thereof, is expected to be March 26, 2028.

If we sublicense abaloparatide to a third party, the agreement provides that we would pay a percentage of certain payments received from such sublicensee (in lieu of milestone payments not achieved at the time of such sublicense). The applicable percentage is in the low double-digit range. In addition, if we or our sublicensees commercialize a product that includes a compound discovered by us based on or derived from confidential Ipsen know-how, the agreement provides that we would pay to Ipsen a fixed low single digit royalty on net sales of such product on a country-by-country basis until the later of the last to expire of our patents that cover such product or for a period of 10 years after the first commercial sale of such product in such country.

The License Agreement expires on a country-by-country basis on the later of (1) the date the last remaining valid claim in the licensed patents expires in that country, or (2) a period of 10 years after the first commercial sale of the licensed products in such country, unless it is sooner terminated in accordance with its terms.

Prior to executing the License Agreement for abaloparatide with Radius, Ipsen licensed the Japanese rights for abaloparatide to Teijin. Teijin has initiated a Phase 3 clinical study of abaloparatide-SC in Japan for the treatment of postmenopausal osteoporosis.

We are currently in arbitration proceedings with Ipsen in connection with the License Agreement. See “Legal Proceedings” for more information.

Elacestrant (RAD1901)

In June 2006, we entered into a license agreement ("Eisai Agreement"), with Eisai Co. Ltd. ("Eisai"). Under the Eisai Agreement, Eisai granted to us an exclusive right and license to research, develop, manufacture and commercialize elacestrant (RAD1901) and related products from Eisai in all countries, except Japan. In consideration for the rights to elacestrant, we paid Eisai an initial license fee of $0.5 million, which was expensed during 2006. In March 2015, we entered into an amendment to the Eisai Agreement, or the "Eisai Amendment," in which Eisai granted to us the exclusive right and license to research, develop, manufacture and commercialize elacestrant in Japan. In consideration for the rights to elacestrant in Japan, we paid Eisai an initial license fee of $ 0.4 million upon execution of the Eisai Amendment, which was recognized as research and development expense in 2015. The Eisai Amendment, as amended, also provides for additional payments of up to $ 22.3 million , payable upon the achievement of certain future clinical and regulatory milestones.

Under the Eisai Agreement, as amended, should a product covered by the licensed technology be commercialized, we will be obligated to pay to Eisai royalties in a variable mid-single digit range based on net sales of the product on a country-by-country basis. The royalty rate will be reduced, on a country-by-country basis, at such time as the last remaining valid claim in the

licensed patents expires, lapses or is invalidated and the product is not covered by data protection clauses. In addition, the royalty rate will be reduced, on a country-by-country basis, if, in addition to the conditions specified in the previous sentence, sales of lawful generic versions of such product account for more than a specified minimum percentage of the total sales of all products that contain the licensed compound during a calendar quarter. The latest licensed patent is expected to expire, barring any extension thereof, on August 18, 2026.

The Eisai Agreement, as amended, also grants us the right to grant sublicenses with prior written approval from Eisai. If we sublicense the licensed technology to a third party, we will be obligated to pay Eisai, in addition to the milestones referenced above, a fixed low double-digit percentage of certain fees received from such sublicensee and royalties in the low single digit range based on net sales of the sublicensee. The Eisai Agreement expires on a country-by-country basis on the later of (1) the date the last remaining valid claim in the licensed patents expires, lapses or is invalidated in that country, the product is not covered by data protection clauses, and the sales of lawful generic versions of the product account for more than a specified percentage of the total sales of all pharmaceutical products containing the licensed compound in that country; or (2) a period of 10 years after the first commercial sale of the licensed products in such country, unless it is sooner terminated.

Net Operating Loss Carryforwards

As of December 31, 2016 , we had federal and state net operating loss carryforwards of approximately $ 526.7 million and $ 385.3 million , respectively, subject to limitation, as described below. If not utilized, the net operating loss carryforwards will expire at various dates through 2036.

Under Section 382 of the Internal Revenue Code of 1986, or Section 382, substantial changes in our ownership may limit the amount of net operating loss carryforwards that could be used annually in the future to offset taxable income. We have completed studies through December 31, 2015, to determine whether any ownership change has occurred since our formation and have determined that transactions have resulted in two ownership changes, as defined under Section 382. There could be additional ownership changes in the future that could further limit the amount of net operating loss and tax credit carryforwards that we can utilize.

A full valuation allowance has been recorded against our net operating loss carryforwards and other deferred tax assets, as the realization of the deferred tax asset is uncertain. As a result, we have not recorded any federal or state income tax benefit in our statement of operations.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements or any relationships with unconsolidated entities of financial partnerships, such as entities often referred to as structured finance or special purpose entities.

New Accounting Standards

See Note 2 - *Basis of Presentation and Significant Accounting Policies - Accounting Standards Updates* in the accompanying unaudited condensed consolidated financial statements in this Quarterly Report for a discussion of new accounting standards.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

We are exposed to market risk related to changes in the dollar/euro and dollar/Swiss franc exchange rates because a portion of our development and costs of goods expenses are denominated in foreign currencies. We do not hedge our foreign currency exchange rate risk. However, an immediate 10% adverse change in the dollar/euro or dollar/Swiss Franc exchange rate would not have a material effect on our financial results.

We are exposed to market risk related to changes in interest rates. As of June 30, 2017 , we had cash, cash equivalents and short-term marketable securities of $ 214.7 million , consisting of cash, money market funds, domestic corporate debt securities, domestic corporate commercial paper, and asset-backed securities. This exposure to market risk is interest rate sensitivity, which is affected by changes in the general level of U.S. interest rates, particularly because our investments are in marketable securities. Because our marketable securities are short-term in duration, and have a low risk profile, an immediate 10% change in interest rates would not have a material effect on the fair market value of our portfolio. We generally have the ability to hold our investments until maturity, and therefore we would not expect our operating results or cash flows to be affected to any significant degree by a change in market interest rates on our investments. We carry our investments based on publicly available information. As of June 30, 2017 , we do not have any hard-to-value investment securities or securities for which a market is not readily available or active.

We are not subject to significant credit risk as this risk does not have the potential to materially impact the value of our assets and liabilities.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of June 30, 2017 .

Changes in Internal Control over Financial Reporting

During the quarter ended June 30, 2017 , we began generating revenue from the sale of TYMLOS in the United States. We consider the accounting for our net product revenue to be material to the results of operations for the three months ended June 30, 2017 , and believe that the additional internal controls and procedures relating to the accounting for net product revenues, as well as adoption of Topic 606 in connection therewith, and related commercial inventory, have a material effect on our internal control over financial reporting. During the quarter ended June 30, 2017, there were no further changes in our internal controls over financial reporting. See Note 2, "Basis of Presentation and Significant Accounting Policies" to our unaudited condensed consolidated financial statements contained in this Quarterly Report on Form 10-Q for further details.

PART II— OTHER INFORMATION

Item 1. Legal Proceedings.

In November 2016, we received notice that in October 2016, Ipsen had initiated arbitration proceedings against us in the International Chamber of Commerce's International Court of Arbitration. Ipsen's Request for Arbitration alleged that we breached various provisions of the License Agreement concerning abaloparatide, including with regard to Ipsen's right to co-promote abaloparatide in France and a license from us with respect to Japan. Ipsen is seeking declaratory relief, compliance with the License Agreement, damages, costs and fees as a result of the purported breaches, and has alleged the monetary value of these claims is approximately €50 million.

In January 2017, we submitted an Answer denying Ipsen's claims and alleging counterclaims against Ipsen for breach of the License Agreement and other declaratory judgment. We asserted, among other things, that Ipsen's claimed rights to co-promote abaloparatide in France and to a license from us with respect to Japan have permanently expired, and that Ipsen has breached the License Agreement by, among other things, allowing certain patents to expire and by purporting to license to a third party certain manufacturing and other rights that we contend Ipsen exclusively licensed to us. We are seeking dismissal of Ipsen's claims, as well as declaratory relief, compliance with the License Agreement, and other damages, costs and fees to be determined by the Arbitral Tribunal.

In February 2017, Ipsen submitted a Reply denying our counterclaims and alleging that we are precluded from asserting them. Following a preliminary hearing before the Arbitral Tribunal to determine certain jurisdictional and contractual defenses asserted by Ipsen in its Reply, on July 17, 2017, the Arbitral Tribunal issued a decision finding it has jurisdiction to decide our counterclaims and that our counterclaims are not contractually barred.

On July 31, 2017, Ipsen submitted its Statement of Claim to the Arbitral Tribunal. The arbitration proceeding is continuing and a hearing on the merits is anticipated to be held in December 2017. Given that this matter is at a preliminary stage, we cannot predict or assess the likely outcome of these proceedings.

Item 1A. Risk Factors.

Our business faces significant risks and uncertainties. Certain important factors may have a material adverse effect on our business prospects, financial condition and results of operations, and you should carefully consider them. Accordingly, in evaluating our business, we encourage you to consider the following discussion of risk factors, in its entirety, in addition to other information contained in or incorporated by reference into this Quarterly Report on Form 10-Q and our other public filings with the Securities and Exchange Commission, or the SEC.

Risks Related to Our Financial Position and Need for Capital

We are not currently profitable and may never become profitable.

We had net losses of $182.8 million, $101.5 million, and $62.5 million for the years ended December 31, 2016, 2015, and 2014, respectively. As of June 30, 2017, we had an accumulated deficit of $ 753.4 million . Until we succeed in commercializing TYMLOS, we expect to incur substantial losses and may never achieve or maintain profitability. We also expect to continue to incur significant operating and capital expenditures and anticipate that our expenses will increase substantially as we:

- continue to build our commercial infrastructure, including adding internal systems and hiring additional personnel;
- commercialize TYMLOS or any other product candidates, if approved.
- continue to undertake preclinical development and clinical trials for product candidates; and
- seek regulatory approvals for product candidates.

We also expect to experience negative cash flow as we fund our operating losses and capital expenditures. As a result, we will need to generate significant revenues in order to achieve and maintain profitability. Accordingly, unless and until we generate additional revenues and become profitable, we will need to raise additional capital to continue to operate our business. Our failure to achieve or maintain profitability or to raise additional capital could negatively impact the value of our securities.

We have only recently started generating product revenues and unless and until we become profitable, we expect that we will need to raise additional capital, which may not be available on favorable terms, if at all, in order to continue operating our business.

We have only recently started to generate product revenues. Our ability to become profitable depends upon our ability to generate revenue. Despite obtaining FDA approval for TYMLOS for the treatment of postmenopausal women with osteoporosis, we may not be able to generate sufficient revenue to attain profitability. Our ability to generate profits from sales of TYMLOS is subject to our ability to manufacture commercial quantities of TYMLOS with third parties at acceptable cost levels and maintain sales and marketing capabilities in the United States or identify and enter into one or more strategic collaborations to effectively market and sell TYMLOS outside of the United States. Even though TYMLOS has been approved by the FDA for marketing and commercial sale for the treatment of postmenopausal women with osteoporosis, it may not gain market acceptance or achieve commercial success. We expect to continue to incur significant expenses and net losses as we undertake our first commercialization efforts for TYMLOS and continue development and commercialization efforts for our other product candidates. Therefore, for the foreseeable future, we will have to fund our operations and capital expenditures with our existing cash and cash equivalents and short and long-term marketable securities, or through strategic financing opportunities, that could include, but are not limited to partnering or other collaboration agreements, future offerings of our equity, royalty-based financing arrangements or the incurrence of debt.

Based upon our cash, cash equivalents and marketable securities balance as of June 30, 2017, we believe that, prior to the consideration of proceeds from partnering and/or collaboration activities, we have sufficient capital to fund our development plans, U.S. commercial and other operational activities for not less than twelve months from the date of this filing. We have based this estimate on assumptions that may prove to be wrong, and we could use up our available capital resources sooner than we currently expect. If we fail to obtain additional capital, we may be forced to reduce or forego sales and marketing efforts for TYMLOS or unable to complete our planned preclinical and clinical trials and obtain approval of product candidates from the FDA and foreign regulatory authorities. In addition, we could be forced to discontinue product development or forego attractive business opportunities or discontinue our operations entirely. Any additional sources of financing may not be available or may not be available on favorable terms and will likely involve the issuance of additional equity securities, which will have a dilutive effect on stockholders. Our future capital requirements will depend on many factors, including the scope and progress made in our research and development activities and our clinical studies and the expenses associated with our commercialization efforts for TYMLOS.

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

Until such time, if ever, as we can generate substantial product revenues, we expect to finance our cash needs through a combination of collaborations, strategic alliances, licensing arrangements, other marketing and distribution arrangements, equity offerings, royalty-based financing arrangements and debt financings. We do not have any committed external source of funds. 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, 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 marketing and distribution arrangements or other collaborations, strategic alliances or licensing arrangements with third parties or royalty-based financing arrangements, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates, or we may need to grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds when needed, we may be required to delay, limit, reduce or terminate our commercialization or product development efforts or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

We are a company with a limited operating history upon which to base an investment decision.

We are a company with a limited operating history and have not demonstrated an ability to perform the functions necessary for the successful commercialization of TYMLOS or any of our other product candidates. The successful commercialization of TYMLOS or any product candidates will require us to perform a variety of functions, including:

- conducting sales and marketing activities for products if and when approved;
- continuing to undertake preclinical development and clinical trials;
- participating in regulatory approval processes; and
- formulating and manufacturing products.

Our operations have been limited to organizing and staffing our company, acquiring, developing and securing our proprietary technology and undertaking preclinical and clinical trials of our product candidates. These operations provide a limited basis for you to assess our ability to commercialize our product candidates and the advisability of investing further in our securities.

Our financial results may fluctuate from quarter to quarter, which makes our results difficult to predict and could cause our results to fall short of expectations.

Our financial results may fluctuate as a result of a number of factors, many of which are outside of our control. For these reasons, comparing our financial results on a period-to-period basis may not be meaningful, and you should not rely on our past results as an indication of our future performance. Particularly over the near term as we continue to build our commercial capabilities and commercialize TYMLOS, our revenues may fluctuate from quarter to quarter and our future quarterly and annual expenses as a percentage of our revenues may be significantly different from those we have recorded in the past or which we expect for the future. Our financial results in some quarters may fall below expectations. Any of these events as well as the various risk factors listed in this "Risk Factors" section could adversely affect our financial results and cause our stock price to fall.

Our cash and cash equivalents could be adversely affected if the financial institutions in which we hold our cash and cash equivalents fail.

We regularly maintain cash balances at third-party financial institutions in excess of the Federal Deposit Insurance Corporation insurance limit. While we monitor daily the cash balances in the operating accounts and adjust the balances as appropriate, these balances could be impacted, and there could be a material adverse effect on our business, if one or more of the financial institutions with which we deposit fails or is subject to other adverse conditions in the financial or credit markets. To date, we have experienced no loss or lack of access to our cash or cash equivalents; however, we can provide no assurance that access to our cash and cash equivalents will not be impacted by adverse conditions in the financial and credit markets.

Our investments in marketable securities are subject to market, interest and credit risk that may reduce their value.

The value of our investments in marketable securities may be adversely affected by changes in interest rates, downgrades in the creditworthiness of any bonds we hold, turmoil in the credit markets and financial services industry and by other factors which may result in other than temporary declines in the value of our investments. Decreases in the market value of our marketable securities could have an adverse impact on our statements of financial position, results of operations and cash flow.

We are subject to foreign currency risk.

A significant portion of our clinical trial activities, in addition to our contract manufacturing processes in support of TYMLOS, are conducted outside of the United States and a large portion of the costs incurred with these activities are denominated in the local currency of the country in which the activity is being conducted. As such, these costs could be subject to fluctuations in foreign exchange rates. At present, we do not engage in hedging transactions to protect against uncertainty in future exchange rates between foreign currencies and the U.S. dollar. A decline in the value of the U.S. dollar against currencies in geographies in which we conduct clinical trials or contract manufacturing activities could have a negative impact on our research and development costs, our future inventory valuations, or our future cost of sales. We cannot predict the impact of foreign currency fluctuations, and foreign currency fluctuations in the future may adversely affect our business and our results of operations. For further discussion of our foreign currency risks, see “Item 3. Quantitative and Qualitative Disclosures About Market Risk”.

An adverse determination in any current or future lawsuits or arbitration proceedings to which we are a party could have a material adverse effect on our business.

We are currently involved in a pending arbitration proceeding. In November 2016, we received notice that in October 2016, Ipsen Pharma SAS, or Ipsen, had initiated arbitration proceedings against us in the International Chamber of Commerce’s International Court of Arbitration. Ipsen’s Request for Arbitration alleges that we breached various provisions of the License Agreement concerning abaloparatide, including with regard to Ipsen's right to co-promote abaloparatide in France and a license from us with respect to Japan. Ipsen seeks declaratory relief, compliance with the License Agreement, damages, costs and fees as a result of the purported breaches, and alleges the monetary value of these claims is approximately €50 million. In January 2017, we submitted an Answer denying Ipsen’s claims and alleging counterclaims against Ipsen for breach of the License Agreement and other declaratory judgment. We asserted, among other things, that Ipsen's claimed rights to co-promote abaloparatide in France and to a license from us with respect to Japan have permanently expired, and that Ipsen has breached the License Agreement by, among other things, allowing certain patents to expire and by purporting to license to a third-party certain manufacturing and other rights that we contend Ipsen exclusively licensed to us. In February 2017, Ipsen submitted a Reply denying our counterclaims and alleging that we are precluded from asserting them. Following a preliminary hearing before the Arbitral Tribunal to determine certain jurisdictional and contractual defenses asserted by Ipsen in its Reply, on July 17, 2017, the Arbitral Tribunal issued a decision finding it has jurisdiction to decide our counterclaims and that our counterclaims are not contractually barred. On July 31, 2017, Ipsen submitted its Statement of Claim to the Arbitral Tribunal. The arbitration proceeding is continuing and a hearing on the merits is anticipated to be held in December 2017. We are seeking dismissal of Ipsen’s claims, as well as declaratory relief, compliance with the License Agreement, and other damages,

costs and fees to be determined by the Arbitral Tribunal. However, if such defense is unsuccessful, and Ipsen prevails on any of its claims, such an adverse determination could have a material adverse effect on our business, operating results, financial condition and liquidity.

Additionally, we may be the target of claims asserting violations of securities fraud and derivative actions, or other litigation or arbitration proceedings in the future. Any future litigation or arbitration proceedings could result in substantial costs and divert management's attention and resources. These lawsuits or arbitration proceedings may result in large judgments or settlements against us, any of which could have a material adverse effect on its business, operating results, financial condition and liquidity.

We are also subject to a variety of other types of potential claims, proceedings, investigations and litigation which may be initiated by government agencies or third parties. These include compliance matters, product regulation or safety, taxes, employee benefit plans, employment discrimination, health and safety, environmental, antitrust, customs, import/export, government contract compliance, financial controls or reporting, intellectual property, allegations of misrepresentation, false claims or false statements, commercial claims, claims regarding promotion of our product candidates, or other similar matters. In addition, government investigations related to the use of products, but not the efficacy themselves, may cause reputational harm to us. Negative publicity-whether accurate or inaccurate-about the efficacy, safety or side effects of our product candidates or product categories, whether involving us or a competitor, could materially reduce market acceptance for our product candidates, cause consumers to seek alternatives to our product candidates, result in product withdrawals and cause our stock price to decline. Negative publicity could also result in an increased number of product liability claims, whether or not these claims have a basis in scientific fact. Any such claims, proceedings, investigations or litigation, regardless of the merits, might result in substantial costs, restrictions on product use or sales, or otherwise injure our business.

Risks Related to the Commercialization and Development of Our Product Candidates

We are heavily dependent on the commercial success of TYMLOS, which was approved by the FDA in April 2017; we may not be able to meet expectations with respect to TYMLOS sales or attain profitability and positive cash-flow from operations.

Our ability to successfully commercialize TYMLOS, our first approved product, is critical to the execution of our business strategy. TYMLOS may not achieve market acceptance in the United States, or in any international markets where it may subsequently be approved, among physicians, patients, and third-party payors, and may not be commercially successful. The degree of market acceptance and commercial success of TYMLOS will depend on a number of factors, including the following:

- the acceptance of TYMLOS by patients and the medical community and the availability, perceived advantages and relative cost, safety and efficacy of alternative and competing treatments;
- the cost-effectiveness of TYMLOS, adequate reimbursement by third parties, including government payors, managed care organizations and private health insurers and the willingness and ability of patients to pay for TYMLOS;
- the effectiveness of our marketing, sales, and distribution strategy and efforts and the degree to which the approved labeling supports promotional initiatives for commercial success;
- the occurrence of any side effects, adverse reactions or misuse, or any unfavorable publicity in these areas;
- the ability of our third-party manufacturer(s) to manufacture commercial supplies of TYMLOS at acceptable costs, to remain in good standing with regulatory agencies, and to develop, validate and maintain commercially viable manufacturing processes that are, to the extent required, compliant with current good manufacturing practice regulations;
- our ability to remain compliant with laws and regulations that apply to us and our commercial activities;
- our ability to obtain marketing approvals from foreign regulatory authorities, where and as applicable;
- FDA-mandated package inserts or labeling requirements;
- the actual market size for TYMLOS, which may be different than expected;
- the sufficiency of our drug supply to meet commercial and clinical demands which could be negatively impacted if our projections regarding the potential number of patients are inaccurate, we are subject to unanticipated regulatory requirements, our current drug supply is destroyed or negatively impacted at our manufacturing sites, storage sites or in transit, or any significant portion of our TYMLOS supply expires before we are able to sell it; and

- our ability to maintain, enforce and defend third-party challenges to our intellectual property rights in and to TYMLOS.

We may experience significant fluctuations in sales of TYMLOS from period to period and, ultimately, we may never generate sufficient revenues from TYMLOS to reach or maintain profitability or sustain our anticipated levels of operations. Any inability on our part to successfully commercialize TYMLOS in the United States and any international markets where it may subsequently be approved, or any significant delay, could have a material adverse impact on our ability to execute upon our business strategy.

Except for TYMLOS, our product candidates are at an early stage of development and may never receive regulatory approval.

Other than TYMLOS, which the FDA approved for use in the United States in April 2017, we have no drug products for sale and may never be able to develop additional approved and marketable drug products. The research, testing, manufacturing, labeling, approval, sale, marketing and distribution of drug products are subject to extensive regulation by the FDA in the United States and foreign regulatory authorities in other countries, which regulations differ from country to country. We are not permitted to market TYMLOS in any foreign countries unless and until we receive the requisite approval from regulatory authorities in those foreign countries. Obtaining approval of a product candidate is an extensive, lengthy, expensive and uncertain process, and may be delayed, limited or denied for many reasons, including:

- we may not be able to demonstrate that the product candidate is safe and effective to the satisfaction of the FDA or foreign regulatory authorities;
- the results of our clinical studies may not meet the level of statistical or clinical significance required for marketing approval;
- the FDA or foreign regulatory authorities may disagree with the number, design, size, conduct or implementation of our clinical studies;
- any clinical research organizations, or CROs, that we have retained or may in the future retain, to conduct clinical studies may have taken or may take actions outside of our control that materially adversely impact our clinical studies;
- the FDA or foreign regulatory authorities may not accept data generated at our clinical study sites;
- the FDA or foreign regulatory authorities may not find the data from preclinical studies and clinical studies sufficient to demonstrate that the product candidate’s clinical and other benefits outweigh its safety risks;
- the FDA or foreign regulatory authorities may disagree with our interpretation of data from our preclinical studies and clinical studies or may require that we conduct additional studies;
- the FDA or foreign regulatory authorities may not agree with our proposed labeling and may require labeling that undermines or otherwise significantly impairs the commercial value of the product if it were to be approved with such labeling;
- the FDA may require development of a Risk Evaluation and Mitigation Strategy, or REMS, as a condition of approval;
- if our NDA is reviewed by an advisory committee, the FDA may have difficulties scheduling an advisory committee meeting in a timely manner or the advisory committee may recommend against approval of our application or may recommend that the FDA require, as a condition of approval, additional preclinical studies or clinical studies, limitations on approved labeling or distribution and use restrictions; and
- the FDA or foreign regulatory authorities may identify deficiencies in the manufacturing processes or facilities of our third-party manufacturers.

In addition, the FDA or foreign regulatory authorities may change their approval policies or adopt new regulations.

We cannot assure you that we will receive the approvals necessary to commercialize any additional product candidates, including any product candidates we are currently developing or may acquire or develop in the future. In order to obtain FDA approval of any product candidate, we must submit to the FDA an NDA demonstrating that the product candidate is safe for humans and effective for its indicated use. This demonstration requires significant research and animal tests, which are referred to as preclinical studies, as well as human tests, which are referred to as clinical trials. Satisfaction of the FDA's regulatory requirements typically takes many years, depends upon the type, complexity and novelty of the product candidate and requires

substantial resources for research, development and testing. We cannot predict whether our research and clinical approaches will result in drugs that the FDA considers safe for humans and effective for proposed uses.

In 2007, we entered into a global pharmacovigilance agreement with Teijin Limited, or Teijin, a Japanese pharmaceutical company, that provides for the exchange of information related to serious and non-serious adverse reactions to abaloparatide by patients enrolled in clinical studies. The purpose of the agreement is to enable safety reporting to global health agencies. Teijin has initiated a Phase 3 clinical study of abaloparatide-SC in Japan for the treatment of postmenopausal osteoporosis. Should Teijin advise us in accordance with our agreement of a serious adverse event experienced by patients enrolled in their study, we would need to report the serious adverse event to the FDA and the European Medicines Agency, or EMA, which could adversely affect or delay our ability to maintain or obtain regulatory approvals in the United States or Europe.

In addition, the FDA or foreign regulatory authorities each has substantial discretion in the drug approval process and may require us to conduct additional preclinical and clinical testing or to perform post-marketing studies. The approval process may also be delayed by changes in government regulation, future legislation or administrative action or changes in FDA policy that occur prior to or during its regulatory review. Delays in obtaining regulatory approvals may:

- delay commercialization of, and our ability to derive product revenues from, our product candidates;
- impose costly procedures on us; and
- diminish any competitive advantages that we may otherwise enjoy.

We cannot assure you that we will receive the approvals necessary to commercialize any of our product candidates for sale outside the United States.

We may never receive approval for, or commercialize, our products outside of the United States.

In order to market any products outside of the United States, we must comply with numerous and varying regulatory requirements of other countries for marketing authorization, including those regarding safety, efficacy and manufacturing. Approval procedures vary among countries and can involve additional product testing and additional administrative review periods. The time required to obtain approval in other countries might differ from that required to obtain FDA approval. The regulatory approval process in other countries may include all of the risks detailed above regarding FDA approval in the United States as well as other risks. Regulatory approval in one country does not ensure regulatory approval in another, but a failure or delay in obtaining regulatory approval in one country may have a negative effect on the regulatory process in others.

In November 2015, we submitted a marketing authorization application for Eladynos (abaloparatide-SC) to the EMA. The MAA was validated and is currently undergoing active regulatory assessment by the Committee for Medicinal Products for Human Use, or CHMP, the scientific committee of the EMA. In July 2017, the CHMP issued a second Day-180 List of Outstanding Issues, including two major objections, and requested additional data analyses related to the safety and efficacy of Eladynos as part of its ongoing regulatory review. The major objections relate to our inclusion of data from two clinical trial sites that, based upon EMA inspection findings, are not considered to comply with good clinical practice ("GCP") requirements. If these data are excluded, the statistical power of submitted clinical trial data is reduced, impacting statistical significance and the overall benefit-risk assessment. We will provide the requested additional data analyses and discuss with the CHMP potential pathways for the approval of abaloparatide-SC.

While we believe we have adequate data to demonstrate the safety and efficacy of Eladynos, the EMA reviewers may not be satisfied with our responses or may require additional information, which we may not be able to provide in a timely manner or at all. If we are unable to demonstrate the safety and efficacy of Eladynos to the satisfaction of the EMA, we may not receive marketing authorization for Eladynos in Europe, or if we need additional time to satisfy the EMA of Eladynos' safety and efficacy, approval for marketing authorization in Europe could be delayed.

Any collaboration arrangements that we may enter into in the future may not be successful, which could adversely affect our ability to develop and commercialize TYMLOS, or any of our other product candidates.

Our product development programs and the commercialization of TYMLOS or any of our product candidates will require substantial cash to fund expenses. For some of our product candidates, we may decide to collaborate with pharmaceutical and biotechnology companies for the development and potential commercialization of those product candidates. We will face, to the extent that we decide to enter into collaboration agreements, significant competition in seeking appropriate collaborators. Moreover, collaboration arrangements are complex and time consuming to negotiate, document and implement. We may not be successful in our efforts to establish and implement collaborations or other alternative arrangements should we so chose to enter into such arrangements.

The terms of any collaborations or other arrangements that we may establish may not be favorable to us. If that were to occur, we may have to curtail the development of a particular product candidate, reduce or delay its development program or one or more of our other development programs, delay its potential commercialization or reduce the scope of our sales or marketing activities, or increase our expenditures and undertake development or commercialization activities at our own expense. If we elect to increase our expenditures to fund development or commercialization activities on our own, we may need to obtain additional capital, which may not be available to us on acceptable terms or at all. If we do not have sufficient funds, we will not be able to bring our product candidates to market and generate product revenue.

Any future collaborations that we enter into may not be successful. The success of our collaboration arrangements will depend heavily on the efforts and activities of our future collaborators. Collaborators generally have significant discretion in determining the efforts and resources that they will apply to these collaborations. If a collaborator fails to provide sufficient effort and resources to a development program, we may not realize the full potential or intended benefit of the collaboration, and the development program may be delayed or curtailed.

Clinical trials are very expensive, time-consuming and difficult to design and implement.

Human clinical trials are very expensive and difficult to design and implement, in part because they are subject to rigorous regulatory requirements. A substantial portion of our expected development costs will be denominated in euros and any adverse movement in the dollar/euro exchange rate will result in increased costs and could require us to raise additional capital to complete the development of our products. The clinical trial process is also time consuming. Furthermore, failure can occur at any stage of the trials, and we could encounter problems that cause us to abandon or repeat clinical trials. The commencement and completion of clinical trials may be delayed by several factors, including:

- changes in government regulation, administrative action or changes in FDA or foreign regulatory authority policy with respect to clinical trials that change the requirements for approval;
- unforeseen safety issues;
- determination of dosing issues;
- lack of effectiveness during clinical trials;
- slower than expected rates of patient recruitment and enrollment;
- failure of sites to comply with requirements for conducting clinical trials;
- inability to monitor patients adequately during or after treatment; and
- inability or unwillingness of medical investigators to follow our clinical protocols.

In addition, we, the FDA, or other equivalent regulatory authorities and ethics committees with jurisdiction over our studies may suspend our clinical trials at any time if it appears that we are exposing participants to unacceptable health risks or if the FDA or foreign regulatory authorities find deficiencies in our regulatory submissions or the conduct of these trials. Therefore, we cannot predict with any certainty the schedule for existing or future clinical trials. Any such unexpected expenses or delays in our clinical trials could increase our need for additional capital, which may not be available on favorable terms or at all.

Most of our investigational product candidates are in early stages of clinical trials.

Except for abaloparatide-SC and abaloparatide-TD, each of our other product candidates (i.e., elacestrant (RAD1901) and RAD140) are in the early stages of development and require extensive preclinical and clinical testing. We cannot predict with any certainty if or when we might submit an NDA or equivalent application to foreign regulatory authorities for regulatory approval for any of these other product candidates or whether any such NDA or equivalent application would be accepted for filing by the FDA or foreign regulatory authorities or approved if filed.

The results of clinical trials may not support our product candidate claims.

Even if our clinical trials are completed as planned, we cannot be certain that the results will support regulatory approval of our product candidates. Success in preclinical testing and early clinical trials does not ensure that later clinical trials will be successful, and we cannot be sure that the results of later clinical trials will replicate the results of prior clinical trials and preclinical testing. The clinical trial process may fail to demonstrate that our product candidates are safe for humans and effective for proposed uses. This failure would cause us to abandon a product candidate and may delay development of other product candidates. Any delay in, or termination of, our clinical trials will delay the submission of our NDAs to the FDA or equivalent application to foreign regulatory authorities and, ultimately, our ability to commercialize our product candidates and

generate product revenues. In addition, our clinical trials to date (other than the ACTIVE Phase 3 Clinical Trial for abaloparatide-SC) have involved small patient populations. Because of the small sample sizes, the results of these clinical trials may not be indicative of future results.

In addition, third parties could conduct clinical trials using the product candidates we license. We would have no control over how these trials are conducted and the results could potentially contradict the results we have obtained, or will obtain from the clinical trials we conduct.

We cannot be certain that a single-arm Phase 2 trial of elacestrant will be sufficient to support the submission of an NDA for this product candidate and in any event, we may be required to obtain additional clinical and non-clinical data before an NDA for elacestrant may be submitted.

In general, the FDA requires two pivotal trials to support approval of an NDA, but in certain circumstances, will approve an NDA based on only one pivotal trial and on an accelerated basis. The FDA indicated that, depending on the study results, a single-arm Phase 2 trial of elacestrant could be considered a pivotal study sufficient for us to request accelerated approval. The FDA said that, in order for this single-arm Phase 2 trial of elacestrant to be sufficient, elacestrant would, among other things, need to demonstrate superiority to then available therapies and we must have commenced a confirmatory study by the time of our NDA submission. As a result of these and other additional requirements, the FDA may require that we conduct additional trials beyond the currently contemplated single-arm Phase 2 trial before we can submit an NDA for elacestrant even if such trial is successful.

If serious adverse or undesirable side effects are identified during the development or commercialization of our product candidates, we may need to abandon our development or commercialization of some of our product candidates or products.

Undesirable side effects caused by our product candidates could cause us, regulatory authorities, and/or ethics committees to interrupt, delay or halt clinical trials and could result in a more restrictive label or cause the delay or denial of regulatory approval by the FDA or other comparable foreign authorities. It is impossible to predict when or if any of our product candidates will prove effective or safe in humans or will receive regulatory approval, if ever. If our product candidates result in undesirable side effects or have characteristics that are unexpected, we may need to abandon their development. Drug-related side effects could affect patient recruitment or the ability of enrolled patients to complete the trial or result in potential product liability claims. Any of these occurrences may harm our business, financial condition and prospects significantly.

Additionally, if we or others later identify undesirable side effects caused by TYMLOS or any other product candidate that may receive marketing approval, a number of potentially significant negative consequences could result, including:

- regulatory authorities may withdraw approvals of such product;
- regulatory authorities may require additional warnings on the label;
- regulatory authorities may require us to adopt a Risk Evaluation and Mitigation Strategy, or REMS;
- regulatory authorities may require us to conduct additional post-market studies, including clinical studies, to assess the safety of the product;
- we may be required to create a medication guide outlining the risks of such side effects for distribution to patients;
- we could be sued and held liable for harm caused to patients; and
- our reputation may suffer.

Any of these events could prevent us from achieving or maintaining market acceptance of the particular product candidate and could significantly harm our business, results of operations and prospects.

Any product candidate for which we obtain marketing approval, including TYMLOS, is subject to restrictions or potential withdrawal from the market and we may be subject to penalties if we fail to comply with regulatory requirements or if we experience unanticipated problems with our products, when and if any of them are approved.

TYMLOS and any other product candidate for which we obtain marketing approval, along with the manufacturing processes, distribution processes, post-approval clinical data, labeling, advertising and promotional activities for such product, are subject to continuing requirements of and review by the FDA and foreign regulatory authorities. These requirements include submissions of safety and other post-marketing information and reports, registration and listing requirements, cGMP requirements relating to quality control, quality assurance and corresponding maintenance of records and documents, and requirements regarding the distribution of drug products, including drug samples to physicians and recordkeeping. Marketing approval of TYMLOS and any other product candidate for which we obtain marketing approval are subject to limitations on the

indicated uses for which it may be marketed or to the conditions of approval, and contain requirements for costly post-marketing testing and surveillance to monitor the safety and/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 market TYMLOS or any of our other products which may be approved for other than their approved indications, we may be subject to enforcement action for off-label marketing.

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

- restrictions on such products, manufacturers or manufacturing processes;
- restrictions on the labeling or marketing of a product;
- restrictions on product distribution or use;
- requirements to conduct post-marketing clinical trials;
- warning or untitled letters;
- withdrawal of the products from the market;
- refusal to approve pending applications or supplements to approved applications that we submit;
- voluntary or mandatory recall of products and related publicity requirements;
- fines, restitution or disgorgement of profits or revenue;
- suspension or withdrawal of marketing approvals;
- refusal to permit the import or export of our products;
- product seizure; or
- injunctions or the imposition of civil or criminal penalties.

In addition, 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. We cannot predict the likelihood, nature, or extent of government regulation that may arise from future legislation or administrative action, either in the United States or abroad. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained and we may not achieve or sustain profitability, which would adversely affect our business.

The commercial success of TYMLOS and any other product candidates that we may develop and that may be approved will depend upon the degree of market acceptance by regulators, key opinion leaders, physicians, patients, healthcare payors and others in the medical community.

Even if the FDA or foreign regulatory authorities approves one or more of our product candidates, physicians and patients may not accept and use them. Acceptance and use of any of our products will depend upon a number of factors including:

- perceptions by members of the healthcare community, including physicians and key opinion leaders, about the safety and effectiveness of our drug;
- the approved indicated uses for our product;
- cost-effectiveness of our product relative to competing products;
- availability of coverage and reimbursement for our product from government or other healthcare payors; and
- effectiveness of marketing and distribution efforts by us and our licensees and distributors, if any.

If TYMLOS or any of our other product candidates are commercialized and unexpected adverse events are reported in connection with the use of any of those products, physician and patient acceptance of the product could deteriorate and the commercial success of such product could be adversely affected. We are required to report to the FDA or similar regulatory authorities in other countries events associated with our products relating to death or serious injury. Adverse events could result in additional regulatory controls, such as for the imposition of costly post-approval clinical studies, imposition of a REMS, or

revisions to approved labeling which could limit the indications or patient population for a product or could even lead to the withdrawal of a product from the market. Because we expect sales of TYMLOS to generate substantially all of our product revenues for the foreseeable future, its failure to gain market acceptance or, once gained, a decrease in market acceptance would harm our business and would require us to seek additional financing.

Our ability to successfully commercialize products depends in part on the extent to which coverage and reimbursement for the costs of our products and related treatments will be available in the United States and worldwide from government health administration authorities, private health insurers and other organizations.

Our ability to successfully commercialize TYMLOS or any of our other product candidates if approved, alone or with collaborators, will depend in large part on the extent to which coverage and reimbursement will be available post-approval from:

- government and health administration authorities;
- private health maintenance organizations and health insurers; and
- other healthcare payors.

In the United States and internationally, sales of products that we market in the future, and our ability to generate revenues on such sales, are dependent, in significant part, on the availability and level of coverage and reimbursement from third-party payors such as state and federal governments, managed care providers and private insurance plans. Private insurers, such as health maintenance organizations and managed care providers, have implemented cost cutting and reimbursement initiatives and likely will continue to do so in the future. These include establishing formularies that govern the drugs and biologics that will be offered and also the out-of-pocket obligations of member patients for such products. In addition, particularly in the United States and increasingly in other countries, we may be required to provide discounts and pay rebates to state and federal governments and agencies in connection with purchases of our products that are reimbursed by such entities. It is possible that future legislation in the United States and other jurisdictions could be enacted which could potentially impact the reimbursement rates for the products we are developing and may develop in the future and also could further impact the levels of discounts and rebates paid to federal and state government entities. Any legislation that impacts these areas, including the ongoing consideration of the repeal and replacement of the ACA and other legislation focused on drug pricing, could impact, in a significant way, our ability to generate revenues from sales of products that we bring to market, including TYMLOS and any other product candidates that may receive marketing approval.

Decisions in the European Union on pricing and reimbursement of medicinal products are based upon national rules subject to the control of the Transparency Directive, which aims to ensure the transparency measures established by EU countries to control the pricing and reimbursement of medicinal products. The Transparency Directive defines a series of procedural requirements designed to verify that national pricing and reimbursement decisions do not create obstacles to the pharmaceutical trade within the EU's Internal Market. The competent authorities of each of the 28 EU Member States have adopted individual policies and rules regulating the pricing and reimbursement of medicinal products in their territory. These strategies often vary widely in nature, scope and application. However, a major element that they have in common is an increased move toward reduction in the reimbursement price of medicinal products, a reduction in the number and type of products selected for reimbursement, and an increased preference for generic products over innovative products. These efforts have mostly been executed through these countries' existing price-control methodologies, including price cuts, mandatory rebates, value-based pricing, and reference pricing (i.e., referencing prices in other countries and using those reference prices to set a price). It is increasingly common in many EU Member States for Marketing Authorization Holders to be required, in order to get support for reimbursement under national health schemes and, therefore, practical access to the market to demonstrate the cost-effectiveness or added value benefit of their products as compared to products already subject to pricing and reimbursement in specific countries. In order for drugs to be evaluated positively under such criteria, pharmaceutical companies may need to re-examine, and consider altering, a number of traditional functions relating to the selection, study, and management of drugs, whether currently marketed, under development, or being evaluated as candidates for research and/or development.

Future legislation, including the current versions being considered at the federal and state level in the United States and at the national level in EU Member States, or regulatory actions implementing recent or future legislation may have a significant effect on our business. If government and other healthcare payors do not provide adequate coverage and reimbursement levels for TYMLOS or our other product candidates, once approved, market acceptance of our products could be reduced. In addition, negotiating prices with government authorities under current and proposed legislation can delay the commercialization of our product candidates.

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 narrowly 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 experience delays in the enrollment of patients in our 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 some 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 foreign regulatory authorities. In addition, many of our competitors have ongoing clinical trials for product candidates that could be competitive with 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.

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

Risks Related to Our Dependence on Third Parties

Our drug development programs depend upon third-party researchers, investigators and collaborators who are outside our control.

We depend upon independent researchers, investigators and collaborators, to conduct our preclinical studies and clinical trials under agreements with us. These third parties are not our employees and we cannot control the amount or timing of resources that they devote to our programs. Nevertheless, we are responsible for ensuring that each of our studies is conducted in accordance with the applicable protocol, legal, regulatory and scientific standards and requirements, and our reliance on third parties does not relieve us of our regulatory responsibilities. We and our third-party researchers, investigators and collaborators are required to comply with good clinical practice, or GCP, requirements, which are regulations and guidelines enforced by the FDA, the Competent Authorities of the Member States of the European Economic Area, or EEA, and comparable foreign regulatory authorities for all of our products in clinical development. Regulatory authorities enforce these GCPs through periodic inspections of trial sponsors, principal investigators and trial sites. If we or any of our CROs fail to comply with applicable GCPs, the clinical data generated in our clinical trials may be deemed unreliable and the FDA, EMA or other comparable foreign regulatory authorities may require us to perform additional clinical trials before approving our marketing applications or require a more restrictive label for the product. 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. In addition, these third parties may not assign as great a priority to our programs or pursue them as diligently as we would if we were undertaking such programs ourselves. If outside collaborators fail to devote sufficient time and resources to our drug-development programs, or if their performance is substandard, the approval of our FDA or foreign regulatory authority applications, if any, and our introduction of new drugs, if any, will be delayed. These collaborators may also have relationships with other commercial entities, some of whom may compete with us. If our collaborators assist competitors at our expense, our competitive position would be harmed.

We currently rely on third parties to manufacture TYMLOS and to produce our other product candidates; our dependence on these parties, including any inability on our part to accurately anticipate product demand and timely secure manufacturing capacity to meet commercial or clinical product demand may impair the commercialization of TYMLOS and the research and development activities and potential commercialization of our other product candidates.

We have no experience in drug formulation or manufacturing and do not intend to establish our own manufacturing facilities. We lack the resources and expertise to internally formulate or manufacture TYMLOS or our other product candidates in the quantities needed to meet commercial demand for TYMLOS, or to internally conduct our research and development activities and clinical trials for our other product candidates. Therefore, we rely on, and expect to continue relying on for the foreseeable future, a limited number of third parties to manufacture and supply materials (including raw materials and subunits), drug substance, or API, and drug product, as well as to perform additional steps in the manufacturing process, such

as filling, labeling, and storage of TYMLOS and our other product candidates. There are a limited number of third parties with facilities and capabilities suited for the manufacturing process of TYMLOS and our other product candidates, which creates a heightened risk that we may not be able to obtain materials and APIs in the quantity and purity that we require. In addition, the process for adding new manufacturing capacity can be lengthy and could cause delays in our development efforts. Any interruption of the development or operation of those facilities due to, among other reasons, events such as order delays for equipment or materials, equipment malfunction, quality control and quality assurance issues, regulatory delays and possible negative effects of such delays on supply chains and expected timelines for product availability, production yield issues, shortages of qualified personnel, discontinuation of a facility or business or failure or damage to a facility by natural disasters such as earthquake or fire, could result in the cancellation of shipments, loss of product in the manufacturing process or a shortfall in available TYMLOS, our other product candidates or materials.

We have entered into agreements with contract manufacturers to manufacture TYMLOS in the quantities needed to meet commercial demand and our other product candidates for use in research and development activities and clinical trials. These contract manufacturers are currently our only source for the production and formulation of TYMLOS and our other product candidates. If our contract manufacturers are unable to produce, in a timely manner, adequate supplies of TYMLOS on commercially reasonable terms necessary to provide adequate supply to meet demands that exceed our commercial assumptions or our other product candidates to meet our commercial demand and our other product candidates to meet the needs of our clinical studies, we would be required to seek new contract manufacturers that may require us to modify our finished product formulation and modify or terminate our clinical studies. Any modification of our finished product or modification or termination of our clinical studies could adversely affect the commercial launch and/or potential of TYMLOS or any other product candidate that may be approved and impair our ability to obtain necessary regulatory approvals, which would materially harm our business and impair our ability to raise capital.

In addition, the facilities and processes and controls used by our contract manufacturers to manufacture TYMLOS and our other our product candidates must be approved by the EMA, and by the FDA pursuant to inspections that will be conducted following our regulatory approval submissions. We do not control the facilities or manufacturing process, and are completely dependent on, our contract manufacturing partners for compliance with cGMPs for manufacture of both active drug substances and finished drug products. If our contract manufacturers cannot successfully manufacture material that conforms to our specifications and the strict regulatory requirements of the FDA or other regulatory authorities, they will not be able to secure and/or maintain regulatory approval for their manufacturing facilities. In addition, we have no control over the ability of our contract manufacturers to maintain adequate quality control, quality assurance and qualified personnel. If the FDA or a comparable foreign regulatory authority does not approve our contract manufacturers for the manufacture of TYMLOS or our other product candidates or if they withdraw any such approval in the future, we may need to find alternative manufacturing facilities, which would significantly impact our ability to develop, obtain regulatory approval for or market our product candidates, if approved.

We depend on a number of single source contract manufacturers to supply key components of abaloparatide. For example, we depend on PPL, which has agreed to produce supplies of abaloparatide API to support the abaloparatide-SC and abaloparatide-TD clinical studies and the commercial supplies of TYMLOS. We also depend on Vetter and Ypsomed for the production of finished drug product clinical and commercial supplies of TYMLOS and we depend on 3M for the production of abaloparatide-TD. If our relationship with any of these contract manufacturers is terminated, or if they are unable to produce abaloparatide or related components in required quantities, on a timely basis or at all, and/or in compliance with the terms of our agreements, our business and financial condition would be materially harmed. Because the manufacturing process for abaloparatide-TD requires the use of 3M's proprietary technology, 3M is our sole source for finished clinical trial supplies of abaloparatide-TD. To date, we have not entered into a commercial supply agreement with 3M. If we are not able to negotiate commercial supply terms with 3M, as we depend on 3M for production of abaloparatide-TD, we would be unable to commercialize this product if it were to be approved. Or, if we are forced to accept unfavorable terms for our future relationship with 3M, our business and financial condition would be materially harmed. Our anticipated future reliance on a limited number of third-party manufacturers exposes us to the following risks:

- We may be unable to identify manufacturers on acceptable terms, or at all, because the number of potential manufacturers is limited and the FDA must approve any replacement contractor. This approval would require new testing and compliance inspections. In addition, a new manufacturer would have to be educated in, or develop substantially equivalent processes for, production of our products after receipt of FDA approval, if any.

- Our third-party manufacturers might be unable to formulate and manufacture our drugs or related components in the volume and of the quality required to meet our clinical needs and commercial needs.

- Our contract manufacturers may not perform as agreed or may not remain in the contract manufacturing business for the time required to supply our clinical trials or to successfully produce, store and distribute our products.

- Drug manufacturers are subject to ongoing periodic unannounced inspection by the FDA and corresponding state agencies to ensure strict compliance with cGMP, and other government regulations and corresponding foreign standards, and failure to comply with cGMP or corresponding foreign standards can result in compliance actions that may limit a manufacturer's production or prohibit a manufacturer from producing some or all products at a facility and/or importing it into the United States or a foreign country. We do not have control over third-party manufacturers' compliance with these regulations and standards.

- If any third-party manufacturer makes improvements in the manufacturing process for our products, any such improvement(s) could be subject to FDA review and prior approval, and we may not own, or may have to share, the intellectual property rights to the innovation.

Each of these risks could delay our clinical trials, the approval of our product candidates by the FDA or foreign regulatory authorities or the commercialization of TYMLOS or any of our other product candidates that may be approved or result in higher costs or deprive us of potential product revenues.

If we fail to establish and maintain an effective distribution process utilizing cold chain logistics for TYMLOS, our business may be adversely affected.

We are continuing to build the infrastructure necessary for distributing TYMLOS to patients. We contracted with a third-party logistics company to warehouse TYMLOS and distribute it to specialty pharmacies and wholesale distributors who will supply it to the market. TYMLOS is required to be maintained at a controlled refrigerated temperature throughout the distribution chain. This distribution chain requires significant coordination among our manufacturing, supply-chain and finance teams, as well as commercial departments, including market access, sales, and marketing. In addition, failure to secure and maintain contracts with appropriate pharmacy providers and/or wholesale distributors could negatively impact the distribution of TYMLOS, and failure to coordinate financial systems could negatively impact our ability to accurately report product revenue. If we are unable to effectively establish and manage the distribution process, the commercial launch and sales of TYMLOS will be delayed or severely compromised and our results of operations will be harmed.

Risks Related to Marketing and Sale of Our Products

We have only recently completed the hiring and deployment of our commercial and medical affairs organizations and have just recently commenced selling, marketing and distributing TYMLOS. If we are unable to maintain these capabilities on our own or through partnerships or collaborations, we may not be able to successfully commercialize TYMLOS or any future product candidates or generate product revenue.

We recently completed the hiring and deployment of our commercial and medical affairs capabilities and we have only recently commenced commercializing a pharmaceutical product. We recently established a sales force to market and sell TYMLOS in the United States to specialists and also intend to pursue collaborative arrangements to market and sell abaloparatide-SC outside of the United States. Therefore, our future success depends, in part, on our ability to enter into and maintain collaborative relationships for such capabilities, the collaborators' strategic interest in the products under development and such collaborators' ability to successfully market and sell any such products.

In addition, our ability to build effective commercial, medical affairs, marketing, sales, market access, managerial and other non-technical capabilities will depend on a number of factors, including our ability to:

- identify, recruit, hire, train, incentivize and retain a significant number of commercial and medical affairs personnel, including a specialty sales force with appropriate technical expertise;

- train our sales representatives, who will have no prior experience with our company or TYMLOS, to deliver clear and compelling messages within the scope of the approved labeling and in accordance with other applicable FDA requirements regarding TYMLOS and to be credible and persuasive in educating physicians on the appropriate situations to consider prescribing it as set forth in the approved labeling;

- ensure our commercial customer-facing team, including sales, market access, and field logistics professionals, effectively build relationships with their respective customers;

- manage a geographically dispersed national commercial customer-facing organization; and

- manage our significant projected growth and the integration of new personnel.

Building and maintaining our commercial and medical affairs capabilities may be more expensive and time consuming than we anticipate, requiring us to divert resources from other intended purposes or preventing us from building these capabilities to the desired levels. Any failure or delay in building and maintaining these capabilities on our own or through

partnerships or collaborations will adversely impact the successful commercialization of TYMLOS, or any future product candidate. If we establish a partnership or collaboration for purposes of commercializing abaloparatide-SC, or any future product candidate, the launch of that product candidate would need to be established in conjunction with our partner, which could result in a change in timing of the commercial launch.

In addition, given our existing resources and emerging experience in marketing, selling and distributing pharmaceutical products, our initial specialty sales force may be materially smaller than the actual number of sales representatives required to successfully commercialize TYMLOS. As such, we may be required to hire substantially more sales representatives to adequately support the commercialization of TYMLOS.

If we cannot compete successfully for market share against other drug companies, we may not achieve sufficient product revenues and our business will suffer.

The market for our product candidates is characterized by intense competition and rapid technological advances. TYMLOS and any of our product candidates that may receive FDA or foreign regulatory authority approval will compete with a number of existing and future drugs and therapies developed, manufactured and marketed by others. Existing or future competing products may provide greater therapeutic convenience or clinical or other benefits for a specific indication than our products, or may offer comparable performance at a lower cost. If TYMLOS or any of our other potential products fail to capture and maintain market share, we may not achieve sufficient product revenues and our business will suffer.

In April 2017, we received FDA approval of TYMLOS for the treatment of postmenopausal women with osteoporosis at high risk for fracture. TYMLOS competes in the U.S. against well-known treatment options, including teriparatide, marketed by Lilly in the U.S. as Forteo. TYMLOS may also face competition from generic or biosimilar versions of teriparatide. For example, in January 2017 a biosimilar version of teriparatide was approved in the European Union, although the product is not expected to be launched until the expiration or invalidation of applicable patents covering teriparatide. We are also aware of other companies pursuing development of biosimilar and/or generic versions of teriparatide in the U.S. and EU through various regulatory pathways. The availability of a generic or biosimilar teriparatide on the market would likely exert pricing pressure on the anabolic class in which abaloparatide-SC would compete. In addition, there are other organizations working to develop new therapies to treat osteoporosis. For example, UCB and Amgen are co-developing an anti-sclerostin anabolic monoclonal antibody for the treatment of osteoporosis. In order to compete successfully in this market, we will have to demonstrate to physicians and payors that the treatment of osteoporosis with TYMLOS is worthwhile and is a better alternative to existing or new therapies.

We face significant competition from many fully integrated pharmaceutical companies and smaller companies that are collaborating with larger pharmaceutical companies, academic institutions, government agencies and other public and private research organizations. Many of these competitors have compounds already approved or in development. In addition, many of these competitors, either alone or together with their collaborative partners, operate larger research and development programs or have substantially greater financial resources than we do, as well as significantly greater experience in:

- developing drugs;
- undertaking preclinical testing and human clinical trials;
- obtaining FDA and other regulatory approvals of drugs;
- formulating and manufacturing drugs; and
- launching, marketing and selling drugs.

Developments by competitors may render our products or technologies obsolete or non-competitive.

The biotechnology and pharmaceutical industries are intensely competitive and subject to rapid and significant technological change. Our product TYMLOS, and product candidates abaloparatide-TD, elacestrant and RAD140, if approved, will compete against existing therapies. In addition, a large number of companies are pursuing the development of pharmaceuticals that target the same diseases and conditions that we are targeting. We face competition from pharmaceutical and biotechnology companies in the United States and abroad. In addition, companies doing business in different but related fields represent substantial competition. Many of these organizations competing with us have substantially greater capital resources, larger research and development staffs and facilities, longer drug development history in obtaining regulatory approvals, and greater manufacturing and marketing capabilities than we do. These organizations also compete with us to attract qualified personnel and parties for acquisitions, joint ventures or other collaborations, and therefore, we may not be able to hire or retain qualified personnel to run all facets of our business. These risks could render our products or technologies obsolete or non-competitive.

We may incur substantial liabilities and may be required to limit commercialization of our products in response to product liability lawsuits.

The testing and marketing of medical products entail an inherent risk of product liability. If we cannot successfully defend ourselves against product liability claims, we may incur substantial liabilities or be required to limit commercialization of our products. Our inability to obtain sufficient product liability insurance at an acceptable cost to protect against potential product liability claims could prevent or inhibit the commercialization of pharmaceutical products we develop, alone or with collaborators.

Risks Related to Our Intellectual Property

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

We are a party to a number of intellectual property license agreements with third parties and expect to enter into additional license agreements in the future. Our existing license agreements impose, and we expect that any future license agreements will impose, various diligence, milestone payment, royalty, insurance and other obligations on us. If we fail to comply with these obligations, our licensors may have the right to terminate these agreements, in which event we might not be able to develop and market any product that is covered by these agreements. Termination of these licenses or reduction or elimination of our licensed rights may result in our having to negotiate new or reinstated licenses with less favorable terms. The occurrence of such events could materially harm our business.

In November 2016, we received notice that in October 2016, Ipsen initiated arbitration proceedings against us in the International Chamber of Commerce's International Court of Arbitration. Ipsen's Request for Arbitration alleges that we breached various provisions of the License Agreement concerning abaloparatide, including with regard to Ipsen's right to co-promote abaloparatide in France and a license from us with respect to Japan. Ipsen seeks declaratory relief, compliance with the License Agreement, damages, costs and fees as a result of the purported breaches, and alleges the monetary value of these claims is approximately €50 million. In January 2017, we submitted an Answer denying Ipsen's claims and alleging counterclaims against Ipsen for breach of the License Agreement and other declaratory judgment. We asserted, among other things, that Ipsen's claimed rights to co-promote abaloparatide in France and to a license from us with respect to Japan have permanently expired, and that Ipsen has breached the License Agreement by, among other things, allowing certain patents to expire and by purporting to license to a third-party certain manufacturing and other rights that we contend Ipsen exclusively licensed to us. In February 2017, Ipsen submitted a Reply denying our counterclaims and alleging that we are precluded from asserting them. Following a preliminary hearing before the Arbitral Tribunal to determine certain jurisdictional and contractual defenses asserted by Ipsen in its Reply, on July 17, 2017, the Arbitral Tribunal issued a decision finding it has jurisdiction to decide our counterclaims and that our counterclaims are not contractually barred. On July 31, 2017, Ipsen submitted its Statement of Claim to the Arbitral Tribunal. We are seeking dismissal of Ipsen's claims, as well as declaratory relief, compliance with the License Agreement, and other damages, costs and fees to be determined by the Arbitral Tribunal. The arbitration proceeding is continuing and a hearing on the merits is anticipated to be held in December 2017. Given that this matter is at a preliminary stage, we cannot predict or assess the likely outcome of these proceedings.

If our efforts to protect our intellectual property related to abaloparatide-SC, abaloparatide-TD, elacestrant and/or RAD140 fail to adequately protect these assets or if we are unable to secure all necessary intellectual property, we may lose the ability to license or successfully commercialize one or more of these candidates.

Our commercial success is significantly dependent on intellectual property related to our portfolio of product candidates. We are either the licensee or assignee of numerous issued and pending patent applications that cover various aspects of our assets, including abaloparatide-SC, abaloparatide-TD, elacestrant and RAD140.

Patents covering abaloparatide as a composition of matter have been issued in the United States (U.S. Patent No. 5,969,095) and several additional countries. Because the abaloparatide composition of matter patent was filed in 1996, it expired in 2016 in the United States, and additional countries where it had issued. Prior to its expiration, European Patent No. 0847278, which was included in the license from Ipsen and claimed the composition of matter of abaloparatide, lapsed due to Ipsen's failure to pay annuities. Prior to expiration, we pursued restoration of those patent rights in various countries. As a result of the lapse and expiration of patent rights, we believe that some of Ipsen's rights under our license agreement with Ipsen have terminated. We are currently involved in a pending arbitration proceeding with Ipsen regarding these Ipsen rights and related terms of our license agreement.

We and Ipsen are also co-assignees to U.S. Patent No. 7,803,770 that we believe provides exclusivity until October 3, 2027 and may be adjusted to March 26, 2028 in the United States (not including any Hatch-Waxman patent term extension) for the method of treating osteoporosis with the intended therapeutic dose for abaloparatide-SC. A closely-related patent (European

Patent No. 2957278) has been issued in Europe. This patent also has an expiration date of October 3, 2027, absent any issued supplementary protection certificates, or SPCs.

We and Ipsen are also co-assignees to U.S. Patent No. 8,148,333 that we believe provides exclusivity until 2027 in the United States (not including any Hatch-Waxman patent term extension) for the intended therapeutic formulation for abaloparatide-SC.

We and 3M are co-assignees to several foreign and corresponding U.S. patent applications with the earliest priority date of April 22, 2011, which cover various aspects of abaloparatide for microneedle application. Any issued patents resulting from these applications will expire in 2032. However, pending patent applications in the United States and elsewhere may not issue since the interpretation of the legal requirements of patentability in view of claimed inventions are not always predictable. Additional intellectual property covering abaloparatide-TD technology exists in the form of proprietary information protected as trade secrets. These can be accidentally disclosed to, independently derived by or misappropriated by competitors, possibly reducing or eliminating the exclusivity advantages of this form of intellectual property, thereby allowing those competitors more rapid entry into the marketplace with a competitive product, which reduces our advantage with abaloparatide-TD. In addition, trade secrets may in some instances become publicly available through required disclosures in regulatory files. Alternatively, competitors may sometimes reverse engineer a product once it becomes available on the market. Even where a competitor does not use an identical technology for the delivery of abaloparatide, it is possible that they could achieve an equivalent or even superior result using another technology. Such occurrences could lead to either one or more alternative competitor products becoming available on the market and/or one or more generic competitor products on the market gaining market share and causing a corresponding decrease in market share and/or price for abaloparatide-TD even if it were to be successfully developed and approved by the FDA.

Patents covering elacestrant as a composition of matter, as well as the use of elacestrant for the treatment of estrogen-dependent breast cancer, have been issued in the United States, Canada, Australia, Japan and Europe, and are pending in India. The elacestrant composition of matter patents in the United States expire in 2023 and may be adjusted to 2026 (not including any Hatch-Waxman patent term extension). One patent has been issued in the United States (U.S. Patent No. 8,933,130) for treating vasomotor disturbances or hot flashes on January 13, 2015 (statutory term expires on June 22, 2027, and may be adjusted to October 19, 2031 with 1,580 days of patent term adjustment due to delays in patent prosecution by the USPTO). Another patent relating to methods of treating vasomotor symptoms and clinical dosage strengths using elacestrant has been issued in the United States (U.S. Patent No. 9,555,014). This patent has a normal expiry of May 12, 2031, not including any Hatch-Waxman patent term extension. Additional patent applications relating to methods of treating vasomotor symptoms and clinical dosage strengths using elacestrant have been issued in Canada, Europe, and Mexico. Pending patent applications may not issue since the interpretation of the legal requirements of patentability in view of any claimed invention before a patent office are not always predictable. As a result, we could encounter challenges or difficulties in building, maintaining and/or defending our intellectual property both in the United States and abroad.

Patent applications covering RAD140 and other selective androgen receptor modulator compounds have been granted in the United States, Europe, Canada, Mexico, Japan and Australia, and are pending in Brazil and India. The RAD140 composition of matter patents expire in 2029 in the United States (not including any Hatch-Waxman patent term extension) and additional countries if and when they issue.

Since patents are technical legal documents that are frequently subject to intense litigation pressure, there is risk that even if one or more patents related to our products does issue and is asserted that the patent(s) will be found invalid, unenforceable and/or not infringed when subject to said litigation. Finally, the intellectual property laws and practices can vary considerably from one country to another and also can change with time. As a result, we could encounter challenges or difficulties in building, maintaining and defending our intellectual property both in the United States and abroad.

We may become party to, or threatened with, future adversarial proceedings or litigation regarding intellectual property rights with respect to patents issued or licensed to us, including interference proceedings before the USPTO. Third parties also may assert infringement claims against us. If we are found to infringe a third-party's intellectual property rights, we could be required to obtain a license from such third-party to continue developing and marketing our products and technology. However, we may not be able to obtain any required license on commercially reasonable terms or at all. Even if we were able to obtain a license, it could be non-exclusive, thereby giving our competitors access to the same technologies licensed to us. We could be forced, including by court order, to cease commercializing the infringing technology or product. In addition, we could be found liable for monetary damages. A finding of infringement could prevent us from commercializing our product candidates or force us to cease some of our business operations, which could materially harm our business. Claims that we have misappropriated the confidential information or trade secrets of third parties could have a similar negative impact on our business. For example, we are aware of a patent issued in the United States claiming the use of elacestrant for an indication we are not pursuing and a patent application filed with the USPTO that could be relevant to the use of elacestrant to treat indications for which we are developing elacestrant. If a patent issues from this patent application with claims covering the use of elacestrant to treat

indications for which we are developing elacestrant, we may need to license the patent in order to commercialize elacestrant specifically for the treatment of such indications even if elacestrant were successfully developed and approved. We cannot assure you that we will be able to secure a license on reasonable terms, if at all. If we need a license of such patent in order to commercialize elacestrant and are unable to secure one on reasonable terms, our business would be materially harmed.

If we are unable to obtain and maintain patent protection for our technology and products, or if our licensors are unable to obtain and maintain patent protection for the technology or products that we license from them, 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 adversely affected.

Our success depends in large part on our and our licensors' ability to obtain and maintain patent protection in the United States and other countries with respect to our proprietary technology and products. In some circumstances, we may not have the right to control the preparation, filing and prosecution of patent applications, or to maintain the patents, covering technology or products that we license from third parties. Therefore, we cannot be certain that these patents and applications will be prosecuted and enforced in a manner consistent with the best interests of our business. In addition, if third parties who license patents to us fail to maintain these patents, or lose rights to those patents, the rights we have licensed may be reduced or eliminated.

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. As a result, the issuance, scope, validity, enforceability and commercial value of our and our licensors' patent rights are highly uncertain. Our and our licensors' pending and future patent applications may not result in patents being issued that protect our technology or products or that effectively prevent others from commercializing competitive technologies and products. Changes in either the patent laws or interpretation of the patent laws in the United States and other countries may diminish the value of our patents or narrow the scope of our patent protection. The laws of foreign countries may not protect our rights to the same extent as the laws of the United States. Assuming the other requirements for patentability are met, in the United States, prior to March 16, 2013, the first to make the claimed invention was entitled to the patent, or a "first-to-invent" system, while outside the United States, the first to file a patent application is entitled to the patent, or a "first-to-file" system. With the implementation of the Leahy-Smith America Invents Act, the United States now has a first-to-file system for patent applications filed on or after March 16, 2013. We may become involved in opposition, interference or derivation proceedings challenging our patent rights or the patent rights of others. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing, or in some cases not at all. Therefore, we cannot be certain that we or our licensors were the first to make the inventions claimed in our owned and licensed patents or pending patent applications, or that we or our licensors were the first to file for patent protection of such inventions. An adverse determination in any such proceeding could reduce the scope of, 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.

Even if our owned and licensed 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 is not conclusive as to its scope, validity or enforceability, and our owned and licensed patents may be challenged in the courts or patent offices in the United States and abroad. Any challenges may result in patent claims being narrowed, invalidated or held unenforceable, which could limit our ability to stop or prevent us from stopping 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 candidates might expire before or shortly after such candidates are approved or commercialized. As a result, our owned and licensed patents may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours.

Payments, fees, submissions and various additional requirements must be met in order for pending patent applications to advance in prosecution and issued patents to be maintained. Rigorous compliance with these requirements is essential to procurement and maintenance of patents integral to our product portfolio.

Periodic maintenance fees, renewal fees, annuity fees and various other governmental fees on patents and/or patent applications will come due for payment periodically throughout the lifecycle of patent applications and issued patents. In order to help ensure that we comply with any required fee payment, documentary and/or procedural requirements as they might relate to any patents for which we are an assignee or co-assignee, we employ competent legal help and related professionals as needed to comply with those requirements. Our outside patent counsel uses CPA Global for patent annuity payments. We depend on Eisai to comply with any required fee payment, documentary and/or procedural requirements as they might relate to any patents we have licensed from them. Failure to meet a required fee payment, document production or procedural

requirement can result in the abandonment of a pending patent application or the lapse of an issued patent. In some instances, the defect can be cured through late compliance but there are situations where the failure to meet the required event cannot be cured. Any failures could compromise the intellectual property protection around our preclinical or clinical candidates and possibly weaken or eliminate our ability to protect our eventual market share for that product.

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

In addition to our patented technology and products, we rely on trade secrets, including unpatented know-how, technology and other proprietary information, to maintain our competitive position. We seek to protect these trade secrets, in part, by entering into non-disclosure and confidentiality agreements with parties that have access to our trade secrets, such as our corporate collaborators, outside scientific collaborators, sponsored researchers, contract manufacturers, consultants, advisors and other third parties. We also enter into confidentiality and invention or patent assignment agreements with our employees and consultants. However, any of these parties may breach the agreements and disclose our proprietary information, and we may not be able to obtain adequate remedies for any 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. 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 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.

If we infringe the rights of third parties, we could be prevented from selling products and could be forced to pay damages and defend against litigation.

If our products, methods, processes and other technologies infringe the proprietary rights of other parties, we could incur substantial costs and may have to:

- obtain licenses, which may not be available on commercially reasonable terms, if at all;
- abandon an infringing drug candidate;
- redesign our products or processes to avoid infringement;
- stop using the subject matter claimed in the patents held by others;
- pay damages; or
- defend litigation or administrative proceedings which may be costly whether we win or lose, which could result in a substantial diversion of our financial and management resources.

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

Competitors may infringe our patents. To counter infringement or unauthorized use, we may be required to file infringement claims, which can be expensive and time consuming. In addition, in an infringement proceeding, a court may decide that a patent of ours is invalid and/or unenforceable, or may refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the technology in question. An adverse result in any litigation proceeding could put one or more of our patents at risk of being invalidated and/or interpreted narrowly. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. In addition, our licensors may have rights to file and prosecute these types of claims, and we may be reliant on them to do so.

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

Some of our employees were previously employed at universities or other biotechnology or pharmaceutical companies, including our competitors or potential competitors. Although we try to ensure that our employees do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or these employees have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such employee's former employer. Litigation may be necessary to defend against these claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management.

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, delaying the development of our product candidates. 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. Litigation or other proceedings could substantially increase our operating losses and reduce our resources available for development activities. We may not have sufficient financial or other resources to adequately conduct any litigation or proceedings. Some of our competitors may be able to sustain the costs of any litigation or proceedings more effectively than we can because of their substantially greater financial resources. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a material adverse effect on our ability to compete in the marketplace.

Risks Related to Legislation and Administrative Actions

Healthcare reform may have a material adverse effect on our industry and our results of operations.

From time to time, legislation is implemented to reign in rising healthcare expenditures. In March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, or ACA, was enacted. ACA includes a number of provisions affecting the pharmaceutical industry, including annual, non-deductible fees on any entity that manufactures or imports some types of branded prescription drugs and biologics and increases in Medicaid rebates owed by manufacturers under the Medicaid Drug Rebate Program. In addition, among other things, ACA also establishes a new Patient-Centered Outcomes Research Institute to oversee, identify priorities and conduct comparative clinical effectiveness research. In addition, other legislative changes have been proposed and adopted since ACA was enacted, which also may impact our business. In August 2011, the Budget Control Act of 2011, or BCA, was enacted, which, among other things, created the Joint Select Committee on Deficit Reduction to recommend proposals in spending reductions to Congress. The Joint Select Committee did not achieve its targeted deficit reduction of at least $1.2 trillion for the years 2013 through 2021, triggering the legislation's automatic reduction to several government programs. These reductions include aggregate reductions to Medicare payments to providers of 2% per fiscal year, which went into effect on April 1, 2013 and, due to subsequent legislative amendments, will remain in effect through 2025 unless additional Congressional action is taken. In January 2013, the American Taxpayer Relief Act of 2012, or ATRA, was enacted, which among other things, further reduced Medicare payments to several providers, including hospitals, imaging centers and cancer treatment centers. The full impact on our business of these laws is uncertain. We cannot predict whether other legislative changes will be adopted, if any, or how such changes would affect the pharmaceutical industry generally or our business in particular.

We expect that additional state and federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, which could result in reduced demand for our product candidates once approved or additional pricing pressures, and may adversely affect our operating results. Such legislation may also reduce our flexibility in setting prices for our product candidates, or in taking price increases.

We are subject to healthcare laws, regulation and enforcement, and our failure to comply with those laws could have a material adverse effect on our results of operations and financial conditions.

We are subject to several healthcare regulations and enforcement by the federal government and the states and foreign governments in which we conduct our business. The laws that may affect our ability to operate include:

- the federal Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act, which governs the conduct of various electronic healthcare transactions and protects the security and privacy of protected health information;

- the federal healthcare programs' Anti-Kickback Statute, which prohibits, among other things, persons from knowingly and willfully soliciting, receiving, offering or paying remuneration, directly or indirectly, in exchange for or to induce either the referral of an individual for, or the purchase, order or recommendation of, any good or service for which payment may be made under federal healthcare programs such as the Medicare and Medicaid programs. A person or entity does not need to have actual knowledge of the federal Anti-Kickback Statute or specific intent to violate it to have committed a violation; in addition, the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the False Claims Act;

- federal false claims laws, which prohibit, among other things, individuals or entities from knowingly presenting, or causing to be presented, claims for payment from Medicare, Medicaid, or other third-party payors that are false or fraudulent;

- federal criminal laws that prohibit executing a scheme to defraud any healthcare benefit program or making false statements relating to healthcare matters. Similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the federal Anti-Kickback Statute or specific intent to violate it to have committed a violation;

- the federal Physician Payment Sunshine Act, or the Sunshine Act, requires applicable manufacturers of covered drugs to report payments and other transfers of value to physicians and teaching hospitals, and ownership and investment interests held by physicians and their immediate family members. Manufacturers are required to submit reports to the government by the 90th day of each calendar year; and

- state law equivalents of each of the above federal laws, such as anti-kickback and false claims laws which may apply to items or services reimbursed by any third-party payor, including commercial insurers; state laws that require pharmaceutical companies to comply with the industry's voluntary compliance guidelines and the applicable compliance guidance promulgated by the federal government or otherwise restrict payments that may be made to healthcare providers and other potential referral sources; state 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 laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts.

Our operations and commercial activities in connection with TYMLOS any other product candidate that may be approved are and will be subject to comprehensive compliance obligations under state and federal fraud and abuse, false claims, physician payment transparency laws and government pricing regulations, as described above. If we are found to be in violation of these regulations, we may be subject to penalties, including civil and criminal penalties, damages, fines, the curtailment or restructuring of our operations, the exclusion from participation in federal and state healthcare programs and imprisonment, any of which could adversely affect our ability to operate our business and our financial results.

We may be exposed to liability claims associated with the use of hazardous materials and chemicals.

Our research and development activities may involve the controlled use of hazardous materials and chemicals. Although we believe that our safety procedures for using, storing, handling and disposing of these materials comply with federal, state and local laws and regulations, we cannot completely eliminate the risk of accidental injury or contamination from these materials. In the event of such an accident, we could be held liable for any resulting damages and any liability could materially adversely affect our business, financial condition and results of operations. In addition, the federal, state and local laws and regulations governing the use, manufacture, storage, handling and disposal of hazardous or radioactive materials and waste products may require us to incur substantial compliance costs that could materially adversely affect our business, financial condition and results of operations.

The potential U.K. exit from the European Union as a result of the June 2016 U.K. referendum could harm our business, financial condition or results of operations.

In June 2016, the U.K. affirmatively voted in a non-binding referendum advising for the exit of the U.K. from the European Union, commonly referred to as “Brexit”. In March 2017, the U.K. government formally notified the European Council of its intention to leave the EU after it triggered Article 50 of the Lisbon Treaty to begin the two-year negotiation process establishing the future terms of the U.K.’s relationship with the European Union, including the terms of trade between the U.K. and the European Union. The effects of Brexit will depend on any agreements the U.K. makes to retain access to European Union markets either during a transitional period or more permanently. Brexit could lead to legal uncertainty and potentially divergent national laws and regulations as the U.K. determines which European Union laws to replace or replicate and could have a material impact on its economy and the future growth of its various industries.

The announcement of Brexit caused significant volatility in global stock markets and currency exchange rate fluctuations that resulted in the strengthening of the U.S. dollar against foreign currencies in which we conduct business. The strengthening of the U.S. dollar relative to other currencies may adversely affect our operating results. The announcement of Brexit and the withdrawal of the U.K. from the European Union have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity. Any of these effects of Brexit, among others, could adversely affect our business, financial condition, operating results and cash flows.

Risks Related to Employee Matters and Managing Growth

We have recently increased the size of our organization, and will need to continue to increase the size of our organization. We may encounter difficulties with managing our growth, which could adversely affect our results of operations.

Although we have already added several capabilities, we may need to add additional qualified personnel and resources as we launch TYMLOS. Our current infrastructure may be inadequate to support our recent and expected growth. In particular, we may need to grow our internal sales, marketing, and distribution capabilities to successfully market TYMLOS and any other drug that we may successfully develop. Future growth will impose significant added responsibilities on members of management, including the need to identify, recruit, maintain and integrate additional employees, and may take time away from running other aspects of our business, including development and commercialization of our product candidates.

Our future financial performance and our ability to commercialize our product candidates and to compete effectively will depend, in part, on our ability to manage any future growth effectively. In particular, as our commercialization plans and strategies develop, we will recruit and train a substantial number of sales and marketing personnel and expect to expand the size of our employee base for managerial, operational, financial and other resources. To that end, we must be able to:

- manage our development efforts effectively;
- integrate additional management, administrative and manufacturing personnel;
- build a marketing and sales organization; and
- maintain sufficient administrative, accounting and management information systems and controls.

We may not be able to accomplish these tasks or successfully manage our operations and, accordingly, may not achieve our research, development, and commercialization goals. Our failure to accomplish any of these goals could harm our financial results and prospects.

As we evolve from a company primarily involved in drug development into one that is also involved in the commercialization of pharmaceutical products, we may have difficulty managing our growth and expanding our operations successfully.

Our success will depend upon the expansion of our operations and the effective management of our growth, and if we are unable to manage this growth effectively, our business will be harmed. We have recently expanded, and will continue to expand, our development, regulatory, manufacturing, quality, distribution, sales and marketing capabilities. As part of this expansion, we expect we will need to manage additional relationships with various collaborators, suppliers and other organizations. Our ability to manage our operations and growth requires us to continue to improve our operational, financial and management controls, reporting systems and procedures. For example, some jurisdictions, such as the District of Columbia, have imposed licensing requirements for sales representatives. In addition, the District of Columbia and the Commonwealth of Massachusetts, as well as the federal government by way of the Sunshine Act, have established reporting requirements that would require public reporting of compensation and other "transfers of value" paid to health care professionals and teaching hospitals, as well as ownership and investment interests held by such professionals and their immediate family members. Because the reporting requirements vary in each jurisdiction, compliance will be complex and expensive and may create barriers to entering the commercialization phase. The need to build new systems as part of our growth could place a strain on our administrative and operational infrastructure. We may not be able to make improvements to our management information and control systems in an efficient or timely manner and may discover deficiencies in existing systems and controls. Such requirements may also impact our opportunities to collaborate with physicians at academic research centers as new restrictions on academic-industry relationships are put in place. In the past, collaborations between academia and industry have led to important new innovations, but the new laws may have an effect on these activities. While we cannot predict whether any legislative or regulatory changes will have negative or positive effects, they could have a material adverse effect on our business, financial condition and potential profitability.

If we are unable to successfully maintain and further develop internal commercialization capabilities, sales of TYMLOS may be negatively impacted.

We have only recently started to commercialize our first drug product. We have built a commercial team and established the organizational infrastructure we believe necessary for a successful commercial launch of TYMLOS in the United States. We will need to commit significant time, financial and managerial resources to maintain and further develop our marketing and sales force to ensure they have the technical expertise required to address any challenges we may face with the commercialization of TYMLOS. Factors that may inhibit our efforts to maintain and develop our commercialization capabilities include:

- an inability to retain an adequate number of effective commercial personnel;
- our ability to train sales personnel, who may have limited experience with our company or TYMLOS, to deliver a consistent and compliant message regarding TYMLOS that will be compelling to physicians who may prescribe TYMLOS;

- an inability to equip sales personnel with effective materials, including medical and sales literature to help them educate physicians and our healthcare providers regarding TYMLOS and its proper administration;

- unforeseen costs and expenses associated with maintaining and further developing an independent sales and marketing organization.

If we are not successful in establishing and maintaining an effective commercial infrastructure, we will have difficulty generating product revenue, which would adversely affect our business and financial condition. If the cost of establishing and maintaining a sales and marketing organization exceeds the cost-effectiveness of doing so, we may not become profitable.

We may enter into or seek to enter into business combinations and acquisitions which may be difficult to integrate, disrupt our business, divert management attention or dilute stockholder value.

We may enter into business combinations and acquisitions. We have limited experience in making acquisitions, which are typically accompanied by a number of risks, including:

- the difficulty of integrating the operations and personnel of the acquired companies;

- the potential disruption of our ongoing business and distraction of management;

- the potential for unknown liabilities and expenses;

- the failure to achieve the expected benefits of the combination or acquisition;

- the maintenance of acceptable standards, controls, procedures and policies; and

- the impairment of relationships with employees as a result of any integration of new management and other personnel.

If we are not successful in completing acquisitions that we may pursue in the future, we would be required to reevaluate our business strategy and we may have incurred substantial expenses and devoted significant management time and resources in seeking to complete the acquisitions. In addition, we could use substantial portions of our available cash as all or a portion of the purchase price, or we could issue additional securities as consideration for these acquisitions, which could cause our stockholders to suffer significant dilution.

We rely on key executive officers and scientific and medical advisors, and their knowledge of our business and technical expertise would be difficult to replace.

We are highly dependent on our chief executive officer and our principal scientific, regulatory and medical advisors. We do not have "key person" life insurance policies for any of our officers. The loss of the technical knowledge and management and industry expertise of any of our key personnel could result in delays in product development, loss of customers and sales and diversion of management resources, which could adversely affect our operating results.

If we are unable to hire additional qualified personnel, our ability to grow our business may be harmed.

We will need to hire additional qualified personnel with expertise in preclinical testing, clinical research and testing, government regulation, formulation and manufacturing and sales and marketing. We compete for qualified individuals with numerous biopharmaceutical companies, universities and other research institutions. Competition for such individuals is intense, and we cannot be certain that our search for such personnel will be successful. Attracting and retaining qualified personnel will be critical to our success.

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

Our business is increasingly dependent on critical, complex and interdependent information technology systems to support business processes as well as internal and external communications. Our computer systems are vulnerable to breakdown, malicious intrusion and computer viruses. Any failure to protect against breakdowns, malicious intrusions and computer viruses may result in the impairment of production and key business processes. In addition, our systems are potentially vulnerable to data security breaches, whether by employees or others, which may expose sensitive data to unauthorized persons. Such data security breaches could lead to the loss of trade secrets or other intellectual property, or could lead to the public exposure of personal information of our employees, clinical trial patients, customers, and others. Such disruptions and breaches of security could expose us to liability and have a material adverse effect on the operating results and financial condition of our business.

Risks Relating to Our Securities

Our stock price may be volatile, and the value of an investment in our common stock may decline.

The trading price of our common stock may be subject to wide fluctuations in response to various factors, some of which are beyond our control, including:

- actions or delays by the FDA, EMA or other foreign regulatory authority in respect of any NDA, MAA or other application we may submit for any of our product candidates, including our MAA for Eladynos;
- results of clinical trials of our product candidates or those of our competitors;
- our operating performance and the operating performance of similar companies;
- the success of competitive products;
- the overall performance of the equity markets;
- the number of shares of our common stock publicly owned and available for trading;
- threatened or actual litigation;
- changes in laws or regulations relating to our products, including changes in the structure of healthcare payment systems;
- any major change in our board of directors or management;
- publication of research reports about us or our industry or positive or negative recommendations or withdrawal of research coverage by securities analysts;
- large volumes of sales or other transfers of our shares of common stock by existing stockholders;
- general political, economic and market conditions; and
- the other factors described in this "Risk Factors" section.

In addition, the stock market in general has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the companies whose shares trade in the stock market. Securities class action litigation has often been instituted against companies following periods of volatility in the overall market and in the market price of a company's securities. Such litigation, if instituted against us, could result in very substantial costs, divert our management's attention and resources and harm our business, operating results and financial condition.

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

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

We have incurred and will continue to incur increased costs as a result of operating as a public company, and our management is required to devote substantial time to compliance initiatives.

As a public company listed on the NASDAQ Global Market, or NASDAQ, we have incurred and will continue to incur significant legal, accounting and other expenses. In addition, the Sarbanes-Oxley Act of 2002 and rules subsequently implemented by the Securities and Exchange Commission, or the SEC, and NASDAQ have imposed various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. Our management and other personnel will need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations have increased our legal and financial compliance costs and are making some activities more time-consuming and costly.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404, we are required to furnish a report by our management on our internal control over financial reporting, and are required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. If we are unable to maintain effective internal controls, we may not have adequate, accurate or timely financial information, and we may be unable to meet our reporting obligations as a publicly traded company or comply with the requirements of the SEC or Section 404. This could result in a restatement of our consolidated financial statements, the imposition of sanctions, including the inability of registered broker dealers to make a market in our common shares, or investigation by regulatory authorities. Any such action or other

negative results caused by our inability to meet our reporting requirements or comply with legal and regulatory requirements or by disclosure of an accounting, reporting or control issue could adversely affect the trading price of our securities and our business. Material weaknesses in our internal control over financial reporting could also reduce our ability to obtain financing or could increase the cost of any financing we obtain.

Our directors and executive officers, together with their affiliates, have substantial influence over us and could delay or prevent a change in corporate control.

Our directors and executive officers, together with their affiliates, beneficially own a substantial amount of shares of our common stock. These stockholders, acting together, have the ability to significantly influence the outcome of matters submitted to our stockholders for approval, including the election of directors and any merger, consolidation or sale of all or substantially all of our assets. In addition, these stockholders, acting together, have the ability to significantly influence the management and affairs of our company. Accordingly, this concentration of ownership might harm the market price of our common stock by:

- delaying, deferring or preventing a change in corporate control;
- impeding a merger, consolidation, takeover or other business combination involving us; or
- discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of us.

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

Additional capital will be needed in the future to continue our planned operations. To the extent we raise additional capital by issuing equity securities, our stockholders may experience substantial dilution. We may sell common stock, convertible securities or other equity securities in one or more transactions at prices and in a manner we determine from time to time. If we sell common stock, convertible securities or other equity securities in more than one transaction, investors may be materially diluted by subsequent sales. These sales may also result in material dilution to our existing stockholders, and new investors could gain rights superior to our existing stockholders.

Pursuant to our equity incentive plans, our management is authorized to grant stock options and other equity-based awards to our employees, directors and consultants. We have reserved 9,860,000 shares of our common stock for issuance under our equity incentive plans as of December 31, 2016, which includes 2,960,000 shares of common stock issuable upon the exercise of options outstanding as of December 31, 2016, 25,000 shares of common stock issuable upon the vesting of performance stock units, and approximately 57,000 restricted stock units, each of which will become eligible for sale in the public market in the future, subject to certain legal and contractual limitations. In addition, as of December 31, 2016, warrants to purchase 0 shares of our common stock were outstanding. Pursuant to our employee stock purchase plan, eligible employees may participate in an employee stock purchase plan sponsored by us. The current plan allows for the issuance of 1,290,954 shares of common stock to eligible employees. As of December 31, 2016, there were 1,290,594 shares available for future sale to employees under this plan. Shares of our common stock issued upon exercise of these warrants may be sold in the public market, subject to prior registration or under an exemption from registration.

If securities or industry analysts cease to publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline.

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

We may be required to pay severance benefits to our employees who are terminated in connection with a change in control, which could harm our financial condition or results.

Each of our executive officers is party to an employment agreement, and each of our other employees is party to an agreement or participates in a plan that provides change in control severance benefits including cash payments for severance and other benefits and acceleration of vesting of stock options and other equity awards in the event of a termination of employment in connection with a change in control of us. The payment of these severance benefits could harm our financial condition and results. The accelerated vesting of options and equity awards could result in dilution to our existing stockholders and harm the market price of our common stock.

Anti-takeover provisions contained in our restated certificate of incorporation and amended and restated bylaws, as well as provisions of Delaware law, could impair a takeover attempt.

Our restated certificate of incorporation and our amended and restated bylaws contain provisions that could delay or prevent a change in control of our company. These provisions could also make it more difficult for stockholders to elect directors and take other corporate actions. These provisions include:

- a staggered board of directors;
- authorizing the board to issue, without stockholder approval, preferred stock with rights senior to those of our common stock;
- authorizing the board to amend our bylaws and to fill board vacancies until the next annual meeting of the stockholders;
- prohibiting stockholder action by written consent;
- limiting the liability of, and providing indemnification to, our directors and officers;
- eliminating the ability of our stockholders to call special meetings; and
- requiring advance notification of stockholder nominations and proposals.

Section 203 of the Delaware General Corporation Law prohibits, subject to some exceptions, "business combinations" between a Delaware corporation and an "interested stockholder," which is generally defined as a stockholder who becomes a beneficial owner of 15% or more of a Delaware corporation's voting stock, for a three-year period following the date that the stockholder became an interested stockholder.

These and other provisions in our restated certificate of incorporation and our amended and restated bylaws under Delaware law could discourage potential takeover attempts, reduce the price that investors might be willing to pay in the future for shares of our common stock and result in the market price of our common stock being lower than it would be without these provisions.

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

As of December 31, 2016, we had $526.7 million of federal and $385.3 million of state net operating loss carryforwards available to offset future taxable income. Under Section 382 of the Internal Revenue Code of 1986, as amended, or the Code, if a corporation undergoes an "ownership change" (generally defined as a greater than 50% change (by value) in its equity ownership over a three-year period), the corporation's ability to use its pre-change net operating loss carryforwards and other pre-change tax attributes to offset its post-change income may be limited. We have completed studies through December 31, 2015, to determine whether any ownership change has occurred since our formation and have determined that transactions have resulted in two ownership changes, as defined under Section 382. There could be additional ownership changes in the future that could further limit the amount of net operating loss and tax credit carryforwards that we can utilize.

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

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

None.

Item 5. Other Information.

None.

Item 6. Exhibits.

A list of exhibits is set forth on the Exhibit Index immediately following the signature page of this Quarterly Report on Form 10-Q, and is incorporated herein by reference.

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.

RADIUS HEALTH, INC.

By: /s/ Jesper Høiland

Jesper Høiland

President and Chief Executive Officer
(Principal Executive Officer)

Date: August 3, 2017

By: /s/ Jose Carmona

Jose Carmona
Chief Financial Officer
(Principal Accounting and Financial Officer)

Date: August 3, 2017

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EXHIBIT INDEX

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed/ Furnished Herewith
		Form	File No.	Exhibit	Filing Date	
3.1	Restated Certificate of Incorporation, filed on June 11, 2014	8-K	001-35726	3.1	6/13/2014	
3.2	Amended and Restated By-Laws	8-K	001-35726	3.2	6/13/2014	
10.1	Lease, dated June 28, 2017, between the Company and KBSIII Crosspoint at Valley Forge Trust					*
10.2	Sublease, dated March 11, 2016, between the Company and Rovi Corporation					*
10.3	First Amendment to Sublease, dated July 7, 2017, between the Company and Rovi Corporation					*
10.4	Radius Health, Inc. Form of Inducement Stock Option Agreement	S-8	333-215552	99.1	1/13/2017	
10.5	Employment Letter Agreement, dated May 9, 2017, between the Company and Jose Carmona	8-K	001-35726	10.1	5/15/2017	
10.6	Employment Inducement Stock Option Agreement, dated May 15, 2017, between the Company and Jose Carmona	8-K	001-35726	10.2	5/15/2017	
10.7	Separation Agreement and General Release of Claims, dated May 15, 2017, between the Company and B. Nicholas Harvey	8-K	001-35726	10.3	5/15/2017	
10.8	Consulting Agreement, dated May 17, 2017, between the Company and B. Nicholas Harvey	8-K	001-35726	10.4	5/15/2017	
10.9	Employment Agreement, dated June 23, 2017, between the Company and Jesper H ø iland	8-K	001-35726	10.1	7/17/2017	
10.10	Employment Inducement Stock Option Agreement, dated July 17, 2017, between the Company and Jesper H ø iland	8-K	001-35726	10.2	7/17/2017	
10.11	Agreement and General Release, dated July 16, 2017, between the Company and Robert Ward	8-K	001-35726	10.3	7/17/2017	
31.1	Certification of Chief Executive Officer pursuant to Exchange Act Rule 13a-14(a)/15d-14(a)					*
31.2	Certification of Chief Financial Officer pursuant to Exchange Act Rule 13a-14(a)/15d-14(a)					*
32.1	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					**
101.INS	XBRL Instance Document					*

101.SCH	XBRL Taxonomy Extension Schema Document	*

101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	*
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	*
101.LAB	XBRL Taxonomy Extension Label Linkbase Document	*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	*

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* Filed herewith.

** Furnished herewith.

Exhibit 10.1

LEASE

between

KBSIII CROSSPOINT AT VALLEY FORGE TRUST, as Landlord

and

RADIUS HEALTH, INC., as Tenant

550 E. Swedesford Road
Wayne, Pennsylvania

June 28, 2017

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LEASE

This Lease is made and entered into as of June 28, 2017, by and between **KBSIII CROSSPOINT AT VALLEY FORGE TRUST** , a Delaware Statutory Trust, having an address at c/o KBS Capital Advisors, LLC, 590 Madison Avenue, 26 th Floor, New York, New York 10022, Attention: Shannon W. Hill, Senior Vice President (the "Landlord") and **RADIUS HEALTH, INC.** , a Delaware corporation, having an address at 950 Winter Street, Waltham, Massachusetts 02451 (the " **Tenant** ").

article 1 GRANT

1.1 **Premises** . Landlord, for and in consideration of the rents herein reserved and of the covenants and agreements herein contained on the part of Tenant to be performed, hereby leases to Tenant and Tenant accepts from Landlord, certain space shown on Exhibit A attached hereto and made a part hereof, containing 2,404 rentable square feet in area and commonly known as Suite #225 (the " **Premises** "), situated on the second (2 nd) floor of the office building located at 550 E. Swedesford Road, Wayne, Pennsylvania (the " **Building** ") located in, and comprising Unit C of the condominium known as Valley Forge Office Center, a Condominium (the " **Condominium** "). The Condominium was established by the Declaration (as defined in Exhibit B) (the " **Declaration** "). The Premises, Building, the " **Building Common Areas** " (defined below) and the land upon which the same are located, which is legally described in Exhibit B (the " **Land** "), together with all other improvements thereon and thereunder are collectively referred to as the " **Property** ."

1.2 **Common Areas** .

1.2.1 The " **Common Areas** " shall consist of elements located in the Building and the Condominium, including, but not limited to, the following:

(a) **At the Building** : hallways, lobbies, stairways, elevators, pedestrian sidewalks, landscaped areas, loading areas, roadways, parking areas, rights of way, walking and jogging paths, if any, and Building amenities, if any.

(b) **At the Condominium** : surface parking areas, pedestrian sidewalks, roadways and rights of way for ingress to, and egress from, the Premises, and any other facilities or amenities at the Condominium in which Landlord has an interest.

1.2.2 Use of Common Areas . Landlord hereby grants to Tenant during the term of this Lease, a license to use, in common with the others entitled to such use, those Common Areas (as they may from time to time exist) designated by Landlord or the Valley Forge Office Center Condominium Association, Inc. (the " **Association** ") from time to time for the general, non-exclusive use and convenience of Building tenants and others, subject to the rights of the Condominium owners to the exclusive use of certain "Limited Common

Elements" (as defined in the Declaration) and such rights, powers and privileges as are reserved to Landlord in this Lease and as are reserved to the Landlord and others in the Declaration. As used in this Lease, the term " **Building Common Areas** " shall mean those Common Areas described in Subsection 1.2.1(a) above, that are designated for Tenant's use hereunder; and the term " **Condominium Common Areas** " shall mean those Common Areas described in Subsection 1.2.1(b) above that are designated for Tenant's use hereunder.

1.3 **Parking** . During the Term (hereinafter defined) of this Lease, Tenant shall be entitled to use the parking facilities at the Property in common with other Building tenants, but such right shall be limited to nine (9) unreserved parking spaces. Tenant agrees not to overburden the parking facilities and agrees to cooperate with Landlord and other tenants in the use of parking facilities. Landlord may designate parking facilities at the Property for the handicapped, visitors to the Building and for use by other tenants, and the Association may designate parking facilities at the Condominium for the handicapped, visitors to the Building, for Tenant and for other tenants. Landlord reserves the right to relocate parking spaces and recapture portions of the parking facilities at any time and from time to time for necessary maintenance and repairs and as may be required by mechanical, structural or code-related matters. Landlord may install signage or implement a pass or sticker system to control parking use, and may employ valet parking to meet the requirements of this Section. To the extent applicable to Tenant's use of the parking spaces, the provisions of this Lease shall apply, including rules and regulations of general applicability from time to time promulgated by Landlord.

ARTICLE 2 TERM

2.1 **Lease Term** .

2.1.1 Commencement Date; Term . The Premises are leased for a term (the " **Initial Term** ") to commence on the " **Commencement Date** " (as such term is defined in Section 3.1.2 hereof) and shall end on the date (the " **Expiration Date** ") that is the last day of the calendar month during which the day preceding the five (5) year, three (3) month anniversary of the Commencement Date occurs, unless sooner terminated as herein provided. If Tenant exercises its option to extend the term pursuant to Article 17 hereof, the Expiration Date shall be extended in accordance with Article 17 hereof (the "Initial Term" hereof, and as so extended, the "Term"). If Landlord gives and Tenant accepts possession prior to the Commencement Date, such occupancy shall be subject to all the terms and conditions of this Lease and rent and other charges shall be prorated to the date that Tenant takes possession of the Premises.

2.1.2 Lease Year Defined . The first " **Lease Year** " shall begin on the Commencement Date and shall end on the last day of the twelfth (12th) full calendar month following the Commencement Date. Each Lease Year thereafter shall consist of twelve (12) consecutive calendar months following the end of the immediately preceding Lease Year.

2.2 **Holding Over** . In the event that Tenant retains occupancy of the Premises, or any part thereof, after the end of the Term, Tenant's occupancy of the Premises shall be as a tenant at will terminable at any time by Landlord. Tenant's occupancy during any holdover period shall otherwise be subject to the provisions of this Lease (unless clearly inapplicable), except that Tenant shall pay Landlord rent for such time as Tenant remains in possession of the Premises at the rate equal to the higher of (a) two hundred percent (200%) of the Annual Base Rent payable during the last month of the Lease Term, or (b) one hundred twenty-five percent (125%) of the then market-rate for the Premises, plus all Additional Rent and other sums due under this Lease. In addition, Tenant shall pay Landlord for all damages sustained by reason of Tenant's retention of possession of the Premises after the end of the Term (including, without limitation, any damages suffered or incurred by Landlord as a result of Landlord's failure or inability to deliver possession of the Premises to any succeeding tenant solely by reason of Tenant's holding over, provided that such damages shall be limited to actual and direct damages suffered by Landlord for the first thirty (30) days of such holdover period, and after the first thirty (30) days of such holdover period has ended, Tenant shall also be liable to Landlord for any consequential damages suffered by Landlord by reason of Tenant's holding over). Any provision in this Lease to the contrary notwithstanding, any holdover by Tenant shall constitute an Event of Default on the part of Tenant under this Lease entitling Landlord to exercise, without obligation to provide Tenant any notice or cure period, all of the remedies available to Landlord in the event of an Event of Default by Tenant. The provisions hereof do not limit or restrict Landlord's rights or remedies under this Lease in the event of any holding over by Tenant.

ARTICLE 3 COMPLETION AND OCCUPANCY OF THE PREMISES

3.1 **Delivery of the Premises** .

3.1.1 Leasehold Improvements . Landlord agrees to construct the Tenant's leasehold improvements and installations (the " **Leasehold Improvements** ") in accordance with the Workletter ("Workletter") annexed hereto as Exhibit C . Landlord shall "Substantially Complete" (as such term is defined in the Workletter) the Leasehold Improvements in accordance with the Plans (as such term is defined in the Workletter) and shall deliver possession of the Premises to Tenant subject to the terms and conditions of this Article 3 . Landlord's obligation to construct the Leasehold Improvements shall not require Landlord to incur overtime costs or expenses nor the construction of any Specialty Work (as such term is hereinafter defined) for Tenant.

" **Specialty Work** " is defined herein as Tenant's requests for changes in the Plans, or for the inclusion of materials or installations in the construction of the Leasehold Improvements other than building standard items or items with delivery requirements that may have the effect of delaying the Substantial Completion of the Leasehold Improvements beyond the anticipated Commencement Date.

3.1.2 The term of this Lease and the obligations of the parties hereto shall commence on the date (hereinafter referred to as the " **Commencement Date** ") which shall be the earliest to occur of (a) the date Tenant commences the normal operation of its business in all or any portion of the Premises; (b) the date that the Leasehold Improvements have been "Substantially Completed" (as such term is defined in Workletter). Provided Tenant complies with the deadlines and terms and conditions set forth in the Workletter, and subject to any delays caused by any Tenant Delay (as such term is defined in the Workletter) or Force Majeure Delay (as such term is defined in the Workletter) it is estimated that the Commencement Date shall occur on August 1, 2017 (the "Target Date").

3.2 **Delayed Delivery** .

3.2.1 Delay in Substantial Completion . If Landlord shall be unable to Substantially Complete the Leasehold Improvements and deliver possession of the Premises to Tenant on or before any anticipated Commencement Date by reason of the fact that work required to be done by Landlord hereunder has not been Substantially Completed by that date, then, except as may be otherwise expressly provided below, Landlord shall not be subject to any penalty, claim or liability nor shall the validity of this Lease or the obligations of Tenant hereunder be in any way affected.

3.2.2 Notwithstanding the foregoing, if Landlord fails to Substantially Complete the Leasehold Improvements within thirty (30) days after the Target Date (the "Initial Outside Date"), which Initial Outside Date shall be extended by one (1) additional day for each day of delay in the occurrence of the Commencement Date which can be attributed to Tenant Delay or Force Majeure Delay, then, as Tenant's sole and exclusive remedy under this Lease or otherwise, Tenant shall be entitled to one (1) day of abated Base Rent for each day of delay beyond the Initial Outside Date (as such date and deadline may be so extended as hereinabove provided) that the Leasehold Improvements have not been Substantially Completed until the date the Leasehold Improvements are Substantially Completed. Tenant herein acknowledges and agrees that prior to the Initial Outside Date (as such date and deadline may be so extended as hereinabove provided), Tenant shall not have any remedy or recourse whatsoever against Landlord, under this Lease or otherwise, if the Leasehold Improvements have not been Substantially Completed by any particular date, and if the Leasehold Improvements have not been Substantially Completed as herein provided by the Initial Outside Date (as such date and deadline may be so extended as hereinabove provided) then Tenant's sole and exclusive remedy under this Lease or otherwise shall be as expressly provided hereinabove and such failure shall not impose any liability upon Landlord by reason of inconvenience to Tenant, or interruption of Tenant's business, or otherwise.

3.2.3 In addition, if the Leasehold Improvements have not been Substantially Completed within one hundred twenty (120) days after the Target Date (the "Second Outside Date"), which Second Outside Date shall be extended by one (1) additional day for each day of delay in the Substantial Completion of the Leasehold Improvements which can be attributed to Tenant Delay, then, as Tenant's sole and exclusive remedy under this Lease or otherwise, Tenant may terminate this Lease upon providing twenty (20) days written notice to Landlord given no later than ten (10) days after the Second Outside Date, with time being of the essence, unless the Leasehold Improvements are actually Substantially Completed within such twenty (20) day period, in which event Tenant's termination of this Lease shall be deemed nullified and rescinded and shall not be effective or applicable hereunder. Tenant's rights as set forth in this paragraph shall be Tenant's sole and exclusive remedy under this Lease or otherwise for the failure of the Leasehold Improvements to have been Substantially Completed by the Second Outside Date and such failure shall not impose any liability upon Landlord by reason of inconvenience to Tenant, or interruption of Tenant's business, or otherwise.

3.3 [Intentionally omitted.]

3.4 **Confirmatory Amendments** . When the Commencement Date, Rent Commencement Date (as such term is hereinafter defined) and Expiration Date hereof have been determined in accordance with the provisions set forth in this Lease, the parties hereto shall execute a document in recordable form (at Landlord's sole option), setting forth said dates and said document shall be deemed a supplement to and part of this Lease. The parties hereto agree to execute such confirmatory document not later than fifteen (15) days following the Commencement Date.

ARTICLE 4 RENT AND SECURITY

4.1 **Annual Base Rent** .

4.1.1 Schedule of Monthly Rent Payments . Commencing on the date (the " **Rent Commencement Date** ") that is ninety (90) calendar days following the Commencement Date and continuing throughout the Term, Tenant shall pay to or upon the order of Landlord an annual rental (the " **Annual Base Rent** ") as set forth below which shall be payable in consecutive monthly installments on or before the first day of each calendar month in advance in the monthly amount set forth below:

Period	Annual Base Rent	Annual Base Rent per Rentable Square Foot	Monthly Base Rent
Lease Year 1	$87,746.00	$36.50	$7,312.17
Lease Year 2	$89,933.64	$37.41	$7,494.47
Lease Year 3	$92,193.40	$38.35	$7,682.78
Lease Year 4	$94,501.24	$39.31	$7,875.10
Lease Year 5	$96,857.16	$40.29	$8,071.43
Lease Year 6	$99,285.20	$41.30	$8,273.77

4.1.2 Manner of Payment . All payments of rent shall be made without demand, deduction, counterclaim, set off, discount or abatement in lawful money of the United States of America. If the Commencement Date and/or the Rent Commencement Date should occur on a day other than the first day of a calendar month, or the Expiration Date should occur on a day other than the last day of a calendar month, then the monthly installment of Annual Base Rent for such fractional month shall be prorated upon a daily basis based upon a thirty (30)-day month and such partial month Annual Base Rent payment shall not be abated hereunder and in the case of a partial month during which the Rent Commencement Date occurs such payment shall be due and payable by Tenant to Landlord on the Rent Commencement Date. Notwithstanding anything to the contrary contained herein, Tenant shall cause payment of the first full monthly installment of Annual Base Rent to be paid to Landlord to be concurrent with the execution of this Lease.

4.2 **Additional Rent** . Tenant shall pay to Landlord all charges and other amounts required under this Lease and the same shall constitute additional rent hereunder (herein called " **Additional Rent** "), including, without limitation, any sums due resulting from the provisions of Article 5 hereof. All such amounts and charges shall be payable to Landlord in accordance with Section 4.3 hereof. Landlord shall have the same remedies for a default in the payment of Additional Rent as for a default in the payment of Annual Base Rent. The term " **Rent** " as used in this Lease shall mean the Annual Base Rent and the Additional Rent.

4.3 **Place of Payment** . The Annual Base Rent and all other sums payable to Landlord under this Lease shall be paid to Landlord at the following address:

KBSIII CrossPoint at Valley Forge Trust
CL 500054
PO Box 5007
Merrifield, VA 22116-5007

, or at such other place as Landlord shall designate in writing to Tenant from time to time.

4.4 **Terms of Payment** . Tenant shall pay to Landlord all Annual Base Rent as provided in Section 4.1 above and Tenant shall pay all Additional Rent payable under Article 5 and Article 6 on the terms provided therein. Except as provided in the immediately preceding

sentence and as may otherwise be expressly provided by the terms of this Lease, Tenant shall pay to Landlord, within ten (10) days after delivery by Landlord to Tenant of bills or statements therefor: (a) sums equal to all expenditures made and monetary obligations incurred by Landlord in accordance with the terms of this Lease for Tenant's account; and (b) all other sums of money accruing from Tenant to Landlord in accordance with the terms of this Lease.

4.5 **Late Charges**. If Tenant shall fail to pay any Rent within five (5) days after the date same is due and payable or if any check received by Landlord from Tenant shall be dishonored, Tenant agrees that Landlord's actual damages resulting therefrom are difficult to fix or ascertain. As a result, Tenant shall pay to Landlord (a) an administrative fee equal to five percent (5%) per month on the amount due, and (b) interest on the amount due from its due date until paid at the lesser of eighteen percent (18%) per annum or the maximum legal rate that Landlord may charge Tenant. Such charges shall be paid to Landlord together with such unpaid amounts as an administrative fee to compensate Landlord for administrative expenses and its cost of funds.

4.6 [Intentionally omitted.]

4.7 [Intentionally omitted.]

4.8 **Independence of Covenants**. Landlord's and Tenant's covenants herein are independent and, without limiting the generality of the foregoing, Tenant acknowledges that its covenant to pay Base Rent and Additional Rent hereunder is independent of Landlord's obligations hereunder, and that in the event that Tenant shall have a claim against Landlord, Tenant shall not have the right to deduct the amount allegedly owed to Tenant from any Base Rent or Additional Rent due hereunder, it being understood that Tenant's sole remedy for recovering upon such claim shall be to bring an independent legal action against Landlord.

ARTICLE 5 ADDITIONAL RENT FOR ESCALATIONS IN REAL ESTATE TAXES AND OPERATING EXPENSES

5.1 **Definitions**. Annual Base Rent does not anticipate any increase in the amount of taxes on the Property, or in the cost of the operation and maintenance thereof. In order that the Rent payable hereunder shall reflect any such increases, Tenant agrees to pay as Additional Rent, an amount calculated as hereinafter set forth. For purposes of this Article 5, the following definitions shall apply:

" **Tax Year** ": Each calendar year occurring during the Term.

" **Base Tax Year** ": Calendar year 2017.

" **Base Taxes** ": The amount of Taxes payable with respect to the Property during the Base Tax Year, giving full effect to any revaluation.

" **Tax Increases** ": Attributable to a Tax Year, shall mean the excess, if any, of the Taxes payable during such Tax Year over the Base Taxes.

" **Taxes** ": All taxes, assessments and charges of every kind and nature levied, assessed or imposed at any time by any governmental authority upon or against the Property or any improvements, fixtures and equipment of Landlord used in the operation thereof whether such taxes and assessments are general or special, ordinary or extraordinary, foreseen or unforeseen in respect of each Tax Year falling wholly or partially within the Term. Taxes shall include, without limitation, all general real property taxes and general and special assessments, charges, fees or assessments for all governmental services or purported benefits to the Property, service payments in lieu of taxes, all business privilege taxes, and any tax, fee or excise on the act of entering into this Lease or any other lease of space in the Building, or on the use or occupancy of the Building or any part thereof, or on the rent payable under any lease or in connection with the business of renting space under any lease or in connection with the business of renting space in the Building, that are now or hereafter levied or assessed against Landlord by the United States of America, the Commonwealth of Pennsylvania, or any political subdivision, public corporation, district or other political or public entity, including legal fees, experts' and other witnesses' fees, costs and disbursements incurred in connection with proceedings to contest, determine or reduce Taxes. Taxes shall also include any other tax, fee or other excise, however described, that may be levied or assessed as a substitute for, or as an addition to, in whole or in part, any other Taxes (including, without limitation, any municipal income tax) and any license fees, tax measured or imposed upon rents, or other tax or charge upon Landlord's business of leasing the Building, whether or not now customary or in the contemplation of the parties on the date of this Lease. Taxes shall not include: (a) franchise, transfer, gift, excise, capital stock, estate, succession and inheritance taxes, and federal and state income taxes measured by the net income of Landlord from all sources, unless due to a change in the method of taxation such tax is levied or assessed against Landlord as a substitute for, or as an addition to, in whole or in part, any other Tax that would constitute a Tax; or (b) penalties or interest for late payment of Taxes.

" **Base Expense Year** ": The calendar year 2017.

" **Expense Year** ": The first and full calendar year following the Base Expense Year and each calendar year thereafter.

" **Base Expenses** ": The Operating Expenses for the Base Expense Year equitably adjusted to the amount such Operating Expenses would have been if ninety-five percent (95%) of the rentable area in the Building had been occupied during the Base Expense Year if there is less than ninety-five percent (95%) occupancy in the Base Expense Year. Only those component expenses that are affected by variation in occupancy levels shall be "grossed-up." For purposes of determining Tenant's Share of Expense Increases, the Base Expenses shall be deemed to have been incurred by Landlord during the Base Expense Year.

" **Expense Increases** ": Attributable to an Expense Year, shall mean the excess, if any, of the Operating Expenses paid or incurred during such Expense Year equitably adjusted, if less than ninety-five percent (95%) occupancy, to the amount such Operating Expenses would have been if ninety-five percent (95%) of the rentable area in the Building had been occupied

during the Expense Year over the Base Expenses. Only those component expenses that are affected by variation in occupancy levels shall be "grossed-up".

" **Operating Expenses** ": All costs and expenses (and taxes, if any, thereon) paid or incurred on behalf of Landlord (whether directly or through independent contractors) in connection with the ownership, management, operation, maintenance and repair of the Building and Common Areas (including any sales or other taxes thereon) during the Term as a first class office building, including, without limitation:

(a) supplies, materials and equipment purchased or rented, total wage and salary costs paid to, and all contract payments made on account of, all persons to the extent engaged in the operation, maintenance, security, cleaning and repair of the Property at or below the level of building manager (including the amount of any taxes, social security taxes, unemployment insurance contributions, union benefits) and any on-site employees of Landlord's property management agent;

(b) the maintenance, repair and replacement of building systems, including heating, ventilating, air conditioning, plumbing, electrical, mechanical, sewer, fire detection, sprinkler, life safety and security systems, telecommunications facilities, elevators and escalators, exterior windows and doors, tenant directories, emergency generator, and other equipment used in common by, or for the benefit of, occupants of the Building including such repairs and replacements as may be necessary to maintain the same in proper working order and in compliance with all applicable laws and industry performance standards;

(c) charges of contractors for services and facilities otherwise includable in Operating Expenses, including security, trash removal, cleaning, janitorial, window washing, snow and ice removal, exterior and interior landscaping, the maintenance and repair of the parking facilities, roadways and light poles;

(d) the cost of utility services for the Property, including, without limitation, water, sanitary sewer, electricity, gas, fuel oil, steam, chilled water; but excluding electricity supplied to the Premises and billed to Tenant pursuant to Section 5.4 and electricity used by other tenants of the Building within their leased space and billed directly to such tenants;

(e) the premiums for fire, extended coverage, loss of rents, boiler, machinery, sprinkler, public liability, property damage, earthquake, flood, and other insurance relative to the Property and the operation and maintenance thereof (including the fitness center described below) and unreimbursed costs incurred by Landlord that are subject to an insurance deductible;

(f) the operation and maintenance of the Building's amenities such as a cafeteria (or other food service facility), fitness center and conference center, if

any, including, without limitation, the cost of utilities, repairs and insurance with respect to such amenities;

(g) the cost of capital items incurred with respect to the ownership, operation, maintenance and repair of the Property for repairs, alterations, installations, improvements and additions amortized over the reasonable life of the capital items as determined in the reasonable judgment of Landlord's accountant in accordance with real estate accounting principles consistently applied together with interest at the greater of twelve percent (12%) per annum or Landlord's borrowing rate for such capital items on the unamortized balance of the cost of the capital item and the installation thereof [that are made to the Property by Landlord in order to: (i) maintain the Building and Building systems in proper working order and in compliance with applicable laws and performance standards, (ii) reduce (or avoid an increase in) operation or maintenance expenses with respect to the Property, (iii) comply with laws, regulations or orders of any governmental or quasi-governmental authority, agency or department which were enacted or became effective after the date hereof, or (iv) comply with the requirements of Landlord's insurers];

(h) office costs of administration; legal and accounting fees and other expenses of maintaining and auditing Property accounting records and preparing Landlord's Statements (hereinafter defined);

(i) fees for management services whether rendered by Landlord (or affiliate) or a third party property manager in an amount not to exceed the rate of five percent (5%) of Rents charged to Building tenants; and

(j) Condominium "Common Expenses" (as defined in the Declaration) allocated to the Building pursuant to the Declaration.

Operating Expenses shall not include: (1) utility expenses that are separately metered for any individual tenant in the Building; (2) any expense for which Landlord is reimbursed by a specific tenant by reason of a special agreement or requirement of the occupancy of the Building by such tenant; (3) expenses for services provided by Landlord for the exclusive benefit of a given tenant or tenants for which Landlord is directly reimbursed by such tenant or tenants; (4) all costs, fees and disbursements relating to activities for the solicitation, negotiation and execution of leases for space in the Building (including but not limited to advertising costs, leasing commissions and attorneys' fees therefor); (5) the costs of alterations to, or the decorating or the redecorating of, space in the Building leased to other tenants; (6) except as stated in subparagraph (h) of the definition of Operating Expenses, the costs associated with the operation of the business of the ownership or entity which constitutes "Landlord", including costs of selling, syndicating, financing or mortgaging any of Landlord's interest in the Property; (7) rentals payable under any ground or underlying lease, if any; (8) depreciation, interest and principal payments on mortgages and other debt costs, if any; (9) repairs or other work required due to fire or other casualty to the extent of insurance proceeds actually received by Landlord; (10) costs to correct any defects in the original construction of the Building; (11)

capital expenses for items that are not included in the definition of "Operating Expenses;" (12) payments to affiliates of Landlord (excluding property management fees) but only to the extent that they exceed market charges; (13) any item for which Landlord is actually compensated through proceeds of insurance; (14) attorney's fees and disbursements incurred (i) in connection with any mortgaging, financing, refinancing, sale, or entering into or extending or modifying any ground or underlying lease, or (ii) the resolution of disputes with other tenants or occupants of the Building unless legal fees for enforcement of space leases or other use agreements affects Tenant's or any other tenant's use or occupancy or enjoyment of the Building, the Premises or the space occupied by such other tenant; (15) any item for which Landlord is actually compensated through warranties or is actually compensated for by tenants (excluding, however, any reimbursement pursuant to additional rent or rent escalation provisions in the nature of this Section 5.1); (16) any cost incurred by Landlord, to the extent Landlord is entitled to specific reimbursement therefor by Tenant or any tenant or other occupant of the Building (excluding, however, any reimbursement from Tenant or any tenant pursuant to additional rent or rent escalation provisions in the nature of this Section 5.1); (17) leasehold improvements made for tenants of the Building or made in order to prepare for occupancy by a new tenant and work concessions or allowances given to tenants; (18) the amount of any fine or penalty paid by Landlord due to Landlord’s violation of any legal requirement; (19) costs incurred by Landlord to the extent resulting from Landlord’s breach of a lease in the Building; (20) rent concessions and take-over allowances paid to other tenants; (21) except as expressly provided for in this Lease, depreciation of the Building and equipment located therein; (22) the cost of works of art of the quality and nature of fine art as opposed to decorative artwork customarily found in first-class office buildings; (23) the cost of removing, encapsulating or otherwise abating from or in the Building any asbestos or other asbestos containing material or other hazardous material; (24) the cost of performing work or furnishing services for any tenant at Landlord’s expense, and not at such tenant's expense, to the extent that such work or service is in excess of any work or service Landlord is obligated to furnish to or for Tenant at Landlord’s expense; (25) expenses in connection with services or other benefits provided to other tenants that are not provided to Tenant; (26) Taxes; (27) franchise, mortgage, gross receipts, personal properly, income, transfer, gains inheritance, sales, estate and gift taxes imposed on Landlord; (28) auditing fees, other than reasonably those incurred in connection with the maintenance and operation of the Building or in connection with the preparation of any statements required pursuant to the provisions of this Lease and any other leases or use agreements; (29) Landlord's general overhead and any other expenses not directly attributable to the operation and management of the Building and the Property (e.g., the activities of Landlord's officers and executives or professional development expenditures), except to the extent included in the management fee permitted hereby or where the services provided are the same as those customarily provided by third parties, including accounting; (30) political or charitable contributions; (31) to the extent any costs includible in Operating Expenses are incurred with respect to both the Building and other properties (including, without limitation, salaries, fringe benefits and other compensation of Landlord’s personnel who provide services to both the Building and other properties), there shall be excluded from Operating Expenses a fair and reasonable percentage thereof which is properly allocable to such other properties; (32) the cost of initially installing the Building Amenities, if any (provided, however, the cost of operating and maintaining the Building Amenities shall not be excluded); (33) the cost of initially installing any specialty service such as an observatory,

luncheon or other restaurant club or athletic or recreational club, if any (provided, however, the cost of operating and maintaining said specialty services shall not be excluded); (34) all costs associated with selling or hypothecating any of Landlord's interests in the Building; and (35) leased items which, if purchased, would be treated as capital expenses not included in the definition of "Operating Expenses" above.

" **Tenant's Share** ": Tenant's Share shall be a fraction, the numerator of which shall be the rentable area of the Premises and the denominator of which shall be the rentable area of the Building. On the Commencement Date the Tenant's Share is 0.88%. At Landlord's sole option, the Tenant's Share shall be recalculated from time to time in the event that there shall be a change in the rentable area of either the Premises or the Building.

" **Landlord's Statement** ": An instrument containing a computation of any Additional Rent due pursuant to the provisions of this Article 5 .

5.2 **Payment of Taxes** . Tenant shall pay, as Additional Rent, Tenant's Share of all Taxes payable in respect of any Tax Year falling wholly or partially within the Term, to the extent that Taxes for any such period shall exceed the Base Taxes (which payment shall be adjusted by proration with respect to any partial Tax Year). Within a reasonable period after the issuance by Tredyffrin Township, Chester County, and/or other applicable governmental authority of the bill for Taxes, Landlord shall submit to Tenant a copy of such bill, together with Landlord's Statement and Tenant shall pay the Additional Rent set forth on such Landlord's Statement (less the amount of estimated payments paid by Tenant on account thereof) as set forth herein. Landlord, at its option, may require Tenant to make monthly payments on account of Tenant's Share of Tax Increases for Tax Years following the Base Tax Year. The monthly payments shall be one twelfth (1/12th) of the amount of Tenant's Share of Tax Increases and shall be payable on or before the first day of each month during the Term, in advance, in an amount estimated by Landlord and billed by Landlord to Tenant; provided , that , Landlord shall have the right initially to determine such monthly estimates and to revise such estimates from time to time.

5.3 **Payment of Operating Expenses** . Tenant shall pay to Landlord, as Additional Rent, Tenant's Share of all Operating Expenses in respect of each Expense Year to the extent Operating Expenses for each such Expense Year shall exceed Base Expenses. Tenant shall pay a sum equal to one twelfth (1/12) of the amount of Tenant's Share of Expense Increases for each Expense Year on or before the first day of each month of such Expense Year, in advance, in an amount estimated by Landlord and billed by Landlord to Tenant; provided , that , Landlord shall have the right initially to determine such monthly estimates and to revise such estimates from time to time. After the expiration of the Base Expense Year and each Expense Year, Landlord shall prepare and furnish Tenant with Landlord's Statement showing the Base Expenses or the Operating Expenses incurred during such Expense Year. Within thirty (30) days after receipt of Landlord's Statement for any Expense Year setting forth Tenant's Share of any Expense Increase attributable to such Expense Year, Tenant shall pay Tenant's Share of such Expense Increase (less the amount of estimated payments paid by Tenant on account thereof) to Landlord as Additional Rent. If Landlord's Statement shows that the estimated Expense Increases paid by Tenant exceed the actual Expense Increases for such Expense Year, Landlord shall, at Landlord's election, either

(i) reimburse Tenant for the amount so overpaid by Tenant within thirty (30) days after the issuance of Landlord's Statement, or (ii) credit such amount against Tenant's estimated Expense Increases payments next coming due (except at the end of the Term, in which case alternative (i) shall be implemented).

5.4 **Payment of Electric Expense** . (i) Tenant shall pay for the full cost (the " **Electric Expense** ") of the electric energy consumed within the Premises for convenience outlets, lighting fixtures, any supplemental HVAC equipment, any rooftop HVAC equipment or High Usage Equipment (hereinafter defined) exclusively serving the Premises (excluding electricity for base building HVAC which is included in Operating Expenses) as reasonably determined by Landlord from time to time based upon the measurement of such use by a submeter in the Premises installed by Landlord on or prior to the Commencement Date at Landlord's expense. Tenant shall be responsible for the maintenance of the submeter throughout the Term. During the Term, Tenant's rate of payment shall increase from time to time based upon the increases in rate charged by the utility company to the Landlord; and Landlord shall have the right to issue supplemental billing to Tenant from time to time for its Electric Expense to account for such increases. The Electric Expense payable in respect of the Premises shall constitute Additional Rent under this Lease (but shall not be included as an Operating Expense), and shall be due and payable monthly in arrears on the first day of each calendar month during the Term.

(i) In addition, Tenant agrees to pay as Additional Rent (but not part of Operating Expenses) Tenant's Share of all charges for electricity used for Common Areas at the Property (the " **Common Areas Electric Expense** ") and not within tenantable areas of the Building based upon the metered or submetered usage. In no event will the charges under Section 5.4(i) or under this Section 5.4(ii), as the case may be, duplicate any charges under any other provision. Tenant shall be charged for such electricity at the rate Landlord is charged for same without mark-up or fee, and Tenant acknowledges that the rate charged to Tenant may be an average of the rates charged by the electricity provider as the rate charged for electricity supplied to the Property varies depending on service and hours of consumption. The Common Areas Electric Expense shall constitute Additional Rent under this Lease (but shall not be included as an Operating Expense), and shall be due and payable monthly in arrears on the first day of each calendar month during the Term.

5.5 **Landlord's Statements** .

5.5.1 Landlord's Statements and Tenant's Inspection Rights . Landlord will deliver Landlord's Statements to Tenant during the Term. Landlord's delay or failure to render Landlord's Statement with respect to the Base Expense Year, any Expense Year or any Tax Year beyond a date specified herein shall not prejudice Landlord's right to render a Landlord's Statement with respect to that or any subsequent Expense Year or subsequent Tax Year. The obligations of Landlord and Tenant under the provisions of this Article with respect to any Additional Rent incurred during the Term shall survive the expiration or any sooner termination of the Term. If Landlord fails to give Tenant a statement of projected Operating Expenses prior to the commencement of any Expense Year,

Tenant shall continue to pay Operating Expenses in accordance with the previous statement, until Tenant receives a new statement from Landlord.

5.5.2 Tenant Inspection Rights. During the sixty (60)-day period after receipt of any Landlord's Statement (the "Review Period"), Tenant may inspect and audit Landlord's records relevant to the cost and expense items reflected in such Landlord's Statement (a "Tenant Audit") at a reasonable time mutually agreeable to Landlord and Tenant during Landlord's usual business hours. Each Landlord's Statement shall be conclusive and binding upon Tenant unless within sixty (60) days after receipt of such Landlord's Statement Tenant shall notify Landlord in writing that it disputes the correctness of Landlord's Statement, specifying the respects in which Landlord's Statement is claimed to be incorrect. Tenant's right to conduct any Tenant Audit shall be conditioned upon the following: (a) no Event of Default shall be ongoing at the time that Tenant seeks to conduct the Tenant Audit; (b) in no event shall any Tenant Audit be performed by a firm retained on a "contingency fee" basis; (c) the Tenant Audit shall be concluded no later than thirty (30) days after the end of the Review Period; (d) any Tenant Audit shall not unreasonably interfere with the conduct of Landlord's business; (e) Tenant and its accounting firm shall treat any information gained in the course of any Tenant Audit in a confidential manner and shall each execute Landlord's confidentiality agreement for Landlord's benefit prior to commencing any Tenant Audit; (f) Tenant's accounting firm's audit report shall, at no charge to Landlord, be submitted in draft form for Landlord's review and comment before the final approved audit report is delivered to Landlord, and Landlord shall have the right to point out errors or make suggestions with respect to such audit report, and any appropriate comments or clarifications by Landlord which are accepted by Tenant's auditor shall be incorporated into the final audit report, it being the intention of the parties that Landlord's right to review is intended to prevent errors and avoid the dispute resolution mechanism set forth below (if any) and not to unduly influence Tenant's auditor in the preparation of the final audit report; (g) Tenant shall only be able to conduct one (1) Tenant Audit during the Term; and (h) the Tenant Audit shall be conducted by Tenant at its sole cost and expense unless the results of such Tenant Audit show that Landlord's Statement overstated the amount of Operating Expenses owed by Tenant for the relevant billing period by more than five percent (5%) in which case Landlord shall be responsible for payment of such costs and expenses up to a maximum of $2,500.00 per each Tenant Audit. If Tenant makes a timely exception within the Review Period, Tenant shall nonetheless pay the amount shown on the Landlord's Statement in the manner prescribed in this Lease, without any prejudice to such exception, and any overpayments identified during any Tenant Audit, if any, shall be applied as a credit against the amount of Additional Rent owed by Tenant immediately following the Tenant Audit.

5.6 **Adjustments**. If the actual amount of Tenant's Share of the Expense Increases for any Expense Year or Tenant's Share of Tax Increases for any Tax Year exceeds the estimated

amount thereof paid by Tenant for such Expense Year or Tax Year, then Tenant shall pay to Landlord the difference between the estimated amount paid by Tenant and the actual amount of such Additional Rent payable by Tenant. This Additional Rent payment shall be due and payable within thirty (30) days following delivery of Landlord's Statement. If the total amount of estimated payments made by Tenant in respect of Tenant's Share of Expense Increases for such Expense Year or Tenant's Share of Tax Increases for any Tax Year shall exceed the actual amount of such Additional Rent payable by Tenant, then such excess amount shall be credited against the monthly installments of Additional Rent due and payable from Tenant to Landlord hereunder until such amount shall have been refunded in full to Tenant. Any excess payments made by Tenant during the Term that have not been so applied and are outstanding at the end of the Term shall be paid to Tenant promptly following delivery of Landlord's Statement for the final Expense Year and final Tax Year, as applicable. Even though the Term has expired and Tenant has vacated the Premises, when final determination is made of Tenant's Share of Expense Increases or Tax Increases for the year in which this Lease terminates, Tenant shall pay any increase due over the estimated Expense Increases or Tax Increases paid within fifteen (15) days after Landlord's delivery of Landlord's Statement therefor. Without limitation of other obligations of Tenant which shall survive the expiration of the Term, the obligation of Tenant to pay adjustments provided for in this Section 5.6 accruing during the Term shall survive the expiration or termination of this Lease.

ARTICLE 6 SERVICES AND UTILITIES

6.1 **Services** . Landlord shall provide the following services to the Building and Premises (subject to Tenant's reimbursement and payment obligations therefore in accordance with the operation of Article 5 hereof):

(a) Janitor services in and about the Premises in accordance with the cleaning specifications set forth in Exhibit D , Saturdays, Sundays and union and state and federal government holidays (the " **Holidays** ") excepted. Tenant shall not provide any janitor service without Landlord's written consent. If Landlord's consent is given, such janitor services shall be subject to Landlord's supervision and control, but shall be performed at Tenant's sole cost and responsibility.

(b) Heat and air conditioning as required to maintain comfortable temperature (excluding specialized temperature and humidity control for computers, printers and other equipment) daily from 7:00 a.m. to 6:00 p.m. Monday through Friday, Saturdays from 8:00 a.m. to 1:00 p.m. (" **Normal Business Hours** "), the remainder of Saturdays, Sundays and Holidays excepted, consistent with such service typical of comparable first class buildings in the greater King of Prussia/Wayne submarket (the " **Submarket** ").

(c) Hot and cold running water for cleaning, landscaping, grounds maintenance, fire protection, drinking, lavatory and toilet purposes drawn through fixtures installed by Landlord or by Tenant with Landlord's written consent. If Tenant's water use increases beyond customary office user levels, Landlord shall have the right to install a water meter at Tenant's expense and to charge Tenant as Additional Rent for its water consumption in the Premises in accordance with readings from such meter.

(d) Electric current from providers selected by Landlord, in amounts required for normal lighting by building standard lighting overhead fixtures and for Tenant's normal business operations, including without limitation, personal computers, copiers, facsimiles and other ordinary business equipment, subject , however , to Landlord's approval of Tenant's final electrical plan for the Premises (but specifically excluding electric current surge protection). Landlord shall not be obligated to provide such electrical energy in any amount in excess of six (6) watts of connected load per rentable square foot of the Premises (exclusive of HVAC). Tenant's use of electric current in the Premises shall not at any time exceed the capacity of any of the electrical conductors and facilities in or otherwise serving the Premises.

(e) Maintenance of the Common Areas so that they are clean and free from accumulations of snow, debris, rubbish and garbage.

(f) Access by Tenant to the Premises and use of designated elevator service twenty-four (24) hours per day, seven (7) days per week, fifty-two (52) weeks per year, subject to events of fire and casualty, condemnation and force majeure, and further subject to the operation of Landlord's computerized access system at the Building's entrances and to Landlord's Rules and Regulations. Overtime HVAC and other services shall be available as provided in Section 6.2 hereof.

Landlord shall have the right to select the utility providers and Tenant shall pay all actual costs associated with obtaining the utility service as provided in Article 5 hereof. Landlord agrees to furnish or cause to be furnished to the Premises the utilities and services described herein, subject to the conditions and in accordance with the standards set forth herein. Landlord's failure to furnish any of such services when such failure is caused by accidents, the making of repairs, alterations or improvements, labor difficulties, difficulty in obtaining adequate supply of fuel, electricity, steam, water or other service or supplies from the sources from which they are usually obtained for the Building, or governmental constraints or any other cause beyond Landlord's reasonable control, shall not result in any liability to Landlord. Tenant shall not be entitled to any abatement or reduction of rent by reason of such failure, no eviction of Tenant shall result from such failure and Tenant shall not be relieved from the performance of any covenant or agreement in this Lease. In the event of any failure, stoppage or interruption thereof, Landlord shall diligently attempt to resume service promptly.

Notwithstanding anything to the foregoing, provided Tenant is not in default of this Lease (beyond the expiration of any applicable notice or cure period which may be expressly provided for herein), if there is a failure by Landlord to furnish any service necessary for the occupancy of the Premises and required to be provided by Landlord pursuant to this Section 6.1 (and no reasonably equivalent alternative service or supply is provided by Landlord) (collectively, "Essential Services"), and Tenant is prevented thereby from using the entire Premises or a Material Portion (hereafter defined) thereof and conducting its business operations for longer than fifteen (15) consecutive Business Days in the entire Premises or such Material Portion, Tenant shall be entitled to an abatement of Base Rent and Additional Rent for Tenant's Share of increases in Operating Expenses and Taxes of one (1) day for each day such Essential Service interruption continues beyond such fifteen (15) consecutive Business Days period; provided, that to the extent such failure relates to a Material Portion of the Premises, such abatement of Base Rent and Additional Rent for Tenant's Share of increases in Operating Expenses and Taxes shall be in an amount bearing the same ratio that the Material Portion of the Premises bears to the entire Premises. As used herein, the term " **Material Portion** " means twenty-five percent (25%) or more of the rentable square feet of the Premises. Tenant's right to a rent abatement as set forth in this Subparagraph shall be Tenant's sole and exclusive remedy under this Lease, at law or equity, or otherwise, for any Landlord's failure to provide the aforesaid Essential Services in the condition required by this Lease. Except as may be otherwise expressly provided for herein, the exercise of any such right or the occurrence of any such failure by Landlord shall not (a) constitute an actual or constructive eviction, in whole or in part, (b) entitle Tenant to any compensation or diminution of Base Rent or Additional Rent, (c) relieve Tenant from any of its obligations under the Lease except as otherwise provided herein or (d) impose any liability upon Landlord by reason of inconvenience to Tenant, or interruption of Tenant's business, or otherwise.

6.2 **Additional Services** . Landlord shall impose reasonable charges and may establish reasonable rules and regulations for the following: (a) the use of any heating, air conditioning, ventilation, electric current or other utility services or equipment by Tenant after Normal Business Hours (" **Overtime HVAC** "); (b) the use or consumption of any other building services, supplies or utilities after Normal Business Hours and any unanticipated, additional costs incurred by Landlord to operate the Building after Normal Business Hours as a result thereof; (c) additional or unusual janitorial services required because of any non building standard improvements in the Premises, the carelessness of Tenant, or the nature of Tenant's business (including the operation of Tenant's business after Normal Business Hours); and (d) the removal of any refuse and rubbish from the Premises, except for discarded material placed in wastepaper baskets and left for emptying as an incident to Landlord's normal cleaning of the Premises in accordance with Exhibit D . The expense charged by Landlord to Tenant for any Overtime HVAC shall be based on Landlord's actual cost for such utility services as charged to Landlord by the utility companies providing such services. This amount shall constitute Additional Rent and shall be payable in accordance with Section 4.4 .

6.3 **Excessive Current** .

6.3.1 Prohibited Activities . Tenant shall comply with the conditions of occupancy and connected electrical load reasonably established by Landlord for the Building and Tenant shall not use utilities or other services in excess of the services described above in Section 6.1 or in a manner which exceeds or interferes with any Building systems or service equipment or Landlord's ability to provide services to other tenants in the Building. Tenant shall not, without Landlord's prior consent in each instance, connect air conditioning equipment, computers, (excluding personal computers and printers and office copiers and facsimile machines), major appliances (excluding coffee makers, microwave ovens and other similar food preparation appliances) or heavy duty equipment (" **High Usage Equipment** ") to the Building's electrical system. Tenant covenants that at no time shall the use of electrical energy in the Premises exceed the capacity of the existing feeders or wiring installations then serving the Premises. Tenant shall not, without prior consent of Landlord in each instance, make or perform, or permit the making or performing of, any alteration to wiring installations or other electrical facilities in or serving the Premises or any additions to the electrical fixtures, machines, equipment or other appliances in the Premises which utilize electrical energy.

6.3.2 Landlord's Right to Survey Usage . Landlord may survey Tenant's use of services from time to time. Tenant shall pay Landlord all costs arising out of any excess use or other connection of High Usage Equipment, including the cost of all repairs and alterations to the Building's mechanical and electrical systems (including the installation of meters) and the cost of additional electricity made available to Tenant, if any. Such costs shall constitute Additional Rent and Tenant shall pay such costs pursuant to Section 4.4 .

6.4 **Maintenance of Common Areas** . The manner in which the Building Common Areas are maintained and operated and the expenditures therefore shall be at the sole discretion of Landlord and in accordance with the standards of comparable first class buildings in the Submarket. The manner in which the Condominium Common Areas are maintained and operated and the expenditures therefor shall be at the sole discretion of the Association and in accordance with the standards of comparable first class office parks in the Submarket. Landlord (with respect to the Building) and the Association (with respect to the Condominium) reserves the right from time to time to (a) make changes in the shape, size, location and appearance of the land and improvements which constitute the Common Areas, provided that Landlord shall not materially impair the Tenant's ability to operate its business, except temporary impairments required by said changes; (b) make such improvements, alterations and repairs to the Common Areas as may be required by governmental authorities or by utility companies servicing the Building; (c) construct, maintain and operate lighting and other facilities on all said areas and improvements; (d) grant exclusive parking rights to Building tenants; and (e) to add or remove improvements and facilities to or from the Common Areas. The use of the Building Common Areas shall be subject to such reasonable regulations and changes therein as Landlord shall make from time to time, including (but not by way of limitation) the right to close from time to time, if

necessary, all or any portion of the Common Areas to such extent as may be legally sufficient, in the opinion of Landlord's counsel, to prevent a dedication thereof or the accrual of rights of any person or of the public therein; provided , however , Landlord shall do so at such times and in such manner as shall minimize any disruption to Tenant to the extent reasonably possible.

6.5 **Access to Premises** .

6.5.1 Landlord's Right of Entry . Landlord shall have the right to enter the Premises without abatement of Rent at all reasonable times upon reasonable prior notice to Tenant (except in emergencies when no advance notice shall be required), (a) to supply any service to be provided by Landlord to Tenant hereunder, (b) to show the Premises to Landlord's Mortgagee (as such term is defined in Section 14.1 hereof) and to prospective purchasers, mortgagees and tenants, (c) to inspect, alter, improve or repair the Premises and any portion of the Building, and (d) to introduce conduits, risers, pipes and ducts to and through the Premises, provided that in exercising any such right, Landlord will cause all such conduits, risers, pipes and ducts to be placed above dropped ceilings, within walls, or below floors or in closets, to the extent reasonably practicable. In conducting any such activities, Landlord shall use commercially reasonable efforts not to disrupt the conduct of Tenant's business operations.

6.5.2 Tenant's Keys . For each of the purposes stated above in this Section 6.5 , Landlord shall at all times have and retain a key with which to unlock all of the doors in, upon and about the Premises, excluding Tenant's vaults and safes (if any), or special security areas, and Landlord shall have the right to use any and all means that Landlord may deem necessary or proper to open said doors in an emergency, in order to obtain entry to any portion of the Premises.

6.6 **Building Amenities** . The Building may contain a fitness center (the " **Fitness Center** "), a cafeteria, and/or a conference center (the " **Conference Center** ") (if applicable, collectively, the " **Building Amenities** "), each of which will be operated and maintained by the Landlord (or an operator selected by the Landlord). The Building Amenities, if any, may not be available from time to time due to construction activities, repairs, maintenance or alterations, or a change in the managing or operating company hired by Landlord, and Landlord reserves the right to change the use of such facilities if the same is uneconomic or insufficiently used by Building tenants in which case such facilities shall be subject to discontinuance and removal by Landlord, as determined by Landlord in its sole discretion. Landlord agrees to make the Fitness Center and Conference Center (and each of its facilities and equipment), if any, available to Tenant's employees on a direct, non-exclusive basis subject to (a) the rules and Landlord's Rules and Regulations regarding the use thereof as the same are published in the applicable space and/or otherwise disseminated among Building tenants; (b) payment of a monthly or other periodic user fee; and (c) execution of a waiver of liability and indemnity agreement for Landlord's benefit in form and substance satisfactory to Landlord prior to such person's use of the relevant Building Amenity.

ARTICLE 7 CONDUCT OF BUSINESS BY TENANT; SIGNS; RIGHT TO RELOCATE TENANT

7.1 **Permitted Use** . The Premises shall be used and occupied for general office purposes only (the " **Permitted Use** "). Tenant shall not use or occupy, or permit the use or occupancy of, the Premises or any part thereof for any use other than the Permitted Use specifically set forth above or in any illegal manner, or in any manner that, in Landlord's judgment, would adversely affect or interfere with any services required to be furnished by Landlord to Tenant or to any other tenant or occupant of the Building, or with the proper and economical rendition of any such service, or with the use and enjoyment of any part of the Building by any other tenant or occupant. In no event shall the Permitted Use include any governmental, medical, clinical, retail and/or laboratory uses. Tenant agrees that it will not exceed the maximum floor bearing capacity for the Premises.

7.2 **Tenant's Personal Property** . Tenant shall be responsible for any ad valorem taxes on its personal property (whether owned or leased) and on the value of its leasehold improvements in the Premises (which are in excess of building standard improvements), and if the taxing authorities do not separately assess Tenant's leasehold improvements, Landlord may make a reasonable allocation of the impositions to such improvements and charge Tenant for the same as Additional Rent. Landlord does not waive any statutory liens and/or any rights of distress with respect to Tenant's personal property and trade fixtures. This Lease shall be deemed to grant a contractual lien to Landlord with respect to Tenant's personal property or trade fixtures.

7.3 **Compliance with Laws** .

7.3.1 Tenant's Compliance Obligations . Tenant, at Tenant's expense, shall comply promptly with the laws, ordinances, rules, regulations and orders of all governmental authorities in effect from time to time during the Term including, without limitation, the Americans with Disabilities Act (" **ADA** "), and all applicable federal, state and municipal building, zoning, fire, health, safety and environmental laws (the " **Applicable Laws** ") that shall impose any duty on Tenant with respect to Tenant's specific and particular use of the Premises or the occupancy or operation thereof. Tenant will obtain and maintain in full force and effect any and all licenses and permits necessary for its use, and agrees to deliver to Landlord, upon demand, copies of any and all such required licenses and permits. Tenant shall make any Alterations (in accordance with Article 8 hereof) in or to the Premises in order to comply with the foregoing, which are necessitated or occasioned, in whole or in part by the use or occupancy or manner of use, occupancy or operation of the Premises by Tenant or any of its officers, employees, agents, contractors, invitees, licensees or permitted subtenants (the " **Tenant Parties** "). Nothing contained herein shall obligate Tenant to make any repairs to a structural portion of the Building or the Premises, or repairs or modifications to any Building Systems (as hereinafter defined), unless as a result of any Applicable Laws applicable to Tenant's

specific and particular manner of use of the Premises as opposed to Applicable Laws applicable to the Premises, the Building or business offices generally, and all costs incurred by Landlord may be included in Operating Expenses, subject to the exclusions and deductions set forth in Article 5 hereof.

7.3.2 Landlord's Compliance Obligations . Landlord shall comply with all Applicable Laws in effect from time to time during the Term that shall impose any duty on Landlord with respect to the Building Common Areas, excluding any matters that are Tenant's responsibility under this Lease or the responsibility of other tenants of the Building. The Leasehold Improvements designed and constructed by Landlord will conform upon completion to all Applicable Laws, including, without limitation, the requirements of Title III of the ADA. Notwithstanding anything to the contrary contained herein, Tenant shall be responsible for legal compliance, including the requirements of the ADA, with respect to (a) any and all requirements on account of Tenant's use of, or operations in, the Premises, and (b) all Alterations designed or constructed by Tenant or its contractors or agents.

7.4 **Rules and Regulations** . Tenant shall observe and comply with the rules and regulations attached to this Lease as Exhibit E , and all reasonable modifications thereof and additions thereto from time to time put into effect by Landlord (the " **Rules and Regulations** "). Tenant shall not use or permit the use of the Premises in any manner that will create waste or a nuisance, or which shall tend to unreasonably disturb other tenants of the Building. Tenant shall also observe and comply with the Declaration, the bylaws and the rules and regulations of the Condominium, as the same may be amended from time to time.

7.5 **No Liens** . Tenant shall keep the Premises and Property free from any liens or encumbrances arising out of any work performed, material furnished or obligations incurred by or for Tenant or any person or entity claiming through or under Tenant. Any claim to, or lien upon, the Premises or the Building arising from any act or omission of Tenant shall accrue only against the leasehold estate of Tenant and shall be subject and subordinate to the paramount title and rights of Landlord in and to the Premises and the Property. If any mechanics' or other lien shall be filed against the Premises or the Property purporting to be for labor or material furnished or to be furnished at the request of the Tenant, then Tenant shall at its expense cause such lien to be discharged of record by payment, bond or otherwise, within thirty (30) days after the filing thereof.

7.6 **Hazardous Substances** .

7.6.1 Prohibition on Use; Remediation . Tenant shall not generate, store (except customary cleaning supplies maintained in small quantities and in a manner consistent with reasonable commercial office practices if stored, used and disposed of, in accordance with all Applicable Laws and the fire protection requirements of any Building insurers), dispose of or release, or permit the storage, use, disposal or release of, by parties claiming by, through, or under Tenant, any " **Hazardous Substances** " (as defined below), in, above, on or

under the Premises or the Property. Tenant shall promptly remove, clean up and remediate any Hazardous Substance on the Premises in accordance with Applicable Laws, provided that the presence of such Hazardous Substance resulted from the action or inaction of Tenant, or any Tenant Parties or other parties claiming by, through, or under Tenant; provided, however , Landlord reserves the right to notify Tenant that it will conduct the remediation and, in such case, Landlord shall remediate such condition and Tenant shall reimburse Landlord for all costs and expenses upon written demand by Landlord. Notwithstanding anything to the contrary contained in this Lease, Tenant shall have no responsibility whatsoever with respect to any Hazardous Substances in, above, on or under the Premises or the Property (a) that were first introduced to Premises or the Property in violation of Applicable Laws prior to the date of this Lease or (b) that were not introduced to the Premises or the Property by Tenant, any Tenant Parties, or any other parties claiming by, through or under Tenant.

7.6.2 Hazardous Substances . As used in this Lease, the term " **Hazardous Substances** " shall mean any material or substance that, whether by its nature or use, is now or hereafter defined as a hazardous waste, hazardous substance, hazardous material, hazardous chemical substance or mixture, pollutant or contaminant under the Comprehensive Environmental response Compensation and Liability Act, as amended (42 U.S.C. §9601 et seq .), Hazardous Materials Transportation Act, as amended (49 U.S.C. §1801 et seq .), the Resource Conservation and Recovery Act, as amended (42 U.S.C. §6901 et seq .), Toxic Substances Contract Act, as amended (15 U.S.C. §2601 et seq .), or which is now or hereafter regulated under any Applicable Laws, or which is or contains petroleum, gasoline, diesel fuel or another petroleum hydrocarbon product or material, or which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous.

7.7 **Signs** . Landlord (using "building standard materials") will place (a) an identification sign at the interior entrance to the Premises which is consistent with applicable Building standards promulgated by Landlord from time to time, and (b) a listing identifying Tenant in any multi-tenant Building lobby directory (if any). Tenant shall not place or erect any signs, monuments or other structures in or on the Building or Property. Tenant shall not place any signage on the exterior of the Premises nor on the inside of the Premises which are visible from the exterior of the Premises. Tenant shall pay for all costs to change signage as a result of a change in the name of the business occupying the Premises.

7.8 **Right to Relocate** . Landlord reserves the right to relocate the Premises, provided such relocation is to comparable office space within the Building. If Landlord exercises this right, it agrees to substitute for the Premises comparable office space within the Building subject to the following conditions: (a) Landlord shall have given Tenant written notice (the " **Relocation Notice** ") of the relocation identifying the location within the Building and dimensions of the new space to be made subject to this Lease (the " **Substitute Premises** ") together with a plan of such Substitute Premises; (b) the Substitute Premises shall be

substantially similar in area to the Premises initially leased to Tenant hereunder and shall be delivered with improvements of a similar standard and quantity as exists at the Premises at the Commencement Date (together with any approved Alterations constructed by Tenant); and (c) Landlord shall pay all of Tenant's reasonable costs and expenses directly incurred as a result of the relocation, including moving expenses in connection with the relocation and the cost of re-wiring and re-installing telephone machinery and equipment, which expenses shall be subject to Landlord's reasonable review prior to Tenant incurring any liability therefor. Tenant agrees to cooperate with Landlord so as to facilitate the prompt completion by Landlord of its obligations under this Section and the prompt surrender by Tenant of the Premises. Tenant shall vacate and surrender the Premises and shall occupy the Substitute Premises promptly (and, in any event, not later than thirty (30) days) after the work has been substantially completed in the Substitute Premises. Landlord and Tenant agree to execute a lease amendment within ten (10) days following delivery of the Relocation Notice to confirm the leasing of the Substitute Premises, and any corresponding changes relative to the Substitute Premises.

ARTICLE 8 ALTERATIONS AND IMPROVEMENTS

8.1 **Landlord's Obligations** . Landlord will maintain in good repair, reasonable wear and use, (except casualty and condemnation which shall be governed by Article 10 and Article 11 , respectively) (a) all structural components of the Building and Building Common Areas, including, without limitation, the roof structure, foundation, exterior and load bearing walls, the structural floor slabs; (b) the Building Systems (defined below in Subsection 8.3.1) serving the Building (excluding any Tenant installations, fixtures and supplemental HVAC units that are dedicated to Tenant's exclusive use). The cost of this maintenance and repair shall be included in Operating Expenses and shall be subject to reimbursement under Article 5 hereof to the extent provided therein. Maintenance and repair expenses caused by Tenant's willful misconduct or negligent acts or omissions shall be paid directly to Landlord by Tenant in accordance with Section 4.4 , and shall not constitute an Operating Expense.

8.2 **Tenant's Obligations** . Tenant shall take good care of the Premises, and at Tenant's cost and expense, shall make all repairs and replacements necessary to preserve the Premises in good working order and in a clean, safe and sanitary condition, and will suffer no waste. Tenant shall maintain, at its own expense, in good order, condition and repair to Landlord's reasonable satisfaction, all plumbing facilities and electrical fixtures and devices (including replacement of all lamps, starters and ballasts) located within the Premises. Tenant shall repair, at its cost, all deteriorations or damages to the Property and the Condominium Common Areas occasioned by its negligent acts or omissions or willful misconduct. If Tenant does not make any such repairs within twenty (20) days following notice from Landlord, Landlord may, but need not, make such repairs, and Tenant shall pay the cost thereof as provided in Section 8.7 hereof.

8.3 **Tenant's Alterations** .

8.3.1 Landlord's Consent to Alterations . Tenant shall not make or permit any improvements, installations, alterations or additions (" **Alterations** ") in or to the Premises, the Building or the Property that involve or affect the

structural portions of the Premises or the Building (the " **Building Structure** ") or any of the Building's HVAC, mechanical, electrical, telecommunications, cabling, plumbing or other systems or equipment (the " **Building Systems** ") or the interior walls or corridors within the Premises. Tenant may make Alterations to the Premises that do not involve or affect the Building Structure or the Building Systems, subject to Landlord's prior written consent. Landlord's prior written consent shall not be required for minor decorations in the Premises for which Tenant provides advance notice to Landlord and which do not exceed $10,000.00 in the aggregate on an annual basis. In connection with Landlord's or its agents or other professionals review, modification, approval, supervision or coordination of plans and specifications for any Alterations, Tenant shall promptly upon demand therefor reimburse Landlord or its agents or other professionals for any reasonable out of pocket fees, expenses and other charges actually incurred in connection with the review, modification, approval, supervision or coordination of such plans and specifications.

8.3.2 Construction Standards . All Alterations made by or on behalf of Tenant shall be made and performed: (a) by contractors or mechanics approved by Landlord, who shall carry liability insurance of a type and in such amounts as Landlord shall reasonably require, naming Landlord and Tenant as additional insureds, (b) in a good and workmanlike manner, (c) so that same shall be at least equal in quality, value, and utility to the original work or installation and shall be in conformity with Landlord's building standard specifications as set forth in Attachment A-1 attached to the Workletter and as the same may be amended by Landlord and in effect at such time, (d) in accordance with all Applicable Laws, and (e) pursuant to plans, drawings and specifications (" **Tenant's Plans** ") which have been reviewed and approved by Landlord prior to the commencement of the repairs or replacements and approved by, and filed with, all applicable governmental authorities (the " **Construction Standards** ").

8.4 **Tenant's Property** . All trade fixtures, furnishings, equipment and personal property placed in the Premises by Tenant and all computer, telecommunications or other cabling and wiring installed in the Premises or elsewhere in the Building by or for the benefit of Tenant (collectively, the " **Tenant's Property** ") shall be removed by Tenant at the expiration of the Term. Tenant shall, at its cost and expense, repair any damage to the Premises or the Building caused by such removal. Any of Tenant's Property not removed from the Premises prior to the Expiration Date shall, at Landlord's option, become the property of Landlord. Landlord may remove such Tenant's Property, and Tenant shall pay to Landlord, Landlord's cost of removal and of any repairs in connection therewith in accordance with Section 4.4 hereof.

8.5 **Ownership and Removal** . All additions, fixtures and improvements attached to or installed in or upon the Premises by Tenant or by Landlord shall be Landlord's property and shall remain upon the Premises at the termination of this Lease without compensation or allowance or credit to Tenant. Landlord may require at least ninety (90) days prior to the Expiration Date, or the sooner date of termination of this Lease, that Tenant, at Tenant's expense,

remove any of Tenant's Property or Specialty Alterations (hereinafter defined) which have been attached to or installed in the Premises, and if Tenant fails to do so, then Landlord may remove the same and, Tenant shall pay to Landlord the cost of such removal and of any repairs for any damage to the Premises or Building in connection therewith. Tenant may, in connection with the request for consent to any Alterations hereunder, request that Landlord provide written notice to Tenant in Landlord's consent to such applicable Alterations whether the same are Specialty Alterations. For purposes of this Lease, the term "Specialty Alterations" shall mean any antennas or satellite equipment, HVAC units and cooling towers/cells and any piping and equipment related to such HVAC units and/or towers/cells, batteries, power systems and upgrades, fuel tanks, generators, kitchens, private interior staircases, executive or private bathrooms, raised computer floors, vaults, any steel plates or reinforcement (including without limitation, in connection with libraries or file systems), slab cuts and coring, dumbwaiters, pneumatic tubes, horizontal transportation systems, and any other work or installations of a similar character to those enumerated in this sentence, and any equipment dedicated for Tenant's use outside of the Premises including, without limitation, any equipment or installations related thereto; provided that Tenant acknowledges and agrees that the enumeration and listing of the foregoing items shall not be deemed consent by Landlord to any such Specialty Alterations, any of which shall require the prior written of Landlord before any such installations or alterations by Tenant, such consent to be given or denied as provided in this Lease.

8.6 **Surrender**. Upon the expiration or sooner termination of the Term, Tenant will quietly and peacefully surrender to Landlord the Premises in as good condition as when Tenant took possession, ordinary wear and tear and damage by fire or other casualty excepted, and otherwise as is required in Article 8. In addition, at such time Tenant shall remove all Hazardous Substances stored, or disposed of, or generated by Tenant in its use or operation of the Premises and all equipment and materials contaminated or affected by such Hazardous Substances in conformity with the Hazardous Substance laws.

8.7 **Tenant's Failure to Maintain**. If Landlord gives Tenant written notice of the necessity of any repairs or replacements required to be made under Section 8.2 and Tenant fails to commence diligently to cure the same within twenty (20) days thereafter (except that no notice will be required in case of any emergency repair or replacement necessary to prevent substantial damage or deterioration), Landlord, at its option and in addition to any other remedies, may proceed to make such repairs or replacements and the expenses incurred by Landlord in connection therewith plus ten percent (10%) thereof for Landlord's supervision, shall be due and payable from Tenant in accordance with Section 4.4 hereof, as Additional Rent; provided, that, Landlord's making any such repairs or replacements shall not be deemed a waiver of Tenant's default in failing to make the same.

ARTICLE 9 INSURANCE

9.1 **Tenant's Insurance**. Tenant, at its own expense, shall provide and keep in force with companies which are rated A/XV or better by A.M. Best Company and licensed in the Commonwealth of Pennsylvania: (a) combined single limit commercial general liability insurance insuring against liability for bodily injury, property damage, personal injury and

products liability and completed operations, including contractual liability, in the amount of $5,000,000.00 per occurrence/$5,000,000.00 annual aggregate limit; (b) "Special Form" property insurance, including standard fire and extended coverage insurance, in amounts necessary to provide full replacement cost coverage, for Tenant's Property, machinery, electronic data and any improvements and betterments in which Tenant has an insurable property interest, including, without limitation, vandalism and malicious mischief and sprinkler leakage coverage, and "all risk" Builder's Risk insurance, completed value, non-reporting form at any time that Tenant has commenced construction of any leasehold improvements or any Alterations, and at any time any other construction activities are underway at the Premises, and also including, but not limited to, rent loss coverage in an amount not less than twelve (12) months' rental income; (c) plate glass insurance for the Premises (if applicable); (d) Workers' Compensation Insurance in statutory limits as required by applicable law; and (e) any other insurance reasonably required by Landlord. At Landlord's request, the amounts and kinds of insurance coverages described herein may be reasonably increased or expanded to reflect amounts and coverages then typically being carried for similar business operations in institutionally owned or financed properties.

9.2 **Delivery of Policies**. Each such insurance policy shall: (a) be provided in form, substance and amounts (where not above stated) satisfactory to Landlord and to Landlord's Mortgagee; (b) specifically include the liability assumed hereunder by Tenant (provided that the amount of such insurance shall not be construed to limit the liability of Tenant hereunder); (c) shall provide that it is primary insurance, and not excess over or contributory with any other valid, existing and applicable insurance in force for or on behalf of Landlord; and (d) provide that Landlord shall receive thirty (30) days' written notice from the insurer prior to any cancellation or change of coverage. Tenant shall deliver policies of such insurance or certificates thereof to Landlord on or before the Commencement Date, and thereafter at least thirty (30) days before the expiration dates of expiring policies. All such insurance certificates shall provide that Landlord, its mortgagees, the Association, any ground lessors and Landlord's managing agent shall each be named as an additional insured. In the event Tenant shall fail to procure such insurance, or to deliver such policies or certificates, Landlord may, at its option, procure same for the account of Tenant, and the cost thereof shall be paid to Landlord as Additional Rent within five (5) days after delivery to Tenant of bills therefor. Tenant's compliance with the provisions of this Article 9 shall in no way limit Tenant's liability under any of the other provisions of this Lease.

9.3 **Increased Insurance Risk**. Tenant shall not do or permit anything to be done, or keep or permit anything to be kept in the Premises, which would: (a) be in violation of any governmental law, regulation or requirement, (b) invalidate or be in conflict with the provision of any fire or other insurance policies covering the Building or any property located therein, (c) result in a refusal by fire insurance companies of good standing to insure the Building or any such property in amounts required by Landlord's Mortgagee (as hereinafter defined) or reasonably satisfactory to Landlord, (d) subject Landlord to any liability or responsibility for injury to any person or property by reason of any business operation being conducted in the Premises, or (e) cause any increase in the fire insurance rates applicable to the Property or property located therein at the beginning of the Term or at any time thereafter. In the event that any use of the Premises by Tenant increases such cost of insurance, Landlord shall give Tenant

written notice of such increase and a reasonable opportunity to cure its use to prevent such increase; provided , however , if Tenant fails to do so, Tenant shall pay such increased cost to Landlord in accordance with Section 4.4 hereof. Acceptance of such payment shall not be construed as a consent by Landlord to Tenant's such use, or limit Landlord's remedies under this Lease.

9.4 **Indemnity** . (a) Subject to the releases and waivers of subrogation contained or required by this Lease, Tenant shall defend with counsel reasonably approved by Landlord, indemnify and hold harmless Landlord, all employees, officers, directors, partners, members and shareholders of Landlord, Mortgagees of the Property, the Association and any other party having an interest therein from and against any and all liabilities, losses, damages, costs, expenses (including reasonable attorneys' fees and expenses), causes of action, suits, claims, demands or judgments of any nature arising from or with respect to (a) any injury to or death of any person or damage to or loss of property in, on or about the Premises or connected with the use, condition or occupancy of any thereof, (b) any breach or violation by Tenant of any of the terms, conditions or provisions of this Lease, (c) any act, omission, fault, misconduct, negligence or violation of applicable laws and regulations by Tenant or any Tenant Parties, (d) any Hazardous Substances or other pollutants brought, generated, stored, used, installed, disposed of, spilled, released, emitted or discharged on, in or from the Premises or the Property, or allowed, permitted or suffered to be brought, generated, stored, used, installed, disposed of, spilled, released, emitted or discharged thereon, therein or therefrom, by Tenant or any Tenant Parties, in violation of Section 7.6 or otherwise, (e) any construction or other work by Tenant on or about the Premises pursuant to Article 8 or otherwise.

(b) Subject to the releases and waivers of subrogation contained in or required by this Lease, Landlord shall defend with counsel reasonably approved by Tenant, indemnify and hold harmless Tenant, all employees, officers, directors, partners, members and shareholders of Tenant from and against any and all liabilities, losses, damages, costs, expenses (including reasonable attorneys' fees and expenses), causes of action, suits, claims, demands or judgments of any nature resulting in personal injury or property damage and arising from or with respect to any negligent act or omission by Landlord or any employees, officers, directors, partners, members and shareholders of Landlord ("Landlord Parties").

(c) The indemnities set forth in this Section 9.4 shall survive the Expiration Date or sooner termination of the Term of this Lease.

9.5 **Tenant's Use and Occupancy** . Tenant's use and occupancy of the Premises and the Property and use by all Tenant Parties, and all Tenant's and said parties' furnishings, fixtures, equipment, improvements, materials, supplies, inventory, effects and property of every kind, nature and description which, during the continuance of this Lease or any occupancy of the Premises by Tenant or anyone claiming under Tenant, may be in, on or about the Premises, shall be at Tenant's and said parties' sole risk and hazard. Landlord shall not be liable to Tenant or any other party for injury to or death of any person or damage to or destruction of any property in, on or about the Premises, nor for any interruption in Tenant's use of the Premises or the conduct of its business therein, nor for any other losses, damages, costs, expenses or liabilities whatsoever,

including without limitation where caused by fire, water, explosion, collapse, the leakage or bursting of water, steam, or other pipes, any environmental or other condition in, on, or about the Premises, or any other event, occurrence, condition or cause. It is Tenant's responsibility to maintain insurance against any such loss or casualty.

9.6 **Waiver of Subrogation Rights** .

9.6.1 Mutual Waiver . Landlord and Tenant hereby agree and hereby waive any and all rights of recovery against each other for loss or damage occurring to the Premises or the Property or any of Landlord's or Tenant's Property contained therein, or to any person or property suffering a loss or damage in connection with the Premises, regardless of the cause of such loss or damage to the extent that the loss or damage is covered by the injured party's insurance or the insurance the injured party is required to carry under this Lease, whichever is greater (without regard to any deductible provision in any policy). This waiver does not apply to claims caused by a party's willful misconduct. This waiver also applies to each party's directors, officers, members, managers, employees, shareholders, and agents.

9.6.2 Insurance Policy Coverage . Each party will assure that its insurance permits waiver of liability and contains a waiver of subrogation. Each party shall secure an appropriate clause in, or an endorsement to, each insurance policy obtained by or required to be obtained by Landlord or Tenant, as the case may be, under this Lease, pursuant to which the insurance company: (a) waives any right of subrogation against Landlord or Tenant as the same may be applicable, or (b) permits Landlord or Tenant, prior to any loss to agree to waive any claim it might have against the other without invalidating the coverage under the insurance policy. If, at any time, the insurance carrier of either party refuses to write (and no other insurance carrier licensed in Pennsylvania will write) insurance policies which consent to or permit such release of liability, then such party shall notify the other party and upon the giving of such notice, this Section shall be void and of no effect.

ARTICLE 10 CASUALTY

10.1 **Damage or Destruction** .

10.1.1 Landlord's Repair Obligation . Tenant shall give prompt notice to Landlord of any damage by fire or other casualty (a " **Casualty** ") to the Premises or any portion thereof. During the thirty (30)-day period following the occurrence of a Casualty (the " **Notice Period** "), Landlord will notify Tenant of Landlord's estimate of the period of time required to complete the restoration work. In the event that the Premises, or any part thereof, or access thereto, shall be so damaged or destroyed by fire or other insured Casualty that the Tenant shall not have reasonably convenient access to the Premises or any portion of the Premises shall thereby be otherwise rendered unfit for use and occupancy by

the Tenant for the purposes set forth in Section 7.1 , and if in the judgment of the Landlord the damage or destruction may be repaired within five hundred forty (540) days with available insurance proceeds, then the Landlord shall so notify the Tenant and shall repair such damage or destruction as provided in Section 10.4 hereof with reasonable diligence, subject to the limitations, if any, of Applicable Laws. If in the judgment of the Landlord the Premises, or means of access thereto, cannot be repaired within five hundred forty (540) days after the elapse of the Notice Period with available insurance proceeds, then either party shall have the right to terminate the term of this Lease by giving written notice of such termination to the other party within thirty (30) days after the occurrence of the Casualty. If the reconstruction period estimated by Landlord is more than five hundred forty (540) days and neither party terminates this Lease on account thereof, Landlord shall repair such damage or destruction as provided in Section 10.4 hereof with reasonable deliveries subject to the limitations, if any, of Applicable Laws to be the period so estimated by Landlord.

10.1.2 Failure to Complete Repairs; Rights of Termination . If Landlord is obligated, or elects to repair the damage to the Premises and fails to substantially complete the repairs within the period of time required or permitted by this Section 10.1 (as the same may be reasonably extended due to any delay caused by Force Majeure or any delay in receipt of insurance proceeds (the " **Reconstruction Period** ") then, the time for completion of repairs shall be extended by the period of such Force Majeure Delay or any delay in receipt of insurance proceeds. Tenant shall have the right to terminate this Lease by delivery of written notice to Landlord not later than ten (10) days following the end of the Reconstruction Period if Landlord fails to substantially complete the repairs within the Reconstruction Period.

10.2 **Abatement of Rent** . Annual Base Rent and Additional Rent shall not be abated or suspended if, following any Casualty, Tenant shall continue to have reasonably convenient access to the Premises and the Premises are not rendered unfit for use and occupancy. If Tenant shall not have reasonably convenient access to the Premises or any portion of the Premises shall be otherwise rendered unfit for use and occupancy by the Tenant for the purposes set forth in Section 7.1 by reason of such Casualty, then Rent shall be equitably suspended or abated relative to the portion of the Premises that cannot be used by Tenant for any of its business operations, effective as of the date of the Casualty until Landlord has (a) substantially completed the repair of the Premises and the means of access thereto, and (b) has delivered notice thereof to Tenant.

10.3 **Events of Termination** . Notwithstanding the provisions of this Article 10 , if, prior to or during the Term the Building shall be so damaged by Casualty that, in Landlord's reasonable estimate, the cost to repair the damage will be more than twenty-five percent (25%) of the replacement value of the Building immediately prior to the occurrence of the Casualty (whether or not the Premises shall have been damaged or rendered untenantable), then, in any of such events, Landlord, may give to Tenant, within ninety (90) days after such Casualty, a thirty

(30) days' notice of the termination of this Lease and, in the event such notice is given, this Lease and the term shall terminate upon the expiration of such thirty (30) days with the same effect as if such date were the Expiration Date. If more than twenty-five percent (25%) of the gross rentable area of the Premises shall be wholly or substantially damaged or destroyed by Casualty at any time during the last twelve (12) months of the Term, either Landlord or Tenant may terminate this Lease by delivery of written notice of such termination to the other party within thirty (30) days after the occurrence of such damage.

10.4 **Scope of Landlord's Repairs**. In the event Landlord elects or shall be obligated to repair or restore any damage or destruction to the Premises pursuant to this Article 10, Landlord shall not be obligated to restore or replace Tenant's Property or Tenant's Alterations or reconstruct the Leasehold Improvements. No damages, compensation or claim shall be payable by the Landlord to Tenant, or any other person, by reason of inconvenience, loss of business or annoyance arising from any damage or destruction, or any repair thereof, as is referred to in this Article 10.

ARTICLE 11 CONDEMNATION

11.1 **Entire Condemnation**. In the event that the whole of the Premises shall be taken under the power of eminent domain or by any proceeding for taking for public or quasi-public use (a " **Condemnation** "), this Lease and the term and estate hereby granted shall automatically terminate as of the earlier of the date of the vesting of title or the date of dispossession of Tenant as a result of such taking.

11.2 **Partial Condemnation**.

11.2.1 Effect of Partial Condemnation. In the event that only a part of the Premises shall be taken by Condemnation and the remaining Premises are suitable for general office use without material interference with Tenant's business operations and Tenant shall have reasonable, convenient access to and from the Premises, the Term shall expire as to that portion of the Premises condemned effective as of the date of the vesting of title in the condemning authority, and this Lease shall continue in full force and effect as to the part of the Premises not so taken. In the event of a partial Condemnation of the Premises which results in a lack of reasonable, convenient access to and from the Premises or which results in insufficient space for Tenant to carry on its business without material interference with its business, Tenant shall have the right to terminate this Lease if Landlord cannot relocate Tenant to comparable space elsewhere in the Building following the effective date of the Condemnation.

11.2.2 Landlord's Option to Terminate. In the event that a part of the Property shall be subject to Condemnation (whether or not the Premises are affected), Landlord may, at its option, terminate this Lease as of the date of such vesting of title, by notifying Tenant in writing of such termination within ninety (90) days following the date on which Landlord shall have received notice of

the vesting of title in the condemning authority if in Landlord's reasonable opinion: (a) a substantial alteration or reconstruction of the Property (or any portion thereof) shall be necessary or appropriate, or (b) the portion of the Property so condemned has the effect of rendering the remainder of the Property uneconomic to maintain.

11.2.3 Landlord's Repair Obligations . In the event that this Lease is not terminated in accordance with Subsection 11.2.2 hereof, Landlord shall, upon receipt of the award in condemnation, make all necessary repairs or alterations to the Building in which the Premises are located so as to constitute the remaining Premises a complete architectural unit to the extent feasible and permitted by applicable law, but Landlord shall not be required to spend for such work an amount in excess of the amount received by Landlord as damages for the part of the Premises so taken. "Amount received by Landlord" shall mean that part of the award in condemnation which is free and clear to Landlord of any collection by Mortgagees and after payment of all costs involved in collection, including but not limited to attorney's fees. Tenant, at its own cost and expense shall, restore all exterior signs, trade fixtures, equipment, furniture, furnishings and other installations of personalty of Tenant which are not taken to as near its former condition as the circumstances will permit. In the event of a partial taking, all provisions of this Lease shall remain in full force and effect.

11.3 **Temporary Taking** . If there is a taking of the Premises for temporary use arising out of a temporary emergency or other temporary situation, this Lease shall continue in full force and effect, and Tenant shall continue to comply with Tenant's obligations under this Lease, except to the extent compliance shall be rendered impossible or impracticable by reason of the taking, and Landlord shall be entitled to the award for its leasehold interest. Notwithstanding the foregoing, if the temporary taking shall continue for longer than twelve (12) months, then either party shall have the right to terminate this Lease upon thirty (30) days prior written notice to the other, provided that any such termination by Tenant shall be null and void if the temporary period ends prior to the expiration of such 30-day period.

11.4 **Condemnation Awards** . Landlord shall be entitled to the entire award in any condemnation proceeding or other proceeding for taking for public or quasi public use, including, without limitation, any award made for the value of the leasehold estate created by this Lease. No award for any partial or entire taking shall be apportioned, and Tenant hereby assigns to Landlord any award that may be made in such condemnation or other taking, together with any and all rights of Tenant now or hereafter arising in or to same or any part thereof; provided , however , that nothing contained herein shall be deemed to give Landlord any interest in or to require Tenant to assign to Landlord any award made to Tenant specifically for its relocation expenses or the taking of Tenant's Property provided that such award does not diminish or reduce the amount of the award payable to Landlord.

11.5 **Proration** . In the event of a partial condemnation or other taking that does not result in a termination of this Lease as to the entire Premises, then the Annual Base Rent and

Tenant's Share shall be adjusted in proportion to that portion of the Premises taken by such condemnation or other taking.

ARTICLE 12 ASSIGNMENT AND SUBLETTING

12.1 **Assignment and Subletting** . Except as may be otherwise expressly provided in this Article 12, Tenant shall not, without the prior written consent of the Landlord (which consent shall not be unreasonably withheld, conditioned or delayed), assign, mortgage, encumber or otherwise transfer this Lease or any interest herein directly or indirectly, by operation of law or otherwise, or sublet the Premises or any part thereof, or permit the use or occupancy of the Premises by any party other than Tenant (any such action, a " **Transfer** "). If at any time or from time to time during the Term, when no Event of Default has occurred and is continuing, Tenant desires to effect a Transfer, Tenant shall deliver to Landlord written notice (" **Transfer Notice** ") setting forth the terms of the proposed Transfer and the identity of the proposed assignee, sublessee or other transferee (each a " **Transferee** "). Tenant shall also deliver to Landlord with the Transfer Notice an acceptable assumption agreement for Tenant's obligations under this Lease (in the case where the Transfer is a proposed assignment of this Lease) together with all relevant information requested by Landlord concerning the proposed Transferee to assist Landlord in making an informed judgment regarding the financial responsibility, creditworthiness, reputation, and business experience of the Transferee. The provisions of this Section 12.1 shall apply to a Transfer (by one or more Transfers) of a controlling portion of or interest in the stock or partnership or membership interests or other evidences of equity interests of Tenant as if such Transfer were an assignment of this Lease; provided the foregoing shall not apply with respect to transfers of stock or other beneficial interests of Tenant if the stock or other beneficial interests of Tenant is listed and traded on a nationally recognized stock or securities exchange or other over-the-counter exchange.

12.2 **Landlord's Options** . Landlord shall have the option, exercisable by written notice delivered to Tenant within thirty (30) days after Landlord's receipt of a Transfer Notice accompanied by the other information described in Section 12.1 , to: (a) permit Tenant to Transfer the Premises; or (b) disapprove the Tenant's Transfer of the Premises and to continue the Lease in full force and effect as to the entire Premises; or (c) terminate the Lease as to the portion of the Premises affected by the Transfer as of the date set forth in Landlord's notice of exercise of such option, which date shall not be less than thirty (30) days nor more than ninety (90) days following the giving of such notice; provided that option (c) shall not be available to Landlord in the event of an assignment of this Lease or sublease of the Premises to an Affiliated Entity (hereinafter defined). If Landlord approves of the proposed Transfer pursuant to Section 12.1 above, Tenant may enter into the proposed Transfer with such proposed Transferee subject to the following conditions: (i) the Transfer shall be on the same terms set forth in the Transfer Notice; (ii) no Transfer shall be valid and no Transferee shall take possession of the Premises until an executed counterpart of the assignment, sublease or other instrument effecting the Transfer (in the form approved by Landlord) has been delivered to Landlord pursuant to which the Transferee shall expressly assume all of Tenant's obligations under this Lease; and (iii) Tenant shall provide Landlord with a written ratification agreement from each guarantor of this Lease in form and substance satisfactory to Landlord.

If Landlord exercises its option to terminate this Lease (or in the case of a partial sublet to release Tenant with respect to a portion of the Premises), Tenant shall surrender possession of such Premises on the date set forth in Landlord's notice, and thereafter neither Landlord nor Tenant shall have any further liability with respect thereto. If this Lease shall be terminated as to a portion of the Premises only, Rent and Tenant's parking allocation shall be readjusted proportionately according to the ratio that the number of square feet and the portion of the space surrendered compares to the floor area of Tenant's Premises during the Term of the proposed sublet, and the Tenant's Share shall also be readjusted accordingly.

12.3 **Additional Conditions**. Tenant shall not offer to make, or enter into negotiations with respect to any Transfer to: (a) any tenant of the Building or any entity owned by, or under the common control of, whether directly or indirectly, a tenant in the Building unless there is no competing space then available for leases therein; or (b) any bona fide prospective tenant with whom Landlord is then negotiating with respect to other space in the Building; or (c) any party which would be of such type, character, or condition as to be inappropriate as a tenant for the Building. It shall not be unreasonable for Landlord to disapprove any proposed assignment, sublet or transfer to any of the foregoing entities or to an entity that does not have at least equal financial strength to Tenant's as of the date of this Lease. Tenant agrees not to list or advertise the Premises for assignment or sublease, whether through a broker, agent or representative, or otherwise at a full service rental rate which is less than Landlord's current rate in the Building for new tenants. Landlord shall not be deemed to unreasonably withhold its consent to any proposed assignment or sublease if such Transfer, in Landlord's reasonable determination, is at a full-service rate which is less than Landlord's current rate in the Building for new tenants, and would compete with similar space either being offered or anticipated to be offered by Landlord in the Building.

12.4 **No Release**. Landlord's consent to a Transfer shall not release Tenant of Tenant's obligations under this Lease and this Lease and all of the obligations of Tenant under this Lease shall continue in full force and effect as the obligations of a principal (and not as the obligations of a guarantor or surety). From and after any Transfer, the Lease obligations of the Transferee and of the original Tenant named in this Lease shall be joint and several. No acceptance of Rent by Landlord from or recognition in any way of the occupancy of the Premises by a Transferee shall be deemed a consent to such Transfer, or a release of Tenant from direct and primary liability for the further performance of Tenant's covenants hereunder. The consent by Landlord to a particular Transfer shall not relieve Tenant from the requirement of obtaining the consent of Landlord to any further Transfer. Each violation of any of the covenants, agreements, terms or conditions of this Lease, whether by act or omission, by any of Tenant's permitted Transferees, shall constitute a violation thereof by Tenant. In the event of default by any Transferee of Tenant or any successor of Tenant in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against such Transferee or successor.

12.5 **Transfer Profit**. Tenant shall pay to Landlord, as Additional Rent, an amount (the " **Transfer Profit** ") equal to 50% of any rent and other economic consideration received by Tenant as a result of any Transfer which exceeds, in the aggregate: (a) the total of the remaining

rent which Tenant is obligated to pay Landlord under this Lease (prorated to reflect obligations allocable to any portion of the Premises subleased) plus (b) any reasonable tenant fit-up costs, brokerage commissions and attorneys' fees actually paid by Tenant in connection with such Transfer amortized on a straight-line basis over the term of the Transfer (specifically excluding moving or relocation costs paid to the Transferee). Tenant shall pay such Transfer Profit to Landlord on a monthly basis within ten (10) days after receipt thereof, without affecting or reducing any other obligations of Tenant hereunder. Each such payment shall be sent with a detailed statement. Landlord shall have the right to audit Tenant's books and records to verify the accuracy of the detailed statement. Transfer Profit shall not be due or payable by Tenant to Landlord in the event of an assignment of this Lease or sublease of the Premises to an Affiliated Entity.

12.6 Effect on Personal Rights of Tenant . If a Transfer shall occur, the rights and options of Tenant set forth in Section 17 hereof shall be extinguished and will not be transferred to the assignee or subtenant, all such rights being personal to the Tenant named herein.

12.7 Affiliated Entity Transfers . Notwithstanding the provisions of this Article 12 to the contrary, Landlord agrees that, subject to the provisions of this Subsection 12.7 , Tenant may assign this Lease or sublease the Premises to an Affiliated Entity (as such term is hereinafter defined) without Landlord’s prior written consent, provided that in any of such events (i) the Affiliated Entity is a reputable individual or entity of good character and has a reported tangible net worth, as of the end of its then most recent reporting period, as evidenced by its most recent audited financial statement, prepared in accordance with GAAP, consistently applied, at least equal to or greater than the higher of the reported tangible net worth of the Tenant as of the date hereof or on the date of the proposed assignment or sublease, (ii) proof reasonably satisfactory to Landlord of such reported tangible net worth and a copy of the most recent financial statement of Tenant and of such Affiliated Entity shall have been delivered to Landlord subject to any applicable confidentiality provisions, including those covered by applicable securities laws, in which event Landlord and Tenant shall execute a commercially reasonable form of confidentiality agreement prepared by Tenant and submitted to Landlord for its prior review and approval), at least thirty (30) days prior to the effective date of any such transaction, (iii) in the event that the Tenant hereunder immediately after such transfer is other than the Tenant herein named (“New Tenant”), a duplicate original instrument of assignment in form and substance reasonably satisfactory to Landlord, duly executed by Tenant, shall have been delivered to Landlord at least thirty (30) days prior to the effective date of any such transaction, in which such New Tenant assumes (as of the Commencement Date) observance and performance of, and agrees to be personally bound by, all of the terms, covenants and conditions of this Lease on Tenant’s part to be performed and observed, (iv) such transfer shall be for a valid business purpose with a view toward continuing Tenant’s business and not principally for the purpose of transferring this Lease and (v) such transfer shall not operate to relieve or release Tenant from any covenant or obligation under this Lease. For the purposes hereof, an "Affiliated Entity" shall be defined as any entity (i) which “controls” Tenant or which is controlled by Tenant or which is controlled by the same entity as Tenant, (ii) with which or into which Tenant is merged or consolidated or (iii) to which substantially all of Tenant’s assets and/or stock are transferred. The

term “control”, as used herein, means the power, directly or indirectly, to direct or cause the direction of the management or policies of Tenant.

ARTICLE 13 DEFAULTS AND REMEDIES

13.1 **Events of Default** . The occurrence of any one or more of the following events shall constitute an event of default (each an " **Event of Default** ") hereunder:

13.1.1 Nonpayment of Annual Base Rent or Additional Rent . Failure by Tenant to pay any installment of Annual Base Rent, Additional Rent or any other amount, deposit, reimbursement or sum due and payable hereunder, upon the date when said payment is due; provided , however , on the first (1st) occasion only during any Lease Year with respect to Annual Base Rent, Landlord shall furnish Tenant with written notice of such failure and permit Tenant a five (5)-day period to cure such failure.

13.1.2 Certain Obligations . Failure by Tenant to perform, observe or comply with any non-monetary obligation contained in Section 7.5 (" **No Liens** ") and Article 12 (" **Assignment and Subletting** ") of this Lease.

13.1.3 Other Obligations . Failure by Tenant to perform any non-monetary obligation, agreement or covenant under this Lease other than those matters specified in Subsection 13.1.2 , and such failure continues for thirty (30) days after written notice by Landlord to Tenant of such failure; provided , however , that if the nature of Tenant's obligation is such that more than thirty (30) days are required for performance, then Tenant shall not be in default if Tenant commences performance within such thirty (30)-day period and thereafter diligently and continuously prosecutes the same to completion within sixty (60) days following the date of Landlord's written notice with respect to such failure.

13.1.4 Assignment; Receivership; Attachment . (a) The making by Tenant of any arrangement or assignment for the benefit of creditors; (b) the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; or (iii) the attachment, execution, or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within thirty (30) days.

13.1.5 Bankruptcy . The admission by Tenant or Tenant's guarantor (if any) in writing of its inability to pay its debts as they become due, the filing by Tenant or Tenant's guarantor (if any) of a petition in bankruptcy seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, the filing by Tenant or Tenant's guarantor (if any) of an answer admitting or failing timely

to contest a material allegation of a petition filed against Tenant or Tenant's guarantor (if any) in any such proceeding or, if within forty-five (45) days after the commencement of any proceeding against Tenant or Tenant's guarantor (if any) seeking any involuntary reorganization, or arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation by any of Tenant's creditors or such guarantor's creditors, such proceeding shall not have been dismissed.

13.1.6 Abandonment. Abandonment of the Premises by Tenant for a continuous period in excess of thirty (30) days.

13.2 **Remedies**. If an Event of Default occurs, Landlord shall have the following rights and remedies, in addition to any and all other rights or remedies available to Landlord in law or equity:

13.2.1 Notice to Quit. Landlord shall have the right to deliver written notice to Tenant to quit possession and occupancy of the Premises and to declare the Lease terminated. Upon Landlord's termination of this Lease, Tenant shall quit and peaceably surrender the Premises, and all portions thereof, to Landlord, and Landlord shall have the right to receive all rental and other income of and from the same.

13.2.2 Right of Re-Entry. Landlord shall have the right, with or without terminating this Lease, to re-enter the Premises and take possession thereof by summary proceeding, eviction, ejectment or otherwise and may dispossess all other persons and property from the Premises. Tenant's property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Tenant. No re-entry or taking possession of the Premises by Landlord pursuant to this Subsection 13.2.2 shall be construed as an election to terminate this Lease unless a written notice of such intention is given to Tenant or unless the termination thereof is decreed by a court of competent jurisdiction. Tenant thereby waives all statutory rights, including without limitation the right to a notice to quit, notice before exercise of any prejudgment remedy, and any rights of redemption, all to the extent such rights may be lawfully waived.

13.2.3 Recovery of Rent and Damages. Landlord shall have the right to recover from Tenant all loss of Rent and other payments that Landlord may incur by reason of termination of the Lease, including, without limitation: (a) all Rent and other sums due and payable by Tenant as of the date of termination; (b) all Rent that would otherwise be payable for the remainder of the Term in accordance with the terms of this Lease; (c) all of Landlord's then unamortized costs of special inducements provided to Tenant (including without limitation rent concessions, tenant construction allowances, rent waivers, above building standard leasehold improvements, and the like); (d) the costs of collecting amounts due from Tenant under the Lease and the costs of recovering possession of the Premises (including attorney’s fees and litigation costs); (e)

the costs of curing Tenant's defaults existing at or prior to the date of termination; (f) all " **Reletting Expenses** " (as defined below); and (g) all Landlord's other reasonable expenditures arising from the termination. Tenant shall reimburse Landlord for all such items, and the same shall be due and payable immediately from time to time upon notice from Landlord that an expense has been incurred, without regard to whether the expense was incurred before or after the termination.

13.2.4 Acceleration of Future Rentals . Following termination of this Lease, Landlord, at its election, may demand to be indemnified for its loss of Rent (with respect to the period following such termination) by a lump sum payment representing the then present value of the amount of Rent that would have been paid in accordance with this Lease for the remainder of the Term minus the then present value of the aggregate fair market rent and additional charges payable for the Premises for the remainder of the Term (if less than the Rent payable hereunder) estimated as of the date of termination, and taking into account Landlord's reasonable projections of vacancy and time required to re-lease the Premises. Landlord shall be entitled to recover from Tenant, and Tenant shall pay to Landlord, on demand, such amount as final damages for Tenant's default with respect to the Rents payable for the remainder of the Term as described above. In the computation of present value, a discount at the then market discount rate as reasonably determined by Landlord shall be employed.

13.2.5 Rents Due After Re-Entry by Landlord . If Landlord re-enters or otherwise takes possession of the Premises without terminating this Lease (but terminating only Tenant's right of possession in the Premises), then the Lease and Tenant's liabilities and obligations thereunder shall survive such action. In the event of any such termination of Tenant's right of possession, whether or not the Premises, or any portion thereof, shall have been relet, Tenant shall pay the Landlord a sum equal to the Rent and any other charges required to be paid by Tenant up to the time of such termination of such right of possession and thereafter Tenant, until the end of the Term, shall be liable to Landlord for and shall pay to Landlord: (a) the equivalent of the amount of the Rent payable under this Lease, less (b) the net proceeds of any reletting effected pursuant to the provisions hereof after deducting all of Landlord's Reletting Expenses. Tenant shall pay such amounts in accordance with the terms of this Subsection 13.2.5 as set forth in a written statement thereof from Landlord to Tenant (the " **Deficiency** ") to Landlord in monthly installments on the days on which the Annual Base Rent is payable under this Lease, and Landlord shall be entitled to recover from Tenant each monthly installment of the Deficiency as the same shall arise. Tenant shall also pay to Landlord upon demand the costs incurred by Landlord in curing Tenant's defaults existing at or prior to the date of such termination, the cost of recovering possession of the Premises and the Reletting Expenses. Tenant agrees that Landlord may file suit to recover any sums that become due under the terms of this Section from time to time, and all

reasonable costs and expenses of Landlord, including attorneys' fees and costs incurred in connection with such suits shall be payable by Tenant on demand.

13.2.6 Certain Terms Defined . For purposes of this Subsection 13.2.6 , " **Reletting Alterations** " shall mean all repairs, changes, improvements, alterations or additions made by Landlord in or to the Premises to the extent deemed reasonably necessary by Landlord to prepare the Premises for the re-leasing following an Event of Default; and " **Reletting Expenses** " shall mean the reasonable expenses paid or incurred by Landlord in connection with any re-leasing of the Premises following an Event of Default, including, without limitation, marketing expenses, brokerage commissions, attorneys' fees, the costs of Reletting Alterations, tenant allowances and other economic concessions provided to the new tenant.

13.3 **Landlord's Right to Cure Defaults** . If the Tenant shall default in the observance or performance of any condition or covenant on Tenant's part to be observed or performed under or by virtue of any of the provisions of this Lease, and such default continues beyond any applicable notice and cure period or Landlord reasonably determines that an emergency exists, the Landlord, without being under any obligation to do so and without thereby waiving such default, may remedy such default for the account and at the expense of the Tenant. If the Landlord makes any expenditures or incurs any obligations for the payment of money in connection therewith, including but not limited to reasonable attorney's fees in instituting, prosecuting or defending any action or proceeding, such sums paid or obligation incurred and costs, shall be paid upon demand to the Landlord by the Tenant as Additional Rent pursuant to Section 4.4 hereof and if not so paid with interest from its due date until paid at the lesser of eighteen percent (18%) per annum or the maximum legal rate that Landlord may charge Tenant.

13.4 **Disposition of Tenant's Property** . In addition to Landlord's rights under Section 8.4 hereof, Landlord shall have the right to handle, remove, discard or store in a commercial warehouse or otherwise, at Tenant's sole risk and expense, any of Tenant's Property that is not removed by Tenant at the end of the Term. Landlord shall in no event be responsible for the value, preservation or safekeeping thereof. Tenant shall pay to Landlord, upon demand, any and all expenses incurred in such removal and all storage charges for such property so long as the same shall be in Landlord's possession or under Landlord's control.

13.5 **Reletting** . In connection with any reletting of the Premises following an Event of Default, Landlord shall be entitled to grant such rental and economic concessions and other incentives as may be customary for similar space in the Submarket. Subject to applicable law, Landlord shall not be required to accept any tenant offered by Tenant or observe any instruction given by Tenant about such reletting or do any act or exercise any care or diligence with respect to such reletting or to the mitigation of damages.

13.6 **No Accord and Satisfaction** . Landlord may collect and receive any rent due from Tenant, and the payment thereof shall not constitute a waiver of or affect any notice or demand given, suit instituted or judgment obtained by Landlord, or be held to waive, affect, change, modify or alter the rights or remedies that Landlord has against Tenant in equity, at law,

or by virtue of this Lease. No receipt or acceptance by Landlord from Tenant of less than the monthly rent herein stipulated shall be deemed to be other than a partial payment on account for any due and unpaid stipulated rent; no endorsement or statement on any check or any letter or other writing accompanying any check or payment of rent to Landlord shall be deemed an accord and satisfaction, and Landlord may accept and negotiate such check or payment without prejudice to Landlord's rights to (a) recover the remaining balance of such unpaid rent, or (b) pursue any other remedy provided in this Lease.

13.7 **Claims in Bankruptcy**. Nothing herein shall limit or prejudice the right of Landlord to prove and obtain in proceeding for bankruptcy, insolvency, arrangement or reorganization by reason of the termination of this Lease, an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which, the damages are to be proved, whether or not the amount is greater, equal to or less than the amount of the loss or damage that Landlord has suffered. Without limiting any of the provisions of this Article 13, if pursuant to the Bankruptcy Code, as the same may be amended, Tenant is permitted to assign this Lease in disregard of the restrictions contained in Article 12, Tenant agrees that adequate assurance of future performance by the assignee permitted under the Bankruptcy Code shall mean the deposit of cash security with Landlord in any amount equal to all Rent payable under this Lease for the calendar year preceding the year in which such assignment is intended to become effective, which deposit shall be held by Landlord, without interest, for the balance of the term as security for the full and faithful performance of all of the obligations under this Lease on the part of Tenant yet to be performed. If Tenant receives or is to receive any valuable consideration for such an assignment of this Lease, such consideration, after deducting therefrom (a) the brokerage commissions, if any, and other expenses reasonably designated by the assignee as paid for the purchase of Tenant's property in the Premises, shall be and become the sole exclusive property of Landlord and shall be paid over to Landlord directly by such assignee. In addition, adequate assurance shall mean that any such assignee of this Lease shall have a net worth indicating said assignee's reasonable ability to pay the Rent, and abide by the terms of this Lease for the remaining portion thereof applying commercially reasonable standards.

13.8 **Arbitration**. Any dispute arising out of or relating to Article 5 of this Lease (with respect to the issues expressly stated therein) shall be submitted to and determined in binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association. The arbitration shall be conducted before and by a single arbitrator selected by the parties. If the parties have not selected an arbitrator within thirty (30) days of written demand for arbitration, the arbitrator shall be selected by the American Arbitration Association pursuant to the then current rules of that Association on application by either party. The arbitrator shall have authority to fashion such just, equitable and legal relief as he, in his sole discretion, may determine. The parties agree that the arbitration hearing shall be held within thirty (30) business days following notification to the parties of the appointment of such arbitrator, and that the arbitration proceedings shall be concluded within thirty (30) business days following the first scheduled arbitration hearing. Each party shall bear all its own expenses of arbitration and shall bear equally the costs and expenses of the arbitrator. All arbitration proceedings shall be conducted in the City of Philadelphia, Commonwealth of Pennsylvania. Landlord and Tenant

further agree that they will faithfully observe this agreement and rules, and that they will abide by and perform any award rendered by the arbitrator and that a judgment of the court having jurisdiction may be entered upon the award. The duty to arbitrate shall survive the cancellation or termination of this Lease for a period of one (1) year.

13.9 **Waiver of Trial By Jury** . **TO THE EXTENT PERMITTED BY APPLICABLE LAW, LANDLORD AND TENANT HEREBY WAIVE THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER IN CONTRACT, TORT OR OTHERWISE, BROUGHT BY EITHER AGAINST THE OTHER ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, OR TENANT'S USE OR OCCUPANCY OF THE PREMISES, OR ANY SUMMARY PROCESS, EVICTION OR OTHER STATUTORY REMEDY WITH RESPECT THERETO. EACH PARTY HAS BEEN REPRESENTED BY, AND HAS RECEIVED THE ADVICE OF, LEGAL COUNSEL WITH RESPECT TO THIS WAIVER.**

13.10 **Confessions of Judgment** .

13.10.1 **IN ADDITION TO THE RIGHTS AND REMEDIES PROVIDED ABOVE IN THIS SECTION 13, IF AN EVENT OF DEFAULT OCCURS RELATING TO TENANT'S NON-PAYMENT OF THE RENT OR OTHER SUMS DUE HEREUNDER, TENANT HEREBY AUTHORIZES ANY ATTORNEY OF ANY COURT OF RECORD OF THE COMMONWEALTH OF PENNSYLVANIA TO APPEAR FOR TENANT AND TO CONFESS JUDGMENT AGAINST TENANT, AND IN FAVOR OF LANDLORD, FOR ALL RENT AND OTHER SUMS DUE HEREUNDER PLUS COSTS AND AN ATTORNEY'S COLLECTION COMMISSION EQUAL TO THE GREATER OF 10% OF ALL RENT AND OTHER SUMS OR $1,000, FOR WHICH THIS LEASE OR A TRUE AND CORRECT COPY HEREOF SHALL BE GOOD AND SUFFICIENT WARRANT. TENANT UNDERSTANDS THAT THE FOREGOING PERMITS LANDLORD TO ENTER A JUDGMENT AGAINST TENANT WITHOUT PRIOR NOTICE OR HEARING. ONCE SUCH A JUDGMENT HAS BEEN ENTERED AGAINST TENANT, ONE OR MORE WRITS OF EXECUTION OR WRITS OF GARNISHMENT MAY BE ISSUED THEREON WITHOUT FURTHER NOTICE TO TENANT AND WITHOUT A HEARING, AND, PURSUANT TO SUCH WRITS, LANDLORD MAY CAUSE THE SHERIFF OF THE COUNTY IN WHICH ANY PROPERTY OF TENANT IS LOCATED TO SEIZE TENANT'S PROPERTY BY LEVY OR ATTACHMENT. IF THE JUDGMENT AGAINST TENANT REMAINS UNPAID AFTER SUCH LEVY OR ATTACHMENT, LANDLORD CAN CAUSE SUCH PROPERTY TO BE SOLD BY THE SHERIFF EXECUTING THE WRITS, OR, IF SUCH PROPERTY CONSISTS OF A DEBT OWED TO TENANT BY ANOTHER ENTITY, LANDLORD CAN CAUSE SUCH DEBT TO BE PAID DIRECTLY TO LANDLORD IN AN AMOUNT UP TO BUT NOT TO EXCEED THE AMOUNT OF THE JUDGMENT OBTAINED BY LANDLORD AGAINST TENANT, PLUS THE COSTS OF THE EXECUTION. SUCH AUTHORITY SHALL NOT BE EXHAUSTED BY ONE**

EXERCISE THEREOF, BUT JUDGMENT MAY BE CONFESSED AS AFORESAID FROM TIME TO TIME AS OFTEN AS ANY OF THE RENT AND OTHER SUMS SHALL FALL DUE OR BE IN ARREARS, AND SUCH POWERS MAY BE EXERCISED AS WELL AFTER THE EXPIRATION OF THE INITIAL TERM OF THIS LEASE AND DURING ANY EXTENDED OR RENEWAL TERM OF THIS LEASE AND AFTER THE EXPIRATION OF ANY EXTENDED OR RENEWAL TERM OF THIS LEASE.

Initials on behalf of Tenant: DS

13.10.2 **WHEN THIS LEASE AND THE TERM OR ANY EXTENSION THEREOF SHALL HAVE BEEN TERMINATED ON ACCOUNT OF ANY DEFAULT BY TENANT, OR WHEN THE TERM OR ANY EXTENSION THEREOF SHALL HAVE EXPIRED, TENANT HEREBY AUTHORIZES ANY ATTORNEY OF ANY COURT OF RECORD OF THE COMMONWEALTH OF PENNSYLVANIA TO APPEAR FOR TENANT AND FOR ANYONE CLAIMING BY, THROUGH OR UNDER TENANT AND TO CONFESS JUDGMENT AGAINST ALL SUCH PARTIES, AND IN FAVOR OF LANDLORD, IN EJECTMENT AND FOR THE RECOVERY OF POSSESSION OF THE PREMISES, FOR WHICH THIS LEASE OR A TRUE AND CORRECT COPY HEREOF SHALL BE GOOD AND SUFFICIENT WARRANT. AFTER THE ENTRY OF ANY SUCH JUDGMENT A WRIT OF POSSESSION MAY BE ISSUED THEREON WITHOUT FURTHER NOTICE TO TENANT AND WITHOUT A HEARING. IF FOR ANY REASON AFTER SUCH ACTION SHALL HAVE BEEN COMMENCED IT SHALL BE DETERMINED THAT POSSESSION OF THE PREMISES REMAIN IN OR BE RESTORED TO TENANT, LANDLORD SHALL HAVE THE RIGHT FOR THE SAME DEFAULT AND UPON ANY SUBSEQUENT DEFAULT(S) OR UPON THE TERMINATION OF THIS LEASE OR TENANT'S RIGHT OF POSSESSION AS HEREIN SET FORTH, TO AGAIN CONFESS JUDGMENT AS HEREIN PROVIDED, FOR WHICH THIS LEASE OR A TRUE AND CORRECT COPY HEREOF SHALL BE GOOD AND SUFFICIENT WARRANT.**

Initials on behalf of Tenant: DS

13.10.3 **THE WARRANTS TO CONFESS JUDGMENT SET FORTH ABOVE SHALL CONTINUE IN FULL FORCE AND EFFECT AND BE UNAFFECTED BY AMENDMENTS TO THIS LEASE OR OTHER AGREEMENTS BETWEEN LANDLORD AND TENANT EVEN IF ANY SUCH AMENDMENTS OR OTHER AGREEMENTS INCREASE TENANT'S OBLIGATIONS OR EXPAND THE SIZE OF THE PREMISES.**

Initials on behalf of Tenant: DS

13.10.4 **TENANT EXPRESSLY AND ABSOLUTELY KNOWINGLY WAIVES AND RELEASES (i) ANY RIGHT, INCLUDING, WITHOUT LIMITATION, UNDER ANY APPLICABLE STATUTE, WHICH TENANT MAY HAVE TO RECEIVE A NOTICE TO QUIT PRIOR TO LANDLORD COMMENCING AN ACTION FOR REPOSSESSION OF THE PREMISES, AND (ii) ANY RIGHT WHICH TENANT MAY HAVE TO NOTICE AND TO HEARING PRIOR TO A LEVY UPON OR ATTACHMENT OF TENANT'S PROPERTY OR THEREAFTER, AND (iii) ANY PROCEDURAL ERRORS IN CONNECTION WITH THE ENTRY OF ANY SUCH JUDGMENT OR IN THE ISSUANCE OF ANY ONE OR MORE WRITS OF POSSESSION OR EXECUTION OR GARNISHMENT THEREON . TENANT EXPRESSLY WAIVES THE RIGHT TO ANY NOTICE TO REMOVE AS MAY BE SPECIFIED IN THE LANDLORD AND TENANT ACT OF PENNSYLVANIA, ACT OF APRIL 6, 1951, AS AMENDED, OR ANY SIMILAR OR SUCCESSOR PROVISION OF LAW.**

Initials on behalf of Tenant: DS

ARTICLE 14 SUBORDINATION; ATTORNMENT AND RIGHTS OF MORTGAGE HOLDERS

14.1 **Subordination** . This Lease and all of Tenant's rights hereunder are, and shall be, subject and subordinate at all times to any mortgages (each, a " **Mortgage** ") which may now exist or hereafter affect the Property, or any portion thereof, in any amount, and to all renewals, modifications, consolidations, replacements, and extensions of such Mortgages. This Section shall be self-operative and no further subordination shall be required. In confirmation of such subordination, Tenant shall promptly execute, acknowledge and deliver any instrument that Landlord or the holder of any Mortgage or its assigns or successors in interest (each such holder, a " **Mortgagee** ") may reasonably request to evidence such subordination. Landlord's inability to obtain a non-disturbance agreement shall not affect Tenant's subordination agreement herein.

14.2 **Attornment by Tenant** . In the event that any such first Mortgage is foreclosed or a conveyance in lieu of foreclosure is made for any reason, Tenant shall, at the option of the Mortgagee or the grantee or purchaser in foreclosure, notwithstanding any subordination of any such lien to this Lease, attorn to and become the Tenant of the successor in interest to Landlord at the option of such successor in interest. Tenant covenants and agrees to execute and deliver, within ten (10) days following delivery of request by Landlord, Mortgagee, or by Landlord's successor in interest and in the form requested by Landlord, Mortgagee, or by Landlord's successor in interest, any additional documents evidencing the priority or subordination of this Lease with respect to the lien of any such first Mortgage, which additional documents shall be satisfactory to Landlord, Mortgagee, and Landlord's successors in interest.

14.3 **Limitation of Mortgagees' Liability** . Notwithstanding any other provision of this Lease to the contrary, no holder of any such Mortgage shall be obligated to perform or liable in damages for failure to perform any of Landlord's obligations under this Lease unless and until such holder shall foreclose such mortgage or otherwise acquire title to the Property, and then

shall only be liable for Landlord's obligations arising or accruing after such foreclosure or acquisition of title. No such holder shall ever be obligated to perform or be liable in damages for any of Landlord's obligations arising or accruing before such foreclosure or acquisition of title. Such holder's obligations and liabilities shall in any event be subject to, and holder shall have the benefit of, Section 16.15 hereof. Tenant shall never pay the Annual Base Rent, Additional Rent or any other charge more than ten (10) days prior to the due date thereof, and any payments made by Tenant in violation of this provision shall be a nullity as to such holder, and Tenant shall remain liable to such holder therefor. Tenant agrees on request of Landlord to execute and deliver from time to time any agreement which may be necessary to implement the provisions of this Section 14.3 .

14.4 **Estoppel Certificates** . Tenant shall at any time, and from time to time, upon not less than five (5) days prior written notice from Landlord execute, acknowledge and deliver to Landlord, to any prospective purchaser, or Mortgagee, a written estoppel certificate of Tenant in a commercially reasonable form. It is intended that any such certificate of Tenant delivered pursuant to this Section 14.4 may be relied upon by Landlord and any prospective purchaser or the Mortgagee or any other mortgagee or lender of any part of the Building.

14.5 **Quiet Enjoyment** . Upon Tenant paying the Annual Base Rent and Additional Rent and performing all of Tenant's obligations under this Lease, Tenant may peacefully and quietly enjoy the Premises during the Term as against all persons or entities lawfully claiming by or through Landlord; subject, however, to the provisions of this Lease and to the rights of Landlord's Mortgagee.

14.6 **[Intentionally Omitted.]**

14.7 **Subordination to Declaration** . This Lease and all of Tenant's rights hereunder are, and shall be, subject and subordinate at all times to the Declaration and to all modifications and amendments thereof. This Section shall be self-operative and no further subordination shall be required.

ARTICLE 15 NOTICES

15.1 **Manner of Notice** .

15.1.1 Notices; Addresses . All notices, demands and other communications (" **notices** ") permitted or required to be given under this Lease shall be in writing and sent by personal service, telecopy transmission (if a copy thereof is also sent on the same day by a nationally recognized overnight courier service), certified mail (postage prepaid) return receipt requested or by a nationally recognized overnight courier service to the following addresses or to such other address as either Landlord or Tenant may designate as its new address for such purpose by notice given to the other in accordance with the provisions of this **Section 15.1** :

If to Tenant: RADIUS HEALTH, INC.

950 Winter Street
Waltham, Massachusetts 02451
Attention: General Counsel

If to Landlord: KBSIII CROSSPOINT AT VALLEY FORGE TRUST
c/o KBS Capital Advisors, LLC
590 Madison Avenue, 26 th Floor
New York, New York 10022
Attention: Shannon W. Hill, Senior Vice President

with a copy to:

KBSIII CROSSPOINT AT VALLEY FORGE TRUST
c/o KBS Realty Advisors
800 Newport Center Drive, Suite 700
Newport Beach, California 92660
Attn: General Counsel

With an additional copy to:

Law Offices of David J. Feit, Esq., PLLC
22 Cortlandt Street, Suite 803
New York, NY 10007
Attention: David J. Feit, Esq.

15.1.2 Delivery . Notices shall be deemed to have been given (a) when hand delivered (provided that delivery shall be evidenced by a receipt executed by or on behalf of the addressee if delivered by personal service) if personal service is used, (b) on the date of transmission if sent before 4:00 p.m. (E.S.T. time) on a business day when telecopy transmission is used, (c) the sooner of the date of receipt or the date that is three (3) days after the date of mailing thereof if sent by postage pre-paid registered or certified mail, return receipt requested, and (d) one (1) day after being sent by Federal Express or other reputable overnight courier service (with delivery evidenced by written receipt) if overnight courier service is used.

ARTICLE 16 MISCELLANEOUS

16.1 **Brokers** . Landlord and Tenant warrant to each other that they have had no dealings with any broker, agent or finder in connection with this Lease except CBRE, Inc. and Cushman & Wakefield (collectively, the " **Brokers** ") and/or representatives of Landlord. Landlord agrees to pay the commissions due to such brokerage companies pursuant to separate

agreements. Both parties hereto agree to protect, indemnify and hold harmless the other from and against any and all expenses with respect to any compensation, commissions and charges claimed by any other broker, agent or finder not identified above with respect to this Lease or the negotiation thereof that is made by reason of any action or agreement by such party.

16.2 **Building Name**. The Building and the Property may be known by such name as Landlord, in its sole discretion, may elect, and Landlord shall have the right from time to time to change such designation or name without Tenant's consent upon prior written notice to Tenant.

16.3 **Authority**. If Tenant signs as a corporation, limited liability company, or a partnership, or other business entity each person executing this Lease on behalf of Tenant hereby covenants and warrants that Tenant is a duly authorized and existing entity, that Tenant is duly qualified to do business in Pennsylvania, that Tenant has full right and authority to enter into this Lease, and that each person signing on behalf of Tenant is duly authorized to do so and that no other signatures are necessary. Upon Landlord's request, Tenant shall provide Landlord with evidence reasonably satisfactory to Landlord confirming the foregoing covenants and warranties. Contemporaneously with Tenant's execution and delivery of this Lease to Landlord, Tenant shall deliver to Landlord a fully-executed Secretary's Certificate, in the form attached hereto as Exhibit F, or such other commercially reasonable form, certifying the authority of the person executing this Lease on behalf of Tenant to execute and deliver this Lease to Landlord.

16.4 **Interpretation; Counterparts; Electronic Signatures**. (i) The words "Landlord" and "Tenant" as used herein shall include the plural as well as the singular. The words used in neuter gender include the masculine and feminine. If there is more than one Tenant, the obligations under this Lease imposed on Tenant shall be joint and several. The captions preceding the articles of this Lease have been inserted solely as a matter of convenience and such captions in no way define or limit the scope or intent of any provision of this Lease.

(ii) This Lease may be executed in several counterparts and by each party on a separate counterpart, each of which, when so executed and delivered, shall be an original and all of which together shall constitute one instrument.

(iii) Photocopies and electronically scanned or faxed copies of original signature pages shall be deemed originals in all respects. At either party's request, both parties hereto shall execute and deliver to each other originally-executed conforming duplicates of this Lease.

16.5 **Modifications**. Neither this Lease nor any term or provision hereof may be changed, waived, discharged or terminated orally, and no breach thereof shall be waived, altered or modified, except by a written instrument signed by the party against which the enforcement of the change, waiver, discharge or termination is sought. Any right to change, waive, discharge, alter or modify, or terminate this Lease shall be subject to the prior express written consent of Landlord's Mortgagee.

16.6 **Severability**. If any provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons or circumstances other than those as to

which it is invalid or unenforceable, shall not be affected thereby, and each provision of this Lease shall be valid and enforceable to the full extent permitted by law.

16.7 **Entire Agreement**. Landlord's employees, representatives and agents have no authority to make or agree to make a lease or any other agreement or undertaking in connection herewith. The submission of this document for examination and negotiation does not constitute an offer to lease, or a reservation of, or option for, the Premises, and this document shall be effective and binding only upon the execution and delivery hereof by both Landlord and Tenant. This Lease, including the Exhibits hereto, which are made part of this Lease, contain the entire agreement of the parties and all prior negotiations and agreements are merged herein. Neither Landlord nor Landlord's agents have made any representations or warranties with respect to the Premises, the Building or this Lease except as expressly set forth herein, and no rights, easements or licenses are or shall be acquired by Tenant by implication or otherwise unless expressly set forth herein.

16.8 **No Merger**. There shall be no merger of this Lease or of the leasehold estate hereby created with the fee estate in the Premises or any part thereof by reason of the fact that the same person may acquire or hold, directly or indirectly, this Lease or the leasehold estate hereby created or any interest in this Lease or in such leasehold estate as well as the fee estate in the leasehold Premises or any interest in such fee estate.

16.9 **Easements**. Landlord, Declarant and the Association reserve the right, from time to time, to grant easements and rights, make dedications, agree to restrictions and record maps affecting the Property as such party may deem necessary or desirable, so long as such easements, rights, dedications, restrictions, and maps do not unreasonably interfere with the use of the Premises by Tenant; and this Lease shall be subordinate to such instruments.

16.10 **Bind and Inure**. The terms, provisions, covenants and conditions contained in this Lease shall bind and inure to the benefit of Landlord and Tenant, and, except as otherwise provided herein, their respective heirs, legal representatives, successors and assigns. If two or more individuals, corporations, partnerships or other business associations (or any combination of two or more thereof) shall sign this Lease as Tenant, the liability of each such individual, corporation, partnership or other business association to pay Rent and perform all other obligations hereunder shall be deemed to be joint and several. All agreements, covenants and indemnifications contained herein or made in writing pursuant to the terms of this Lease by or on behalf of Tenant shall be deemed material and shall survive expiration or sooner termination of this Lease.

16.11 **Remedies Cumulative; No Waiver**. No remedy or election hereunder shall be deemed exclusive, but shall wherever possible, be cumulative with all other remedies at law or in equity. No waiver of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach of the same or any other provision. No waiver of any breach shall affect or alter this Lease, but each and every term, covenant and condition of this Lease shall continue in full force and effect with respect to any other then existing or subsequent breach thereof. No reference to any specific right or remedy shall preclude the exercise of any other right or remedy permitted hereunder or that may be available at law or in equity. No failure by

Landlord to insist upon the strict performance of any agreement, term, covenant or condition hereof, or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial rent during the continuance of any such breach, shall constitute a waiver of any such breach, agreement, term, covenant or condition.

16.12 **Tenant's Financial Statements**. Tenant shall furnish Landlord annually, within ninety (90) days after the end of each fiscal year of Tenant, copies of the balance sheets of Tenant, as at the close of such fiscal year, and statements of income and retained earnings of Tenant for such year, prepared in accordance with generally accepted accounting principles and audited by Tenant's independent certified public accountants. Tenant also agrees to furnish to Landlord within ten (10) days following Landlord's written request therefor, copies of such financial statements identified above as are then available and financial statements for the then current fiscal year prepared in accordance with generally accepted accounting principles on an unaudited basis certified as true and correct by such company's chief financial officer. Tenant shall not be required to furnish Landlord with the aforesaid financial documentation at any time Tenant's stock or other beneficial interests of Tenant is listed and traded on a nationally recognized stock or securities exchange or other over-the-counter exchange and its then current financial statement is readily available on its public website.

16.13 **Attorney's Fees**. If on account of any default by Tenant in Tenant's obligations under the terms of this Lease, it becomes necessary or appropriate for Landlord to employ attorneys or other persons to enforce any of Landlord's rights or remedies hereunder, Tenant shall pay upon demand as Additional Rent hereunder all reasonable fees of such attorneys and other persons and all other costs of any kind so incurred. Where the phrase "attorneys' fees," "legal fees" or "legal expenses" or similar phrases are used, such phrase shall specifically include the fees and expenses of the in-house legal staff of Landlord and its affiliates.

16.14 **Landlord Approvals**. Whenever Tenant is required to obtain Landlord's consent hereunder, Tenant agrees to reimburse Landlord all out-of-pocket expenses incurred by Landlord, including reasonable attorney's fees in order to review documentation or otherwise determine whether to give its consent. Tenant shall pay Landlord's invoice for any such amounts within ten (10) days following Landlord's delivery of its invoice therefor. Any provision of this Lease which requires the Tenant to obtain Landlord's consent to any proposed action by Tenant shall not be the basis for an award of damages or give rise to a right of setoff on Tenant's behalf, but may be the basis for a declaratory judgment or injunction with respect to the matter in question.

16.15 **Landlord's Liability**. Tenant shall look only to Landlord's estate in the Property (or the proceeds thereof) for the satisfaction of Tenant's remedies with respect to any liability, default or obligation of Landlord under this Lease or otherwise regarding Tenant's leasing, use and occupancy of the Premises pursuant hereto, including without limitation for the collection of any monetary obligation, judgment or other judicial process requiring the payment of money by Landlord. Neither Landlord nor any of its members, stockholders, officers, directors, partners, trustees, beneficiaries or employees shall be personally liable hereunder, nor shall any of its or their property, other than the Property, be subject to levy, execution or other enforcement procedure for the satisfaction of Tenant's said remedies. Landlord shall not under any

circumstances be liable for any special, indirect or consequential damages of Tenant, including lost profits or revenues. No owner of the Property shall be liable under this Lease except for breaches of Landlord's obligations occurring while such party owns the Property.

16.16 **Time of Essence** . **TIME IS OF THE ESSENCE** with respect to the due performance of the terms, covenants and conditions herein contained; provided , however , that no delay or failure to enforce any of the provisions herein contained and no conduct or statement shall waive or affect any of Landlord's rights hereunder.

16.17 **Confidentiality** . Subject to any applicable reporting/disclosure requirements imposed by Applicable Laws or reporting requirements for publicly traded companies (if applicable), Tenant agrees: (a) to treat the terms of the Lease, and the terms of any existing and future amendments and modifications to the Lease (the " **Confidential Information** ") as confidential during the term of this Lease and for the three (3) year period following the expiration or sooner termination of the Lease (the " **Non-Disclosure Period** "), (b) not to disclose, directly or indirectly, to any third party nor permit any third party to have access to any or all of such Confidential Information during the Non-Disclosure Period, including, without limitation, any Building tenants and any brokers, and (c) to indemnify, defend and hold harmless Landlord from any loss, cost, expense, damage and liability, including Landlord's legal fees and expenses, resulting from Tenant's breach of the foregoing confidentiality agreements. Landlord acknowledges that Tenant shall have the right to disclose such Confidential Information only to the extent that such disclosure is required by law or court order or by discovery rules in any legal proceeding. Tenant's agreements and indemnity with respect to the Confidential Information shall survive the expiration or earlier termination of the Lease.

16.18 **Submission** . Submission of this instrument for examination does not constitute a reservation of or option for lease of the Premises, and it is not effective as a lease or otherwise until this Lease has been executed by both Landlord and Tenant and a fully executed copy has been delivered to each.

16.19 **Governing Law/Interpretation** . This Lease and the rights and obligations of the parties hereunder shall be construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania. Any action brought to enforce or interpret this Lease shall be brought in the court of appropriate jurisdiction in the county in which the Building is located. Should any provision of this Lease require judicial interpretation, it is agreed that the court interpreting or considering same shall not apply the presumption that the terms hereof shall be more strictly construed against a party by reason of the rule or conclusion that a document should be construed more strictly against the party who itself or through its agent prepared the same. It is agreed and stipulated that all parties hereto have participated equally in the preparation of this Lease and that legal counsel was consulted by each responsible party before the execution of this Lease.

16.20 **OFAC List** . Tenant represents and warrants that it is not listed, nor is it owned or controlled by, or acting for or on behalf of any person or entity, on the list of Specially Designated Nationals and Blocked Persons maintained by the Office of Foreign Assets Control of the United States Department of the Treasury, or any other list of persons or entities with

whom Landlord is restricted from doing business with (" OFAC List "). Notwithstanding anything to the contrary herein contained, Tenant shall not permit the Premises or any portion thereof to be used, occupied or operated by or for the benefit of any person or entity that is on the OFAC List. Tenant shall provide documentary and other evidence of Tenant's identity and ownership as may be reasonably requested by Landlord at any time to enable Landlord to verify Tenant's identity or to comply with any legal requirement or applicable laws. Tenant acknowledges and agrees that as a condition to the requirement or effectiveness of any consent to any Transfer by Landlord pursuant to Section 12.1 , Tenant shall cause the Transferee, for the benefit of Landlord, to reaffirm, on behalf of such Transferee, the representations of, and to otherwise comply with the obligations set forth in, this Section 16.20 , and it shall be reasonable for Landlord to refuse to consent to a Transfer in the absence of such reaffirmation and compliance. Tenant agrees that breach of the representations and warranties set forth in this Section 16.20 shall at Landlord's election be a material default under this Lease for which there shall be no cure. This Section 16.20 shall survive the termination or earlier expiration of the Lease.

16.21 **No Recordation** . This Lease shall not be recorded in whole or in memorandum form by Tenant without the prior written consent of Landlord.

16.22 **Rent Not Based On Income** . No rent or other payment in respect of the Premises shall be based in any way upon net income or profits from the Premises. Tenant may not enter into or permit any sublease or license or other agreement in connection with the Premises which provides for a rental or other payment based on net income or profit.

16.23 **Consequential Damages** . Except as may be expressly provided as a remedy to be provided to Landlord in Articles 2 or 13 hereof, Landlord and Tenant hereby waive any indirect, special, consequential or punitive damages incurred or suffered as a result of any matter arising out of or in connection with this Lease.

ARTICLE 17 OPTION TO EXTEND

(a) Tenant shall have the right to renew the initial Term of this Lease for one (1) renewal term commencing on the day following the last day of the Initial Term and ending and expiring on October 31, 2025 (the “Renewal Term”), by delivering written notice of the exercise thereof to Landlord not earlier than fifteen (15) months nor later than nine (9) months before the expiration of the Initial Term, TIME BEING OF THE ESSENCE. Tenant’s right to renew this Lease is conditioned upon the following requirements: (i) Tenant is the originally named Tenant hereunder at the time of such exercise and at the commencement of the Renewal Term (for purposes of this Article, the term “Tenant” shall mean and refer only to the originally-named Tenant under the Lease); (ii) no default exists either at the time of such exercise or at the commencement of the Renewal Term; (iii) Tenant is occupying, and using for its own business, all or substantially all of the Premises at the time of such exercise and upon the commencement of the Renewal Term; and (iv) Tenant’s written notice of such exercise is accompanied by the most recent financial statements of Tenant in the form prescribed by the Landlord. Tenant shall lease the Premises during the Renewal Term

in its then-current "AS-IS" condition, and Landlord shall have no obligation to perform any work to the Premises to prepare the Premises for Tenant's use and occupancy, or to provide Tenant with any allowances (e.g., moving allowance, construction allowance, and the like) or other tenant inducements.

(b) The Annual Base Rent payable by Tenant to Landlord during the first year of the Renewal Term shall be two and one-half (2.5%) percent above the then escalated Annual Base Rent payable by Tenant during the last year of the Initial Term and such Annual Base Rent shall escalate and increase thereafter annually during the Renewal Term by two and one-half (2.5%) percent during each year of the Renewal Term.

(c) Landlord and Tenant shall promptly execute an amendment to this Lease evidencing any extension of the Term and the determination of Base Rent for the Renewal Term pursuant to this Article, but no such amendment shall be necessary in order to make the provisions of this Article effective.

(d) Tenant's right to renew this Lease shall automatically terminate if: (i) this Lease or Tenant's right to possession of the Premises is terminated; (ii) Tenant assigns its interest in this Lease or sublets any portion of the Premises; (iii) if Tenant is in default of any of the terms or conditions of this Lease or (iv) if, within thirty (30) days of its receipt of the required financial statements, Landlord determines, in its sole but reasonable discretion, that the financial condition or creditworthiness of Tenant has materially deteriorated since the date hereof.

(e) [Intentionally omitted.]

(f) Tenant shall have no further right to extend the Term following the expiration of the Renewal Term.

(g) Except as set forth in this Article, this Lease and all the covenants, agreements, terms, provisions and conditions thereof shall remain in effect during the Renewal Term, including, without limitation, Tenant's obligation to pay Additional Rent and electricity charges as provided in the Lease.

(h) All notices, mailings and documents to be given, executed and/or delivered by Landlord and/or Tenant hereunder shall be given, executed and/or delivered in accordance with the provisions of Article 15 of this Lease and same must be given within the time periods set forth in this Article, with time being of the essence.

ARTICLE 18 FURNITURE

a. Tenant's Furniture Use . From the Commencement Date until the Expiration Date, Tenant may use such furniture (collectively, "Furniture") which may be then located in the Premises as described on Exhibit G annexed hereto. Tenant acknowledges that Landlord makes no representations or warranties with respect to the condition of the Furniture or as to whether or not any third party has a prior right to or lien in and to the Furniture. Tenant covenants that the Furniture

shall be accepted by Tenant in its "as-is" condition on the Commencement Date and shall be returned by Tenant to Landlord in good working order and condition, reasonable wear and tear excepted, on the Expiration Date.

Tenant hereby confirms that:

(i) Tenant has thoroughly inspected the Furniture;
(ii) Tenant is satisfied with the physical condition of the Furniture based on Tenant's own judgment and expressly disclaims reliance upon any statements, representations, or warranties made by Landlord;
(iii) The Furniture is clean, functioning, and in good order;
(iv) The Furniture is Landlord's personal property; and
(v) Landlord is not a manufacturer or vendor of all or any of the Furniture.

b. No Warranty by Landlord . Landlord neither makes nor shall be deemed to have made:

(i) Any warranty or representation, either express or implied, as to the design or condition of, or as to the quality of the material or workmanship in, or as to the suitability for any purpose of, all or any of the Furniture, or as to the ability of all or any of the Furniture to perform any function;

(ii) Any warranty of merchantability of all or any of the Furniture for any particular purpose or as to any other matter relating to all or any of the Furniture, it being agreed that all risk of loss, as between Landlord and Tenant, is to be borne by Tenant, and the benefits of any and all implied warranties and representations of Landlord are hereby waived by Tenant; or

(iii) Any warranty or representation, either express or implied, as to whether or not any third party has a prior right to or lien in and to the Furniture.

c. Maintenance, Repair of Furniture . Landlord shall at all times during the term of this Lease have no responsibility, and Tenant assumes all responsibility, for the physical condition of the Furniture. Tenant, at its sole expense, shall maintain and repair in a first-class manner the Furniture so as to keep them clean, functioning, and in good order at all times.

d. Insurance . Tenant, at its sole expense, shall at all times keep the Furniture insured. If any or all of the Furniture is stolen or damaged by fire or other casualty, then Tenant, at its sole expense, shall immediately replace the stolen or damaged item(s) of the Furniture with a new item(s) identical in dimension, weight, color, style, and quality to the stolen or damaged item(s). Any of the Furniture that is replaced in accordance with this Paragraph d. shall constitute part of the "Furniture" for purposes of this Article. Immediately after Tenant replaces one or more items of the Furniture in accordance with this Paragraph d., Tenant shall give Landlord a complete, accurate, and detailed written description of the replacement, together with a color photograph thereof. Tenant acknowledges that, notwithstanding its obligation to insure the Furniture, the Furniture is the personal property of Landlord, not Tenant.

e. Ownership of Furniture . To evidence Landlord's continuing ownership of and title to the Furniture, Tenant shall, upon Landlord's demand, execute and deliver to Landlord any and all confirmatory documents, security agreements, and/or financing statements, in form and content

satisfactory and acceptable to Landlord. At no time shall Tenant remove from the Premises all or any of the Furniture. Tenant shall do nothing that will result in a lien, claim, or encumbrance being placed against all or any of the Furniture.

f. End of Lease . At the expiration or earlier termination of this Lease, whichever comes sooner, all of the Furniture shall be in the Premises and all the Furniture shall be in the physical condition required under this Article.

g. Transfer of Ownership .

(i) Notwithstanding anything contained to the contrary in this Article, Landlord, upon written notice to Tenant, may at its sole option elect to relinquish Landlord's ownership interest in, and transfer title to Tenant of, all or any of the Furniture, in which event:

(A) Such item(s) of relinquished Furniture that Landlord has identified to Tenant in writing shall be removed by Tenant from the Premises at Tenant's sole expense prior to the expiration or earlier termination of the Lease, whichever occurs sooner; and

(B) Tenant, at its sole expense, shall repair any damage to the Premises and Building due to such removal; and

(ii) To effectuate such transfer of title to Tenant from Landlord, Tenant hereby appoints Landlord as Tenant's duly authorized agent and attorney-in-fact, and delegates to Landlord the unqualified power of attorney to execute any instruments, such as, by way of example, a bill of sale, in the name of Tenant and undertake such measures on behalf of Tenant as Landlord may determine. The foregoing appointment shall be a special power of attorney coupled with an interest and shall be irrevocable. If Landlord transfers title to all or any of the Furniture to Tenant, such relinquished item(s) of the Furniture shall be conveyed in their then "as is" physical condition and state of repair, without warranty from, representation by, or recourse against Landlord.

[*Remainder of page left intentionally blank - signatures on following page*]

IN WITNESS WHEREOF, intending to be legally bound, Landlord and Tenant have executed this Lease the day and year first above written.

LANDLORD:
KBSIII CROSSPOINT AT VALLEY FORGE TRUST,
a Delaware Statutory Trust

By: KBS Capital Advisors, LLC,
a Delaware limited liability company,
acting as Owner's Representative

By: /s/ Shannon W. Hill
Name: Shannon W. Hill
Title: Senior Vice President

TENANT:
RADIUS HEALTH, INC. ,
a Delaware corporation

By: /s/ David Snow
Name: David Snow
Title: Chief Commercial Officer

EXHIBIT A

PLAN OF PREMISES

EXHIBIT B

LEGAL DESCRIPTION

All that certain condominium Unit C (the "Unit") pursuant to that certain Declaration of Condominium of Valley Forge Office Center, a Condominium, pursuant to the provisions of the Pennsylvania Uniform Condominium Act, 68 Pa. C.S. Section 3101 et seq., dated August 26, 2005, recorded September 1, 2005 in Book 6605 Page 59, as affected by that certain Assignment and Assumption of Special Declarants Rights as set forth in Record Book 6605, Page 163, as further amended by that First Amendment to Declaration to Condominium of Valley Forge Office Center, a Condominium, effective as of June 2, 2011, as set forth in Record Book 8187, page 1937, and as further amended by that Second Amendment to Declaration of Condominium of Valley Forge Office Center, dated March 27, 2013 and recorded in the Register in Deed book 8678, Page 20, and any and all subsequent amendments thereto, as the same may change from time to time (collectively, the " Declaration "), which Unit being situate in the Township of Tredyffrin, Chester County, Commonwealth of Pennsylvania, known as the Valley Forge Office Center, a Condominium (the " Condominium "); together with its appurtenant limited common elements and together with a proportionate undivided interest in the Common Elements of 71.1%.

UPI NO. 43-6E-100.3

BEING the same premises which DIV VALLEY FORGE, Limited Partnership, by Special Warranty Deed dated August 14, 2015 and effective as of August 18, 2015 and recorded August 24, 2015 in the Office of the Recorder of Deeds in and for the County of Chester in Record Book 9168, Page 1524, granted and conveyed unto KBSIII CROSSPOINT AT VALLEY FORGE TRUST.

EXHIBIT C

WORKLETTER

Capitalized terms used herein, unless otherwise defined in this Workletter, shall have the respective meanings assigned to them in the Lease.

For and in consideration of the agreement to lease the Premises and the mutual covenants contained herein and in the Lease, Landlord and Tenant hereby agree as follows:

1. **Work**. Landlord shall cause to be performed the work (the "Work" or "Leasehold Improvements") in the Premises provided for in the Plans (as defined in Paragraph 2 hereof). Landlord shall proceed diligently to cause the Work to be Substantially Completed (hereinafter defined) on or before the Commencement Date of the Lease, subject to "Tenant Delay" and "Force Majeure Delay" (as such terms are defined in Paragraph 4 hereof).

2. **Plans**.

(a) The final plans and specifications (the "Plans") for the Leasehold Improvements are attached hereto as **Attachment A** and incorporated herein. All Leasehold Improvements to be done by Landlord and any installations in the Premises as set forth in the Plans or otherwise shall be done using the Building-standard specifications, materials, finishes and supplies, as set forth on **Attachment A-1** attached hereto and incorporated herein.

(b) The Plans shall be revised, and the Work shall be changed, to incorporate any work required in the Premises by any local governmental field inspector. Preparation of the Plans by Landlord's architect shall in no way be deemed to be a representation that any element therein contained complies with applicable laws, ordinances, regulations or other governmental requirements.

(c) Landlord, at its sole option, may substitute for items, materials or finishes designated in the Plans other items, materials or finishes of comparable kind and quality.

(d) Landlord, at its sole option, may also change mechanical plans and specifications where necessary for the installation of air conditioning systems and ductwork, heating, electrical and plumbing and other mechanical plans for the Work; provided that any such changes shall not materially and adversely affect Tenant's use and occupancy of the Premises for its intended purpose.

3. **Delays in Work**. Notwithstanding the date provided in the Lease for the commencement of the Term thereof, Tenant's obligation to pay Rent thereunder shall not commence until Landlord shall have Substantially Completed all Work to be performed by Landlord as set forth in Paragraph l hereof; provided, however, if Landlord shall be delayed in Substantially Completing said Work for any reason set forth in the following subparagraphs (a) through (i) (**"Tenant Delay"**) or for any

reason set forth in the following subparagraph (j) (**"Force Majeure Delay"**), then neither the Commencement Date of the Lease nor the payment of Rent thereunder shall be affected or deferred on account of such delay:

(a) [Intentionally omitted];

(b) [Intentionally omitted];

(c) Tenant's request for or use of unique materials, finishes or installations or construction procedures which are substantially different from that which is standard or customary for the Building or from that shown in any space plan which Tenant has heretofore furnished Landlord, or resulting in the Work required by the Plans (as same may be revised from time to time) taking longer to complete under standard construction procedures (e.g., without use of overtime or additional shifts and without necessitating other measures to expedite long lead time items) than originally projected by Landlord at the execution of this Lease (i.e., when Landlord developed its schedule for construction of the Work without the benefit of the Plans);

(d) Tenant's failure to pay for any portion of the Work as and when payable by Tenant hereunder, or Tenant's failure to respond to Landlord's submission of Plans to Tenant for its approval or disapproval within the time period described in paragraph 2(a) above;

(e) [Intentionally omitted];

(f) Landlord's determination that base building modifications are necessary in order to accommodate the Work;

(g) The entry by Tenant or Tenant's Contractors (as defined in Paragraph 6 below) in or about the Premises or Building;

(h) [Intentionally omitted];

(i) any other act, omission or delay by Tenant, its agents or contractors or persons employed by any of such persons delaying Substantial Completion of the Work; or

(j) any other cause beyond the reasonable control of Landlord, including, without limitation, strikes, lockouts, labor trouble, disorder, inability to procure materials, failure of power, restrictive governmental laws and regulations, riots, insurrections, war, fuel shortages, accidents, casualties and acts of God.

4. **Completion -- Punch List** .

(a) When Landlord's architect considers the Work to be Substantially Complete or about to be Substantially Completed in accordance with the provisions of subparagraph (d) below, Landlord shall notify Tenant as to the date or anticipated date of Substantial Completion and of a reasonable time and date for inspection of the Work. If such time

and date for inspection are not reasonably acceptable to Tenant, Landlord and Tenant shall mutually agree upon another time and date, provided that Tenant shall not unreasonably delay such inspection. Tenant agrees to inspect the Premises at such time and on such date and to execute at the time of such inspection Landlord's form of inspection report which shall be prepared by Landlord's architect and shall list items designated by said architect as not yet completed and any additional items which Landlord and Tenant, in good faith, agree are not yet completed (said list is hereinafter referred to as a **"Punch List"**). If Tenant does not appear for inspection on the date designated or agreed upon, Tenant shall be deemed to have accepted the Premises as Substantially Completed and Landlord or its representative may execute such Punch List on behalf of both Landlord and Tenant. In the event of any dispute as to whether or not Landlord has Substantially Completed the Work, the decision of Landlord's architect, made in accordance with the provisions of subparagraph (d) below, shall be final and binding on the parties. Tenant agrees that, at the request of Landlord from time to time after the initial inspection, Tenant shall initial such Punch List or execute revised Punch Lists to reflect completion or partial completion of prior Punch List items.

(b) At any time after Substantial Completion of the Work, Landlord may enter the Premises to complete Punch List items, and such entry by Landlord or its agents, employees or contractors for such purpose shall not constitute an actual or constructive eviction, in whole or in part, or entitle Tenant to any abatement or diminution of rent, or relieve Tenant from any of its obligations under the Lease, or impose any other liability upon Landlord or its agents, employees or contractors.

(c) Notwithstanding any provisions to the contrary contained in this Workletter, if the Premises or any part thereof are used or occupied for construction, installation of equipment or personal property or for any other purpose by the Tenant or Tenant's agents, contractors or employees prior to Substantial Completion, it is agreed that the Work affecting said Premises shall then be deemed accepted by Tenant "as is" and Landlord shall have no obligation to complete any incomplete items; provided, however, that at the request of either party hereunder, Landlord and Tenant, acting reasonably, shall prepare a Punch List prior to such occupancy showing incomplete items to be completed by Landlord. Notwithstanding the foregoing, no such use or occupancy prior to Substantial Completion shall be permitted without Landlord's consent, in Landlord's sole discretion.

(d) The Leasehold Improvements shall be deemed "Substantially Completed" or "Substantially Complete" when Landlord's contractor or architect certifies to Landlord and Tenant in writing that: (a) the Leasehold Improvements have been completed in accordance with the Plans, subject only to normal punchlist items; and (b) Landlord, on behalf of Tenant, has obtained a temporary certificate of occupancy from Tredyffrin Township permitting the lawful use and occupancy of the Premises for the purposes specified in this Lease; provided, however, that if Landlord is unable to obtain such certificate of occupancy (or its reasonable equivalent) by virtue of the fact that Tenant has not yet completed the installation of its Tenant's Systems (defined hereinafter), the Leasehold Improvements shall be deemed Substantially Complete upon the certification

of Landlord's architect or contractor as stated in subsection (a) above, notwithstanding anything to the contrary in the foregoing. The Leasehold Improvements shall be deemed to be Substantially Complete on the date on which the Work would have been Substantially Complete but for Tenant Delay or Force Majeure Delay or on such earlier date as the Work shall be deemed to be Substantially Complete pursuant to Paragraph 4(c) above.

5. **Access by Tenant Prior to Commencement of Term** .

(a) (i) Landlord, at Landlord's sole discretion, may permit Tenant and Tenant's agents, suppliers, contractors, subcontractors and workmen (collectively, **"Tenant's Contractors"**), who have been approved by Landlord as hereinafter provided, to enter the Premises prior to the Commencement Date to enable Tenant to install its telephone and computer cabling and carpeting or do such other things as may be required by Tenant to make the Premises ready for Tenant's occupancy. Any such entry or access by Tenant or Tenant's Contractors and any work which may be performed in the Premises in connection therewith shall be subject to all of the applicable terms and conditions of this Workletter and the Lease, including, without limitation, Articles 8 and 9 of the Lease.

(ii) **Tenant's Systems** . Tenant, at its sole expense, shall design, install, construct and maintain Tenant's data, telephone, audio-visual, internet and video systems (" **Tenant's Communications Systems** ") and Tenant's furniture systems (collectively, the " **Tenant's Systems** ") within the Premises and the related wiring within the Building necessary for the operation thereof. Tenant's Systems shall not be included in the Leasehold Improvements. Landlord may permit Tenant and its agents, architects, engineers, space planners, contractors, subcontractors, suppliers and materialmen to have access to the Premises and the Building (at the sole risk of such parties and without liability to Landlord) for such purposes subject to the terms and conditions of this Article 5 of the Workletter and other provisions of the Lease. The design, plans and specifications for the wiring, cabling and equipment for Tenant's Communication System, and its locations and connections from within the Premises to the Building risers, conduits and systems shall be subject to Landlord's prior review and approval. Tenant shall provide Landlord with reasonable prior written notice of any construction work relating to Tenant's Systems that involves any Building systems, and all such work shall be coordinated with Landlord and subject to Landlord supervision.

(b) Tenant shall notify Landlord of the identity of Tenant's Contractors not less than five (5) days prior to the initial entry into the Premises by any such Tenant's Contractors, and Landlord shall have the right to approve or disapprove any of Tenant's Contractors.

(c) Tenant agrees that if permission is granted Tenant for early entry under this Paragraph, then (i) Tenant and Tenant's Contractors and their activities in the Premises and Building will not interfere with or delay the completion of the Work to be done by Landlord and will not interfere with other construction by Landlord, its contractors and subcontractors and their agents and employees or occupants of the Building and their contractors in or about the Premises or Building, and (ii) Landlord, its contractors and subcontractors and their agents and employees shall have priority over Tenant and Tenant's

Contractors in performing work within the Premises or Building, including, without limitation, the use of hoists and elevators.

(d) Landlord shall have the right to withdraw its early occupancy permission given under this Paragraph 6 upon written or oral notice to Tenant if Landlord determines that any interference or delay has been or may be caused. Tenant agrees that any such entry into the Premises shall be at Tenant's own risk and Landlord shall not be liable in any way for any injury, loss or damage which may occur to any of the Tenant's property or installations made in the Premises.

(e) Tenant shall promptly pay to each of Tenant's Contractors when due the cost of all Work done by such Tenant's Contractor and, if required by Landlord, shall deliver to Landlord evidence of payment to each such party, together with contractors' affidavits, partial and full and final waivers of all liens for labor, service or materials and such other documents as Landlord may request.

(f) Any work performed by Tenant or Tenant's Contractors shall be done in a first-class workmanlike manner using only first-class grades of materials and shall comply with all of Landlord's rules and requirements and all applicable laws, ordinances, rules and regulations of governmental departments or agencies.

(g) Any work done by Tenant or Tenant's Contractors will be scheduled and coordinated through Landlord and shall be performed under the supervision and control of Landlord to the extent Landlord determines to be necessary.

(h) Tenant agrees to protect, defend, indemnify and save harmless Landlord and its officers, directors, partners, members, managers, employees and agents from all liabilities, costs, damages, fees and expenses arising out of or connected with the activities of Tenant or Tenant's Contractors in or about the Premises or Building, including, without limitation, the cost of any repairs to the Premises or Building necessitated by activities of Tenant or Tenant's Contractors. In addition, prior to the initial entry into the Building or the Premises by Tenant or any of Tenant's Contractors, Tenant shall furnish Landlord, at Tenant's sole cost, with policies of insurance required by the Lease and with any additional insurance covering Landlord and its officers, directors, partners, members, managers, employees and agents as insured parties, with such coverages and in such amounts as Landlord may then require, in order to insure Landlord and its officers, directors, partners, employees or agents against loss or liability for injury or death or damage to property arising out of or connected with any activities of Tenant or Tenant's Contractors. Tenant acknowledges that the foregoing indemnity shall be in addition to the insurance requirements set forth herein and shall not be in discharge of or in substitution for same.

(i) Tenant has no authority or power to cause or permit any lien or encumbrance of any kind whatsoever, whether created by act of Tenant, operation of law or otherwise, to be attached to or be placed upon Landlord's title or interest in the Premises, Building or underlying land, and any and all liens and encumbrances created by Tenant shall attach to Tenant's interest only. Tenant covenants and agrees not to suffer or permit any lien of

mechanics or materialmen or others to be placed upon the Premises, Building or land with respect to work or service claimed to have been performed for, or materials claimed to have been furnished to, Tenant or the Premises by Tenant's Contractors, and in case of any such lien attaching, Tenant covenants and agrees to cause it to be promptly released and removed of record. In the event that such lien is not promptly released and removed within thirty (30) days after such lien, or notice thereof, is filed, Landlord, at its sole option, may take all action necessary to release and remove such lien (without any duty to investigate the validity thereof) and Tenant shall promptly upon notice reimburse Landlord for all sums, costs and expenses (including attorneys' fees) incurred by Landlord in connection with such lien.

6. **Waiver of Claims**. Tenant hereby waives all claims by the Tenant except those arising from Landlord's failure to complete in due course the incomplete items, if any, described on the Punch List. **THE FOREGOING CONSTITUTES LANDLORD'S ONLY WARRANTY. ALL IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, THOSE OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE EXPRESSLY NEGATED AND WAIVED** .

7. **Changes in the Work**.

(a) Landlord or its contractor may make minor changes in the Work arising during the construction process not inconsistent with the intent hereof.

(b) [Intentionally omitted].

8. **Miscellaneous**.

(a) The Work shall be done by Landlord, or its designees, contractors or subcontractors, in accordance with the terms, conditions and provisions herein contained.

(b) Except as herein expressly set forth or in the Lease, Landlord has no agreement with Tenant and has no obligation to do any other work with respect to the Premises including, but not limited to, the installation of Tenant's telephone, data and communications equipment installation, which shall be Tenant's sole responsibility. Any other work in the Premises which Tenant may be permitted by Landlord to perform prior to the Commencement Date shall be done at Tenant's sole cost and expense and in accordance with the terms and conditions of the Lease, and the terms and provisions of Paragraph 6 of this Workletter and such other requirements as Landlord deems necessary or desirable. Any additional work or alterations to the Premises desired by Tenant after the Commencement Date of the Lease shall be subject to the provisions of the Lease.

(c) If the Plans for the Work require the construction and installation of more fire hose cabinets or telephone/electrical closets than the number regularly provided by Landlord in the core of the Building in which the Premises are located, Tenant agrees to pay all costs and expenses arising from the construction and installation of such additional fire hose cabinets or telephone/electrical closets as Additional Rent on demand.

(d) Landlord is entitled to all available investment tax credits, if any, for Work paid for and property acquired by Landlord pursuant to the Lease and this Workletter. Nothing in the Lease or this Workletter shall be construed as an agreement by Landlord to pass any investment tax credits through to Tenant.

(e) Time is of the essence of this Workletter.

(f) This Workletter shall not be deemed applicable to any additional space added to the original Premises at any time or from time to time, whether by any options under the Lease or otherwise, or to any portion of the original Premises or any additions thereto in the event of a renewal or extension of the original term of the Lease, whether by any options under the Lease or otherwise, unless expressly so provided in the Lease or any amendment or supplement thereto.

(g) Tenant's failure to pay any amounts owed by Tenant hereunder when due or Tenant's failure to perform its obligations hereunder shall also constitute a Default under the Lease, and Landlord shall have all the rights and remedies granted to Landlord under the Lease for nonpayment of any amounts owed thereunder or failure by Tenant to perform its obligations thereunder. Notices under this Workletter shall be given in the same manner as under the Lease.

(h) The liability of Landlord hereunder or under any amendment hereto or any instrument or document executed in connection herewith (including, without limitation, the Lease) shall be limited to and enforceable solely against Landlord's interest in the Building.

9. **Tenant Cooperation** . Tenant shall fully cooperate with Landlord in any programs in which Landlord may elect to participate relating to the Building's (i) energy efficiency, management, and conservation; (ii) water conservation and management; (iii) environmental standards and efficiency; (iv) recycling and reduction programs; and/or (v) safety, which participation may include, without limitation, the Leadership in Energy and Environmental Design (LEED) program and related Green Building Rating System promoted by the U.S. Green Building Council. All carbon tax credits and similar credits, offsets and deductions are the sole and exclusive property of Landlord.

ATTACHMENT A

WORK PLANS

ATTACHMENT A-1

BUILDING STANDARD SPECIFICATIONS

EXHIBIT D

CLEANING SPECIFICATIONS

TENANT AREAS

A. DAILY ON BUSINESS DAYS

1. Empty all waste receptacles and remove waste material from the premises: change waste basket liners as necessary.

2. Sweep all uncarpeted areas.

3. Vacuum carpeting and rugs in all traffic and main areas.

4. Spot clean glass on tenant entrance doors.

5. Wipe all counter tops, sinks, and table tops.

6. Upon completion of cleaning all lights will be turned off, doors locked, and alarms engaged if applicable, leaving the premises in an orderly condition.

7. Spot clean carpets, rugs and V.C.T.

B. WEEKLY

1. Mop all uncarpeted areas.

2. Hand dust and wipe clean horizontal surfaces, including furniture, window sills, door ledges, chair rails and counter tops, within normal reach and free of personal belongings, paperwork, etc.

3. Wash all glass at tenant entrance doors and sidelights.

C. QUARTERLY

1. Render high dusting not reached in nightly cleaning to include:

a. dusting of all pictures, frames, and charts

b. dusting of all ventilating and air conditioning louvers and grills

c. dusting of all Venetian blinds, hangings

2. Spot clean smears and smudges on walls, doors, frames, kick and push plates, handles and light switches.

D. YEARLY

1. Window washing of both sides of exterior glass.

LAVATORIES

A. DAILY ON BUSINESS DAYS

1. Sweep wash and rinse all floors thoroughly, using a disinfectant.

2. Wash all basins, bowls, urinals, and shower stalls.

3. Empty and clean paper towel and sanitary disposal receptacles. Replace liners back into receptacles. All liners to be provided by landlord.

4. Refill tissue holders, soap dispensers, towel dispensers and sanitary dispensers. Materials are to be furnished by the landlord.

5. A non-acidic sanitizing solution will be used in all lavatory cleaning.

6. Wash and polish all mirrors, powder shelves, brightwork, flushometers, piping and toilet seat hinges, etc.

7. Wash both sides of all toilet seats.

8. Remove waste paper and refuse to designated areas on the premises.

B. WEEKLY

1. Wash all partitions and walls.

2. Clean all air vents.

3. Wipe down all high light fixtures.

4. Check and refill, if necessary, all automatic deodorizing equipment.

C. QUARTERLY

1. Machine scrub floors.

ELEVATORS

A. DAILY ON BUSINESS DAYS

1. Clean interior walls, doors, and bright work, including ceiling.

2. Vacuum floors.

3. Clean door sills or tracks.

4. Clean exterior elevator doors, and frames.

LOBBIES AND BUILDING COMMON AREAS

A. DAILY ON BUSINESS DAYS

1. Empty all waste baskets and change liners, empty exterior cigarette urns and ash trays. Remove waste material from premises.

2. Vacuum rugs, mats and carpeted areas.

3. Inspect carpet for spots and stains, removing where possible.

4. Spot clean all interior glass in partitions and doors.

5. Clean and sanitize drinking fountains.

6. Damp mop lobby floor.

7. Clean entrance glass doors on lobby floor both sides.

8. Hand dust and wipe clean with treated cloths all furniture, window sills, railings, tenant directories and planters.

9. Spot clean by damp wiping fingerprints, smears, smudges on walls, doors and frames.

10. Clean any and all metal work surrounding building entrance doors.

B. WEEKLY

1. Dust all artwork.

2. Dust air vents.

C. MONTHLY

1. Dust above hand height all surfaces, including light fixtures within reach of a step ladder.

2. Dust all air grills and/or heating units.

3. Dust fire extinguishers and hose cabinets.

D. QUARTERLY

1. Strip and wax all resilient floors.

2. Shampoo all common area carpeting.

3. Machine scrub granite lobby floor.

MISCELLANEOUS

A. DAILY

1. Report all maintenance deficiencies to building management i.e., inoperable light fixture, plumbing problems, roof leaks, etc.

B. WEEKLY

1. Sweep, mop, or vacuum secondary stairs.

2. Check supplies and order as necessary.

C. MONTHLY

1. Inspect and clean all utility closets.

2. Shampoo elevator carpets, more frequently if necessary.

Should a tenant desire the cleaning contractor to do other than those duties specified herein, i.e. leave lights on, leave doors open, leave alarms off, don't vacuum, etc., the tenant must request this from building management who will instruct cleaning contractor on the following business day. Cleaning Specifications assumes typical 1st class office space layout and an occupancy load no greater than 1 person per 250 usable square feet. Higher density areas are subject to additional charge. Areas within tenant demised premises such as pantries, cafeterias, locker/fitness rooms, and computer/IT rooms, are considered specialty areas and are subject to additional charges.

END CLEANING SPECIFICATIONS

EXHIBIT E

RULES AND REGULATIONS

1. Use of Common Areas . Tenant's use of the Common Areas shall be limited to access and parking purposes. Under no circumstances shall Tenant be permitted to store any goods or equipment, conduct any operations or construct or place any improvements, barriers or obstructions in the Common Areas, or otherwise adversely affect the appearance thereof. Tenant shall not obstruct any sidewalks, halls, passages, exits, entrances, elevators, lobbies and stairways of the Building, and tenants shall not use any of the same for any purpose other than for ingress to and egress from their respective Premises. Tenant shall not store any property outside the Premises.

2. Parking Vehicles . Tenant shall comply with such rules and regulations governing parking as may be promulgated from time to time by Landlord, including, without limitation, rules and regulations requiring the parking of vehicles in designated spaces or areas or regarding the exclusion of other spaces or areas. Tenant shall not store vehicles for extended periods of time in either the parking garage or lot.

3. Building Security . All persons entering and/or leaving the Building may be required to sign a register. Landlord will notify each tenant if Landlord elects to institute a pass system outside of Normal Business Hours. Landlord may furnish passes to Tenant so that Tenant may validate and issue same. Tenant shall safeguard said passes and shall be responsible for all acts of persons in or about the Property who possess a pass issued to Tenant. Landlord reserves the right to exclude from the Property all persons who do not present a pass to the Property issued by Landlord. Landlord reserves the right to exclude or expel from the Building any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of the Rules and Regulations of the Building.

4. Building Personnel . The requirements of Tenant will be attended to only upon application at or call to the management office of the Property. Property personnel shall not perform any work or do anything outside of their regular duties, unless under special instructions from the office of the Landlord.

5. Building Deliveries . During the moving or delivery of receipt of safes, freight, furniture, packages, boxes, crates, paper, office material, or any other item, Tenant shall use and shall cause its employees and contractors and any others making deliveries to the Premises or dispatch from the Premises to use hand trucks equipped with rubber tires, side guards and such other safeguards as Landlord shall reasonably require. Hand trucks shall not be used in passenger elevators, and passenger elevators shall not be used for moving, delivery or receipt of the aforementioned articles. Landlord reserves the right to inspect all safes, freight or other bulky articles to be brought into the Building and to exclude from the Building all safes, freight

or other bulky articles which violate any of these Rules and Regulations or the lease of which these Rules and Regulations are a part.

6. Moving Restrictions . All freight, furniture, trade fixtures and personal property must be received and delivered through entrances to the Building designated for such purpose unless otherwise authorized by the Landlord, and only during such hours and in such elevators as Landlord may reasonably determine from time to time. Movement in and out of the Building of furniture or office equipment, or dispatch or receipt by Tenant of any merchandise or material which requires the use of elevators or stairways, or movement through the building entrances or lobby, shall be restricted to the hours designated by Landlord from time to time. All such movement shall be as approved by Landlord in a pre-arranged manner to be agreed upon between Tenant and Landlord. Such pre-arrangement shall include the time, method, and routing of movement. Tenant expressly assumes all risk or damage to any and all articles moved, as well as injury to any person or persons and equipment, property and personnel of Landlord.

7. Right to Inspect . The Landlord, its agents and employees shall have access at reasonable times to perform their duties in the maintenance and operation of the Premises. Landlord reserves the right to inspect all objects and matter to be brought into the Building and to exclude from the Building all objects and matter which violate any of these Rules and Regulations or the Lease. Landlord may require any person leaving the Building with any package or other object or matter to submit a pass, listing such package or object or matter, from the tenant from whose premises the package or object or matter is being removed; however, the establishment and enforcement of such requirement shall not impose any responsibility on Landlord for the protection of any tenant against the removal of property from the premises of such tenant. Landlord shall not be liable to Tenant for damages or loss arising from the admission, exclusion or ejection of any person to or from the Premises or the Building under the provisions of this Rule or the following Rule.

8. Floor Load . Tenant shall not place a load upon any floor in the Premises exceeding the floor load per square foot of area which such floor was designed to carry and which is allowed by law. Landlord reserves the right to reasonably impose the weight and position of all business machines and mechanical equipment, including safes, which shall be placed so as to distribute the weight. Business machines and mechanical equipment shall be placed and maintained by Tenant at Tenant's expense in settings sufficient, in Landlord's reasonable judgment, to absorb and prevent vibration, noise and annoyance. Tenant shall not move any safe, heavy machinery, heavy equipment, freight, bulky matter or fixtures into or out of the Building without Landlord's prior consent. If such safe, machinery, equipment, freight, bulky matter or fixtures requires special handling, Tenant agrees to employ only persons holding a Master Rigger's License to do said work, and that all work in connection therewith shall comply with applicable laws and regulations.

9. Signage . No sign or signs shall be allowed in any form on the exterior of the Building or on any window or windows inside or outside of the Building. No sign or signs, except in uniform location and uniform style, fixed by Landlord, will be permitted in the public corridors or on corridor doors or entrance to Tenant's space. All signs shall be constructed by

Landlord at the rate fixed by Landlord from time to time. Tenant will be billed and pay for such service upon demand. Prior written consent from Landlord for any such Tenant sign or signs is required.

10. Advertising . No sign, advertisement, notice or other lettering shall be exhibited, inscribed, painted or affixed by Tenant on any part of the outside or inside of the Premises or of the Building without the prior written consent of Landlord. The Landlord shall have the right to prohibit any advertising by any Tenant, which, in its opinion, tends to impair the reputation of the Building or its desirability as a building for offices for financial, insurance and other institutions and businesses of like nature, and upon written notice from Landlord, Tenant shall refrain from or discontinue such advertising. Tenant shall not use the name of the Property for any purpose other than as the address of the business to be conducted by Tenant in the Premises, nor shall Tenant use any picture of the Property in its advertising, stationery or in any other manner without the prior written permission of Landlord. Landlord expressly reserves the right at any time to change said name without being liable to Tenant therefor.

11. No Interference with Building Services . Tenant shall not take or permit any action which would impair or interfere with any of the Building services or the proper and economic heating, cleaning, air conditioning or other servicing of the Building or the Premises, or impair or interfere with or tend to impair or interfere with the use of any of the other areas of the Building by occasion or discomfort, annoyance or inconvenience to, Landlord or any other tenants or occupants of the Building. Tenant shall cooperate with Landlord in obtaining maximum effectiveness of the cooling system and if requested by Landlord shall lower and close drapes and curtains when the sun's rays fall directly on the windows of the Premises. The Landlord or his agent should be notified at once of any trouble with heating, lighting or plumbing fixtures.

12. Tenant's Contractors . Tenant will refer all contractors, contractor's representatives and installation technicians rendering any service for Tenant to Landlord for Landlord's approval before performance of any such contractual services. This shall apply to all work performed in the Building including the installation of telephones, telegraph equipment, electrical services and attachments, and the installations of any and every nature affecting floors, walls, woodwork, trim, windows, ceilings, equipment or any other physical portion of the Building. None of this work will be done by Tenant without Landlord's prior written approval.

13. Tenant Locks and Premises Security . No additional locks, bolts or mail slots of any kind shall be placed upon any of the doors or windows by Tenant, nor shall any change be made in existing locks or the mechanism thereof. Tenant, at its sole expense, may install a card key system, which must be in full compliance with all other provisions of the Lease, and Tenant will provide Landlord with all access cards necessary to fully exercise all of its entry rights under the Lease with respect to the Premises. Tenant must lock all of its doors to the Premises at the end of its business hours. Tenant must, upon the termination of the tenancy, restore to Landlord all keys of stores, offices and rest rooms either furnished to or otherwise procured by Tenant and, in the event of the loss of any keys so furnished, Tenant shall pay to Landlord the cost thereof.

14. No Obstructions . The sashes, sash doors, skylights, windows, and doors that reflect or admit light or air into the halls, passageways or other public places in the Property shall not be covered or obstructed by Tenant, nor shall any bottles, parcels, or other articles be placed on the window sills, or in the public portions of the Property. No curtains, blinds, shades, drapes or screens shall be attached to or hung in, or used in connection with any window or door of the Premises. All electrical fixtures hung in offices or spaces along the perimeter of the Premises must be fluorescent, of a quality, type, design, bulb color, size and general appearance approved by Landlord.

15. No Alterations . Tenant shall not change (whether by alteration, replacement, rebuilding or otherwise) the exterior color and/or architectural treatment of the Premises or of the Building in which the same are located, or any part thereof. Tenant shall not install any awnings or curtains, blinds, shades or screens in, on or outside the Premises which are visible to public view outside the Premises.

16. Fire Hazards . Neither Tenant nor any of Tenant Parties shall at any time bring or keep upon the Premises or in the Building or the Property any flammable, combustible or explosive fluid, chemical or substance. Tenant shall not place, install or operate in the Premises or in any part of the Building, any engine, stove or machinery. Tenant shall not conduct mechanical operations, cook or place or use in or about the Premises any explosives, gasoline, kerosene, oil, acids, caustics, or any other flammable, explosive or hazardous material. Tenant may use microwave ovens, coffee makers and refrigerators within the Premises.

17. Waste Handling and Disposal . Tenant agrees to handle and dispose of all rubbish, garbage, and waste from Tenant's operations in accordance with regulations established by Landlord, and Tenant shall comply with Landlord's recycling programs. Tenant shall not permit the accumulation or burning of any rubbish or garbage in or about any part of the Building. Any permitted corrosive, flammable or other special wastes shall be handled for disposal as directed by Landlord and strictly in accordance with all applicable law.

18. Wiring and Cabling . Landlord will direct Tenant as to where and how telephone, video, telecommunications, internet and data wiring and cabling are to be placed in the Building and Premises. Tenant shall not paint, mark, drill into or in any way deface the walls, ceilings, partitions, floors, woodwork, stonework or ironwork or any part of the Premises, the Building or the Property. No boring or cutting shall be permitted, except with the prior written consent of Landlord, and as Landlord may direct.

19. Roof Access . Neither Tenant nor the employees or invitees of Tenant shall access the roof of the Building or any of the mechanical, telephone, telecommunication or equipment rooms in the Building.

20. Vending Machines . Tenant agrees not to install food or drink, vending machines or any other food service equipment except for servicing Tenant's employees only and not for sale or use by or to the general public.

21. Permits . If any governmental license or permit shall be required for the property and lawful conduct of Tenant's business in the Premises, or any part thereof, and if failure to secure such license or permit would in any way affect Landlord, then Tenant, at its expense, shall duly procure and thereafter maintain such license or permit and submit the same inspection by Landlord. Tenant shall at all times comply with the terms and conditions of each such license or permit, and failure to procure and maintain same by Tenant shall not affect Tenant's obligations hereunder.

22. Plumbing System . The water and wash closets and other plumbing fixtures shall not be used for any purposes other than those for which they were constructed, and no sweepings, rubbish, rags, garbage or other substances shall be thrown therein. All damages resulting from any misuse of the fixtures by Tenant shall be borne by Tenant to the extent that Tenant or Tenant's agents, servants, employees, contractors, visitors, or licensees shall have caused the same.

23. Electrical Systems . Tenant shall not install, operate or maintain in the Premises any electrical equipment which will overload the electrical system therein, or any part thereof, beyond its reasonable capacity for proper and safe operation as determined by Landlord in light of the overall system and requirements therefor in the Building, or which does not bear underwriters' approval. No air-conditioning unit or system, generator or other apparatus shall be installed or used without Landlord's prior written consent.

24. Cleaning Services . Tenant shall not permit window-cleaning or other exterior maintenance and janitorial services in and for the Premises to be performed except by such person(s) as shall be approved by Landlord and except during reasonable hours designated for such purposes by Landlord.

25. Pest Extermination Expenses . If the Premises is or becomes infested with vermin as a result of the use or any misuse or neglect of the Premises by Tenant, its agents, servants, employees, contractors, visitors, or licensees, Tenant shall forthwith, at Tenant's expense, cause the same to be exterminated from time to time to the satisfaction of Landlord and shall employ such licensed exterminators as shall be approved in writing in advance by Landlord.

26. Third Party Services . Tenant shall not purchase spring water, towels, janitorial, maintenance or other like services from any company or persons not reasonably approved by Landlord. Landlord shall approve a sufficient number of sources of such service to provide Tenant with a reasonable selection, but only in such instances and to such extent as Landlord in its judgment shall consider consistent with security and proper operation of the Property.

27. Union Labor . Tenant shall not contract for any work or service which might involve the employment of labor incompatible with the Building employees or employees of contractors doing work or performing services by or on behalf of Landlord or with the terms and conditions of any collective bargaining agreement to which Landlord or Landlord's agents or contractors may be a party.

28. Animals . Tenant shall not bring in, keep or permit to be brought in or kept, any animals, fish or birds at the Premises or the Building, nor shall Tenant install any aquarium or similar water-containing device at the Premises.

29. Bicycles . Tenant shall not permit any bicycles, motorcycles, mopeds or other vehicles to be brought in or kept in or about the Premises or the Building. All bicycles and other motorized vehicles shall be parked in areas designated by Landlord at the Building.

30. Lost Property . Landlord will not be responsible for any lost or stolen property, equipment, money or jewelry from the Premises or public rooms regardless of whether such loss occurs when the item is locked against entry.

31. Noise . Tenant shall not make, or permit to be made, any unseemly or disturbing noises or interfere with occupants of the Property or neighboring buildings or premises or those having business with them. Tenant shall not throw anything out of the doors, windows or skylights or down the passageways.

32. No Soliciting . Tenant shall not disturb, solicit, or canvass any occupant of the Building and shall cooperate to prevent same.

33. Prohibited Uses . Tenant shall not occupy or permit any portion of the Premises to be occupied as an office that is not generally consistent with the character and nature of an ordinary desk-type office. Tenant shall not permit any portion of the Premises to be used (a) as an office for a public stenographer or public typist, or (b) for sale to the general public of beer, wine, liquor, or drugs; (c) for rendition of medical, dental or other diagnostic or therapeutic services; (d) as a barber, beauty or manicure shop; (e) as an employment agency or labor office; (f) as a dance or music studio or as a school; (g) as a radio or television or recording studio, theater or exhibition hall; (h) as a restaurant or bar; (i) for lodging, sleeping or any immoral purpose; (j) for the preparation, dispensing or consumption of food and beverages; (k) for manufacturing, for the storage or warehousing of merchandise; (l) for sale at retail or auction of merchandise, goods or property of any kind, except for promotional purposes, or (m) for manufacturing, printing or electronic data processing, except for the operation of normal business office reproducing or printing equipment and other business machines for Tenant's own requirements at the Premises; provided , that , such use shall not exceed that portion of the mechanical or electrical capabilities of the Building equipment allocable to the Premises.

34. Additional Rules . Landlord reserves the right to make such other and further reasonable rules and regulations as in Landlord's judgment may from time to time be necessary for the safety, care and cleanliness of the Premises or the Building, or the Property, and for the preservation of good order therein. Any such other or further rules and regulations shall be binding upon Tenant with the same force and effect as if they had been inserted herein at the time of the execution hereof.

EXHIBIT F

SECRETARY'S CERTIFICATE

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SECRETARY'S CERTIFICATE

I, _____, Secretary of **RADIUS HEALTH, INC.** , a Delaware corporation (the "Corporation"), hereby certify that _____, as _____of the Corporation has authority to execute and deliver to **KBSIII CROSSPOINT AT VALLEY FORGE TRUST** the Lease related to the building located at, known as and numbered 550 E. Swedesford Road, Wayne, Pennsylvania, a copy of which Lease is attached hereto and made a part hereof on behalf of the Corporation, and that all requisite corporate action was taken on behalf of the Corporation to approve said Lease.

Witness my signature on this ____ day of _____, 2017.

RADIUS HEALTH, INC. ,
a Delaware corporation

By:_____

Name:
Title: Secretary

EXHIBIT G

FURNITURE

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Exhibit 10.2

SUBLEASE

dated as of

As of March 11, 2016

between

ROVI CORPORATION, Sublandlord

and

RADIUS HEALTH, INC., Subtenant

Table of Contents

List of Exhibits

SUBLEASE

dated as of the Sublease Date between Sublandlord and Subtenant

W I T N E S E T H:

WHEREAS Sublandlord is now the tenant under the Overlease which demises to Sublandlord approximately 64,967 rentable square feet of space on the third (3 rd) floor of the Building located on, and comprising Unit C of the condominium known as Valley Forge Office Center (as such space is more particularly identified as the "Premises" in the Overlease, the " **Overlease Premises** "); and

WHEREAS Sublandlord desires to sublease to Subtenant, and Subtenant desires to sublease from Sublandlord, the Sublease Premises on the terms and conditions contained herein;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, Sublandlord and Subtenant agree as follows:

1. Definitions and Basic Terms

Set forth below are certain definitions and basic terms of this Sublease.

1.1.	Sublease Date	March 11, 2016
1.2.	Sublandlord	Rovi Corporation
1.3.	Subtenant	Radius Health, Inc.
1.4.	Overlandlord	The landlord under the Overlease. KBSIII CROSSPOINT AT VALLEY FORGE TRUST, a Delaware Statutory Trust is now the Overlandlord (as successor-in-interest to DIV VALLEY FORGE, LIMITED PARTNERSHIP).
1.5.	Overlease	That certain Lease (the " **Original Overlease** ") dated February 11, 2014 between Overlandlord, as landlord, and Sublandlord, as tenant, as amended by that certain First Lease Amendment (the " **Overlease First Amendment** ") dated July 14, 2014, and as amended by that certain Second Lease Amendment (the " **Overlease Second Amendment** ") dated May 8, 2015, as the same may be amended or modified.
1.6.	Incorporated Provisions	All of the provisions of the Overlease except for those listed on Exhibit D hereto.
1.7.	Building	550 Swedesford Road, Wayne, Pennsylvania.
1.8.	Sublease Premises	The portion of the Overlease Premises, containing approximately 14,000 rentable square feet of space, shown on Exhibit A hereto.

1.9.	Expiration Date	The last day of the third (3 rd) Sublease Year (as defined in Section 1.10 below), i.e., the date that is the last day of the month in which occurs the date immediately preceding the third (3 rd) anniversary of the Commencement Date.
1.10.	Sublease Base Rental Rate	$441,000 per annum ($36,750.00 per month), for the period from the Rent Commencement Date through the end of the first (1 st) Sublease Year). $452,025.00 per annum ($37,668.75 per month), for the second (2 nd) Sublease Year. $463,325.63 per annum ($38,610.47 per month), for the third (3 rd) Sublease Year. As per Section 3.1 hereof, the Base Rent shall be prorated for any partial month. For purposes of this Sublease, the first (1 st) " **Sublease Year** " shall mean the period commencing on the Commencement Date and ending on the date that is the last day of the month in which occurs the date immediately preceding the first (1 st) anniversary of the Commencement Date, and each 12 month period thereafter is also herein called a " **Sublease Year** ".
1.11.	Subtenant's Proportionate Share	21.55%
1.12.	Sublease Premises Rentable Area	14,000 rentable square feet. This area is agreed upon by Sublandlord and Subtenant, and shall be used for all purposes of this Sublease regardless of the actual area of the Sublease Premises.
1.13.	Overlease Premises Rentable Area	64,967 rentable square feet. This area is agreed upon by Sublandlord and Subtenant, and shall be used for all purposes of this Sublease regardless of the actual area of the Overlease Premises.

1.14. If Subtenant will pay additional rent based on increases in real estate taxes, check here ✓ and complete Section 1.14.1 and 1.14.2.

1.14.1.	Sublease Real Estate Taxes Base Year	Calendar year 2016, grossed up, if applicable, to reflect at least a 95% occupied and assessed building consistent with the Overlease.
1.14.2.	Real Estate Taxes	Taxes (as defined in Section 5.1 of the Original Overlease).

1.15. If Subtenant will pay additional rent based on increases in operating expenses, check here ✓ and complete Section 1.15.1 and 1.15.2.

1.15.1.	Sublease Operating Expenses Base Year	Calendar year 2016, grossed up, if applicable, to reflect at least a 95% occupied and assessed building consistent with the Overlease.
1.15.2.	Operating Expenses	Operating Expenses (as defined in Section 5.1 of the Original Overlease).

1.16. Deleted Prior to Execution.

1.16.1. Deleted Prior to Execution.

1.16.2. Deleted Prior to Execution.

1.16.3. Deleted Prior to Execution.

1.17.	Method of Charging for Electricity (as described on Exhibit E hereto)	Option B ✓
1.18.	Included Personal Property	The items of Sublandlord's furniture and removable equipment that were present in the Sublease Premises as of the Commencement Date. Prior to the Commencement Date, Sublandlord shall remove the items of furniture identified as subject to removal on Exhibit F attached hereto (it being agreed that Subtenant may move the exisiting furniture as identified for moving on such Exhibit F).
1.19.	Personal Property Rent	$0 per annum.
1.20.	Required Security Deposit Amount	$110,250.00, subject to a reduction in such Required Security Deposit Amount to $73,500.00 after the first (1 st) anniversary of the Commencement Date in accordance with the terms and conditions for such reduction set forth in Section 11 hereof.
1.21.	Recognized Broker(s)	Colliers International and Cushman & Wakefield.
1.22.	Deleted Prior to Execution	
1.23.	This Sublease	This Agreement of Sublease, including the Incorporated Provisions as incorporated herein. The terms "herein," "hereunder", etc. refer to this Agreement of Sublease, including the Incorporated Provisions as incorporated herein.

2. Demise; Term; Permitted Use

2.1. Sublandlord hereby subleases to Subtenant, and Subtenant hereby hires from Sublandlord, the Sublease Premises upon and subject to the terms and conditions hereinafter set forth.

2.2. The term of this Sublease shall commence on the first date (the " **Commencement Date** ") on which all of the following conditions (the "Conditions") shall have occurred:

2.2.1. Overlandlord shall have consented hereto in accordance with Section 15 below; and

2.2.2 Sublandlord shall have tendered possession of the Sublease Premises to Subtenant and delivered (by email or otherwise) a fully executed copy of this Sublease and Overlandlord's consent to Subtenant.

2.3 If either party hereto shall so request, the parties hereto shall execute and deliver an instrument confirming the Commencement Date, but the failure of either party to execute and deliver such instrument shall not affect the Commencement Date.

2.4 The term of this Sublease shall expire on the Expiration Date or on such earlier date upon which such term shall expire or be terminated pursuant to any of the provisions of this Sublease or pursuant to law.

2.5 Subtenant shall use the Sublease Premises for the purposes permitted under the Overlease, and for no other purposes.

3. Rents.

3.1. Subtenant shall pay to Sublandlord rent (" **Base Rent** ") at the Sublease Base Rental Rate, payable in equal monthly installments in advance on the Rent Commencement Date and on the first day of each month thereafter, pro-rated for any partial month. Upon execution of this Sublease, Subtenant shall make an advance payment of one month's Base Rent to be applied to the first full month's Base Rent. For purposes of this Sublease, (a) the "Rent Commencement Date" is the day that is thirty (30) days after the last day of the Early Access Period, and (b) the "Early Access Period" is the period commencing on the Commencement Date and ending on the date that is the earliest to occur of (i) fourteen (14) days after the Commencement Date, (ii) the date upon which Subtenant commences the operating of its business within the Sublease Premises; and (iii) the date upon which Subtenant substantially completes its wiring/cabling work and other initial work in the Sublease Premises.

3.2. Commencing on January 1, 2017, Subtenant shall pay to Sublandlord additional rent equal to Subtenant's Proportionate Share of all amounts payable by Sublandlord attributable to increases in Tax Expenses above Tax Expenses for the Sublease Real Estate Taxes Base Year.

3.3. Commencing on January 1, 2017, Subtenant shall pay to Sublandlord additional rent equal to Subtenant's Proportionate Share of all amounts payable by Sublandlord attributable to increases in Operating Expenses above Operating Expenses for the Sublease Operating Expenses Base Year.

3.4. Subtenant's payments under Section 3.2 in respect of Tax Expenses and Section 3.3 in respect of Operating Expenses shall be due on the dates on which Sublandlord's payments under the corresponding provisions of the Overlease are due to Overlandlord and shall be pro-rated for any partial month or year; provided, however, that (except for subsequent continuing equal monthly payments) no such payment shall be due until ten (10) business

days after Sublandlord shall have furnished Subtenant with notice thereof, together with a copy of the related bill and supporting documentation received by Sublandlord.

3.5. If Overlandlord shall issue to Sublandlord any credit or refund in respect of Tax Expenses or Operating Expenses relating to any period for which Subtenant is making corresponding payments under this Sublease, Sublandlord shall (a) provide Subtenant with a copy of the supporting documentation received by Sublandlord and (b) give to Subtenant a credit or refund equal to Subtenant's Proportionate Share of the portion of such credit or refund remaining after deducting therefrom:

3.5.1. the portion, if any, of such credit or refund resulting from any reduction in Tax Expenses to an amount less than the Tax Expenses for the Sublease Real Estate Taxes Base Year or any reduction in Operating Expenses to an amount less than the Operating Expenses for the Sublease Operating Expenses Base Year, and

3.5.2. any reasonable costs and expenses, including reasonable attorneys' fees, incurred by Sublandlord in connection with obtaining such credit or refund, except to the extent such costs and expenses are reimbursed by Overlandlord to Sublandlord pursuant to the Overlease.

3.6. If the amount of Tax Expenses for the Sublease Real Estate Taxes Base Year or the amount of Operating Expenses for the Sublease Operating Expenses Base Year shall be reduced (by reason of assessment reduction, audit, or otherwise), the reduced amount shall be used in computing Subtenant's liability under Section 3.2 or 3.3, with respect to periods after such reduction and for recomputing Subtenant's liability with respect to periods prior to such reduction. Subtenant shall pay Sublandlord any additional amounts due in respect of such prior periods within ten (10) business days of Sublandlord's bill therefor which shall be accompanied by a copy of the supporting documentation received by Sublandlord. Any overpayment of Operating Expenses or Tax Expenses by Subtenant shall be credited by the Sublandlord to the account of the Subtenant.

3.7. At Subtenant's expense, upon Subtenant's written request, Sublandlord shall (if it has not already done so for the applicable period and if Sublandlord then still has the right under the Overlease to do so for the applicable period) conduct a review and/or audit of Overlandlord's books and records as permitted by, and subject to the restrictions of, Section 5.3 of the Original Overlease. Notwithstanding the foregoing, Subtenant shall not have such right if Subtenant is then in default under this Sublease, and Sublandlord may require a deposit to cover its costs of conducting a review and/or audit as a condition to commencing any such review and/or audit.

3.8. Subtenant shall, within fifteen (15) days of written demand, pay or reimburse Sublandlord for all amounts payable under the Overlease arising out of Subtenant's requests for services, including (a) supplemental chilled or condenser water, (b) above building standard or overtime HVAC, (c) extra cleaning, (d) overtime or dedicated freight elevator service, and (e) any maintenance, repair or other service for which a separate charge is made by Overlandlord.

3.9. As used herein the term "additional rent" shall refer to all sums of money which shall become due and payable by Subtenant to Sublandlord hereunder, other than Base Rent, and the term "rents" shall refer to Base Rent and additional rent. All rents shall be payable in lawful money of the United States at such place and to such person as Sublandlord shall from time to time designate.

3.10. Subtenant shall promptly pay all rents as and when the same shall become due and payable without set-off, offset or deduction of any kind whatsoever and, if Subtenant fails to pay any additional rent when due (subject to any notice and cure periods contained in the Incorporated Provisions, as the same may be limited by Section 5.6 hereof), Sublandlord shall have all of the rights and remedies provided for herein or at law or in equity as in the case of non-payment of Base Rent.

3.11. Sublandlord's failure to deliver any statements or bills required to be delivered to Subtenant hereunder, or Sublandlord's failure to make a demand under this Sublease, shall not be a waiver of, or cause Sublandlord to forfeit or surrender, its rights to collect any rents which may have become due pursuant to this Sublease. Subtenant's liability for rents accruing during the term of this Sublease, and Sublandlord's obligation to refund overpayments of or adjustments to rents paid to it by Subtenant, shall survive the expiration or sooner termination of this Sublease.

3. Condition of the Sublease Premises

4.1. Subtenant represents that it has examined (or waived examination of) the Sublease Premises. Except as specifically set forth herein, Sublandlord has not made and does not make any representations or warranties as to the physical condition of the Sublease Premises (including any latent defects in the Sublease Premises), the uses to which the Sublease Premises may be put, or any other matter or thing affecting or relating to the Sublease Premises, except as specifically set forth in this Sublease, provided, however, that (a) Sublandlord represents that Sublandlord shall deliver the Premises with all building systems (for which Sublandlord is responsible for repair under the Overlease) and personal property in working order as of the Commencement Date (it being understood that the foregoing representation shall not make Sublandlord responsible for the repair of any building systems for which Overlandlord is responsible, other than Sublandlord’s obligation under Section 5.4.1 hereof), and (b) if Subtenant accepts the Sublease Premises on or after the Commencement Date, Subtenant shall be deemed to agree that such building systems and personal property were in working order as of the Commencement Date.

4.2. Except as set forth in Section 4.1, Subtenant agrees to accept the Sublease Premises in their "as is" condition on the date hereof, as the same may be affected by reasonable wear and tear after the date hereof, and Sublandlord shall have no obligation whatsoever to alter, improve, decorate or otherwise prepare the Sublease Premises, or any portion thereof, for Subtenant's occupancy.

4. Subordination to and Incorporation of the Overlease

5.1. This Sublease is subject and subordinate to the Overlease, and to all leases, mortgages and other matters to which the Overlease is subject or subordinate. This provision shall be self-operative but Subtenant shall within thirty days of Sublandlord's request (or such shorter time as is reasonably required by Sublandlord) execute any instrument reasonably requested by Sublandlord or Overlandlord to evidence or confirm the same. Sublandlord represents that (a) a true and complete copy of the Overlease (excluding certain redacted terms and conditions not relevant to Subtenant) is attached hereto as Exhibit C, (b) Sublandlord is the tenant under the Overlease, (c) the Overlease is in full force and effect, and, to Sublandlord's knowledge, Overlandlord is not in default thereunder, (d) Sublandlord has not received any notice from Overlandlord that Sublandlord is now in default under the Overlease, (e) Sublandlord has not received any notice of default under the Overlease, except for any defaults which Sublandlord has cured and Overlandlord is no longer claiming to exist, and (f) without any investigation, Sublandlord knows of no condition that, with the passage of time or the giving of notice, would constitute a default by Overlandlord or Sublandlord under the Overlease. Sublandlord shall faithfully comply with all of its obligations under the Overlease so that the Overlease remains in full force and effect, except that Sublandlord shall have no obligation to do so to the extent the same is the obligation of Subtenant hereunder. Sublandlord will not voluntarily terminate the Overlease, except pursuant to a right of termination arising out of casualty or condemnation expressly set forth in the Overlease (or pursuant to Sublandlord's right to terminate the Overlease set forth in Article 18 of the Original Overlease), and Sublandlord shall not amend the Overlease in a manner adverse to Subtenant in any material respect or in any manner which increases the obligations or reduces the rights of Subtenant under the Sublease (other than to a de minimis extent). In accordance with Section 5.4.3 below, Sublandlord shall provide Subtenant with a copy of any condemnation or casualty notices received from Overlandlord. If the Overlease shall terminate for any reason then this Sublease shall also terminate. Sublandlord shall not be liable for any such termination unless such termination (a) shall have arisen out of a default under the Overlease by Sublandlord not arising out of a default hereunder by Subtenant or (b) shall have been effected by Sublandlord in violation of this Section 5.1.

5.2. Except as otherwise expressly provided in, or otherwise inconsistent with, this Sublease, and except to the extent not applicable to the Sublease Premises, the Incorporated Provisions are hereby incorporated in this Sublease by reference with the same force and effect as if set forth herein, except that, unless the context requires otherwise:

5.2.1. references in such provisions to Owner, Landlord or Lessor shall be deemed to refer to Sublandlord;

5.2.2. references in such provisions to Tenant or Lessee shall be deemed to refer to Subtenant;

5.2.3. references in such provisions to the Premises or the Demised Premises shall be deemed to refer to the Sublease Premises;

5.2.4. references in such provisions to other provisions of the Overlease that are not incorporated herein shall be disregarded; and

5.2.5. references in such provisions to subleases, sublettings or subtenants shall be deemed to refer to subsubleases, subsublettings or subsubtenants.

5.3. Except as stated elsewhere herein as an express representation (and not as a representation by incorporation of any of the Incorporated Provisions), Sublandlord shall not be deemed to have made any representation made by Overlandlord in any of the Incorporated Provisions. Moreover, Sublandlord shall not be obligated:

5.3.1. to provide any of the services or utilities that Overlandlord has agreed in the Overlease to provide,

5.3.2. to make any of the repairs or restorations that Overlandlord has agreed in the Overlease to make,

5.3.3. to comply with any laws or requirements of public authorities with which Overlandlord has agreed in the Overlease to comply, or

5.3.4. to take any action with respect to the operation, administration or control of the Building or any of its public or common areas that the Overlandlord has agreed in the Overlease to take,

(all the foregoing being herein called the " **Building Services** ") and Sublandlord shall have no liability to Subtenant on account of any failure of Overlandlord to do so, or on account of any failure by Overlandlord to observe or perform any of the terms, covenants or conditions of the Overlease required to be observed or performed by Overlandlord, but subject to the further terms of Section 5.4 hereof.

5.4. Sublandlord agrees:

5.4.1. upon Subtenant's request, to use reasonable and diligent efforts (excluding litigation, arbitration, or any other legal proceedings), at Subtenant's expense for any out-of-pocket cost or expense of Sublandlord, (a) to promptly cause Overlandlord to provide any Building Service, or (b) to promptly obtain Overlandlord's consent or approval whenever required by the Overlease (unless, in such instance, Sublandlord shall be entitled to give, withhold or condition its consent or approval even if Overlandlord shall have granted its consent or approval),

5.4.2. that, if under the Overlease any right or remedy of Sublandlord or any duty or obligation of Overlandlord is subject to or conditioned upon Sublandlord's making any demand upon Overlandlord or giving any notice or request to Overlandlord then, if Subtenant shall so request, Sublandlord, at Subtenant's expense for any out-of-pocket cost or expense of Sublandlord, shall promptly

make such demand or give such notice or request, except that Sublandlord shall not be required to request Overlandlord's consent or approval with respect to any act or thing as to which Sublandlord is entitled to give, withhold or condition its consent or approval, and shall have determined in accordance with this Sublease to withhold its consent or approval, and, if Sublandlord was required herein to be reasonable in withholding its consent or approval, then Sublandlord shall provide Subtenant in writing and in reasonable detail, the reason for such withholding, and

5.4.3. to promptly forward to Subtenant all notices and communications from Overlandlord that relate (in any material manner) to the Sublease Premises or Subtenant's rights to occupy same.

5.5. Whenever Subtenant desires to do any act or thing which requires the consent or approval of Overlandlord:

5.5.1. Subtenant shall not do such act or thing without first having obtained the consent or approval of both Overlandlord and Sublandlord (and Sublandlord's right to withhold or condition its consent or approval shall be independent of Overlandlord's right, but shall not be unreasonably withheld or delayed if such consent or approval is required to not be unreasonably withheld or delayed by Overlandlord under the applicable provision of the Overlease, or may be withheld in Sublandlord's sole discretion if such consent or approval is permitted to be withheld in Overlandlord's sole discretion under the Overlease);

5.5.2. Subtenant shall not request Overlandlord's consent or approval directly (and no efforts by Sublandlord to obtain Overlandlord's consent or approval shall constitute Sublandlord's consent or approval or prejudice Sublandlord's right to withhold or condition consent or approval); and

5.5.3. in no event shall Sublandlord be required to give or withhold its consent or approval prior to Overlandlord doing so (unless the same is required by Overlandlord as a precondition to Overlandlord considering such request for consent or approval).

5.6. Subject to the express provisions of this Sublease to the contrary, Subtenant shall perform all of its obligations hereunder at such times, by such dates or within such periods as Sublandlord shall be required to perform its corresponding obligations under the Overlease. If Overlandlord shall give any notice of failure or default under the Overlease arising out of any failure by Subtenant to perform any of its obligations hereunder (other than the payment of money) then Sublandlord shall promptly furnish Subtenant with a copy thereof. If the Overlease shall provide any grace or cure period for such failure or default then the grace or cure period hereunder shall expire one (1) business day prior to the date on which the grace or cure period under the Overlease shall expire. In no event shall this Section 5.6 extend the time, date or period by or within which Subtenant is required to perform.

5.7. If (a) Subtenant shall fail to perform any of its obligations hereunder and such failure shall continue beyond any cure period provided for herein, or (b) Overlandlord shall give any notice of failure or default under the Overlease arising out of any uncured failure by Subtenant to perform any of its obligations hereunder then, in either case, Sublandlord shall have the right (but not the obligation) to perform or endeavor to perform such obligation, at Subtenant's expense, and Subtenant shall, within ten days of Sublandlord's demand from time to time, reimburse Sublandlord for all costs and expenses incurred by Sublandlord in doing so.

5. Insurance and Indemnification

6.1. Whenever, pursuant to any of the Incorporated Provisions as incorporated herein, Subtenant is required to furnish insurance to or for Sublandlord, Subtenant also shall be required to furnish such insurance to or for Overlandlord and such other persons as shall be entitled thereto under the Overlease (as such persons may be specifically referenced in the Overlease, or as otherwise designated by Overlandlord in accordance with the terms of the Overlease), provided that, in the case of any such other person not named in the Overlease, Sublandlord shall have given Subtenant not less than five (5) Business Days written notice thereof.

6.2. Whenever, pursuant to any of the Incorporated Provisions as incorporated herein, Subtenant is required to indemnify or defend Sublandlord, Subtenant shall be required also to indemnify or defend Overlandlord and such other persons as shall be entitled thereto under the Overlease, except to the extent the need for the same results solely from the gross negligence or willful misconduct of Overlandlord (and Sublandlord would not be required to indemnify Overlandlord in such instance).

6.3. In addition to Subtenant's obligations under Section 6.2, Subtenant shall indemnify, defend and hold harmless Sublandlord from and against any loss, cost, damage or expense (including reasonable attorneys' fees), or any claim therefor, arising out of (a) actions taken by Sublandlord at Subtenant's request pursuant to Section 5.4 not otherwise due to the negligence or willful misconduct of Sublandlord, or (b) any failure by Subtenant to observe or perform any of the terms, covenants or conditions of this Sublease required to be observed or performed by Subtenant, including any loss, cost, damage or expense which may result from (i) any default under or termination of the Overlease arising by reason of any such failure, or (ii) any holding over by Subtenant in the Sublease Premises beyond the expiration or sooner termination of this Sublease, including any such liability with respect to the entire Overlease Premises arising out of such holding over by Subtenant.

6.4. Sublandlord shall indemnify, defend and hold harmless Subtenant from and against any loss, cost, damage or expense (including reasonable attorneys' fees), or any claim therefor, arising out of (a) any failure by Sublandlord to observe or perform any of the terms, covenants or conditions of this Sublease required to be observed or performed by Sublandlord, including any loss, cost, damage or expense which may result from any

default under or termination of the Overlease arising by reason of any such failure, except to the extent any of the same results from the acts, omissions or negligence of Subtenant, and (b) any commissions or other compensation payable to any Recognized Broker pursuant to Section 14.

6.5. Notwithstanding anything to the contrary contained in this Sublease, neither Sublandlord nor Subtenant shall be liable to the other for any consequential damages, except that Subtenant shall be liable for any damages (including, without limitation, consequential damages) resulting from a holdover by Subtenant in the Sublease Premises after the expiration of the term of this Sublease.

6.6. Notwithstanding anything to the contrary in this Sublease, Sublandlord and Subtenant hereby release each other from any damage to property or loss of any kind which is caused by or results from any risk that normally would be insured against under any property insurance policy required to be carried by either party (including deductible amounts). Each party shall cause each property insurance policy obtained by it to provide that the insurer waives all right of recovery against the other party and its agents and employees in connection with any damage or injury covered by the policy.

6. Covenant of Quiet Enjoyment

Sublandlord covenants that Subtenant may peaceably and quietly enjoy the Sublease Premises without disturbance by Sublandlord or any person claiming by, through or under Sublandlord, subject nevertheless to the terms and conditions of this Sublease and to the Overlease and any other leases and mortgages to which this Sublease is subordinate.

8. Assignment and Subsubletting

8.1. Without the prior written consent of Overlandlord (to the extent such consent is required for an applicable transaction under the Overlease), and Sublandlord (with Sublandlord having the same rights as Overlandlord has under the Overlease with respect to granting or withholding its consent (including, without limitation, recapture)), in each instance:

(a) this Sublease shall not be assigned, encumbered or otherwise transferred, including by operation of law;

(b) the Sublease Premises shall not be subsublet by Subtenant in whole or in part; and

(c) the Sublease Premises shall not be used or occupied by any person other than Subtenant, in whole or in part.

Any change in the ownership or control of Subtenant (i) having as its principal purpose the transfer of this Sublease, or (ii) which under the terms of the Overlease is deemed to be an assignment, shall be deemed an assignment of this Sublease and subject to the applicable consent requirements, if any, set forth therefor in the Overlease (as

incorporated herein). For purposes of clarity, the parties agree that Subtenant will be permitted to make any "Permitted Transfer" (as that term is defined in Section 12.6 of the Original Overlease) subject, however, to the terms of the Overlease.

8.2. Any subsublease shall be subject and subordinate to this Sublease, and, notwithstanding anything to the contrary contained herein, no subsubletting of less than the entire Sublease Premises shall be permitted. No assignment shall be valid or effective unless and until the assignee shall have delivered to Sublandlord an instrument, in form satisfactory to Sublandlord, pursuant to which the assignee assumes the due observance and performance of all of the obligations of Subtenant hereunder from and after the date of such assignment.

8.3. No assignment or subsublease shall release the Subtenant named herein or any of its successors from any liability hereunder. If this Sublease is assigned or the Sublease Premises or any part thereof are subsublet in violation of this Sublease then Sublandlord may collect rents from or accept performance from the assignee or subsubtenant and no such collection or acceptance shall effect any such release or be deemed to constitute Sublandlord's consent to any assignment or subsubleasing.

9. Electricity

9.1. Subtenant shall pay for electricity in accordance with the provisions of Exhibit E selected in Section 1.17.

9.2. Sublandlord shall pay all sales, use and/or utility taxes attributable to the electricity furnished to the Sublease Premises (except that Subtenant shall pay the same to Sublandlord, within ten days of Sublandlord's submittal of an invoice therefor to Subtenant, with respect to any electricity charges for which Subtenant is responsible pursuant to Section 9.1 above).

9.3. Deleted prior to execution.

9.4. In no event shall Sublandlord have any liability for any defect in, or any interruption or failure of, the electricity furnished to the Sublease Premises (but subject to the further provisions of Section 5.4 hereof). In no event shall Subtenant draw more electricity than that which the feeders, risers, panels and other electricity supply equipment serving the Sublease Premises are capable of safely supplying.

9. Alterations

10.1. Subtenant shall not make any alterations, installations, additions or improvements in or to the Sublease Premises without first having obtained the consent or approval of Overlandlord and of Sublandlord. Sublandlord may withhold or condition such consent or approval in its reasonable discretion if such consent or approval is required to not be unreasonably withheld or delayed by Overlandlord under the applicable provision of the Overlease, or may be withheld in Sublandlord's sole discretion if such consent or

approval is permitted to be withheld in Overlandlord's sole discretion under the Overlease.

10.2. If Overlandlord and Sublandlord shall consent to any alterations, installations, additions or improvements then Subtenant shall observe and perform all of the terms, covenants and conditions of the Overlease applicable thereto, including, without limitation, all obligations under the Overlease with respect to removal and restoration of the same at the end of the term of the Overlease or prior termination of the Sublease (provided, however, if Subtenant's initial alterations are in accordance with Rovi Corporation's workplace standard improvements and all consents have been received for the same, then Subtenant will not be responsible for removal and restoration of such initial alterations, except for restoration needed as a result of damage or negligence by Subtenant). Subject to Overlandlord's consent, and to the review and approval by Overlandlord and Sublandlord of Subtenant's final plans and permits for its initial alterations to the Sublease Premises, Sublandlord consents to the work shown in the preliminary plans for Subtenant's initial alterations to the Sublease Premises attached as Exhibit B hereto (which initial alterations shown thereon are in accordance with Rovi Corporation's workplace standard improvements), as further described in the "Construction" items on Exhibit F attached hereto. Notwithstanding anything to the contrary contained herein, Sublandlord shall have no responsibility for performing or paying for any such initial alterations, the same being the sole responsibility and cost of Subtenant.

10. Personal Property

11.1 Sublandlord hereby leases to Subtenant, and Subtenant hereby hires from Sublandlord, the Included Personal Property, and consideration for the use thereof is deemed included in the Base Rent. In consideration of the foregoing, Subtenant shall pay any current or future use or other taxes that may be imposed in connection with the Subtenant's rental, use or right to use the Included Personal Property pursuant to this Sublease.

11.2. Subtenant shall:

11.2.1 subject to Section 4 above, accept the Included Personal Property in its "as is" condition as of the date hereof, as the same may be affected by reasonable wear and tear after the date hereof,

11.2.2 insure the Included Personal Property against loss or damage by fire or other casualty (and all of the provisions of this Sublease applicable to insurance required to be carried by Subtenant shall be applicable thereto), be liable for any damage to the Included Personal Property other than reasonable wear and tear, and be solely responsible for all costs associated with the reasonable maintenance, cleaning and repair of the Included Personal Property, and

11.2.3 except as otherwise provided below, surrender the Included Personal Property to Sublandlord in the Sublease Premises upon the expiration or sooner termination of this Sublease in the same condition as at the commencement of this Sublease, as the same may be affected by reasonable wear and tear or damage by fire or other casualty; provided, however, that if the Included Personal Property shall have been damaged by fire or other casualty and not repaired or replaced then upon such expiration or sooner termination Subtenant shall pay to Sublandlord the reasonable depreciated value thereof.

11 Security Deposit

12.1 Concurrently with its execution and delivery of this Sublease, Subtenant shall deliver to Sublandlord a security deposit in the Required Security Deposit Amount to secure the faithful observance and performance by Subtenant of the terms and conditions of this Sublease. If Subtenant defaults in the observance or performance of any of such terms and conditions beyond any notice and cure period provided herein, Sublandlord may use or apply all or any part of such security deposit for the payment of any rents not paid when due or for the payment of any other amounts due Sublandlord by reason of such default, including any costs of Sublandlord's observing or performing such terms or conditions on Subtenant's behalf and any deficiencies in reletting or damages incurred by Sublandlord to the extent allowed hereunder. If Sublandlord shall use or apply all or any part of such security deposit, Subtenant shall, within five (5) days after written demand from Sublandlord, deliver to Sublandlord additional funds so as to restore the security deposit to the Required Security Deposit Amount. If Subtenant shall faithfully observe and perform all of the terms and conditions of this Sublease, the security deposit, or so much thereof as shall not have been used or applied in accordance with this Section 12, shall be returned to Subtenant in no event later than sixty (60) days after the expiration or sooner termination of this Sublease and the surrender of the Sublease Premises to Sublandlord in accordance with this Sublease. If Sublandlord shall transfer the security deposit to an assignee of Sublandlord's interest under the Overlease, Sublandlord shall be deemed released from all liability to Subtenant with respect to the security deposit or the return thereof, and Subtenant agrees to look solely to the transferee and assignee with respect thereto. Subtenant shall not assign (other than to an assignee of this Sublease) or encumber its interest in the security deposit and no such assignment or encumbrance shall be valid or binding upon Sublandlord.

12.2 Subtenant shall have the right, commencing on the first (1 st) anniversary of the Commencement Date to give notice (a " **Reduction Request Notice** ") to Sublandlord requesting a reduction in the amount of the security required hereunder in accordance with the provisions of this Section 12.2 . Provided and on condition that, as of the date Subtenant delivers a Reduction Request Notice pursuant to this Section 12.2, and there is no default then continuing on the part of Subtenant, and no default shall otherwise have occurred during the term of this Sublease (a) that continued beyond the applicable notice and cure period therefor (even if subsequent cure was accepted by Sublandlord), or (b) for which Sublandlord applied any or all of the security deposit pursuant to Section 12.1 hereof, then the Required Security Deposit Amount shall be reduced to $73,500.00 and Sublandlord shall return

$36,750.00 of the original Required Security Deposit Amount of $110,250.00 to Subtenant promptly thereafter.

13. Notices

Any notice or other communication under this Sublease shall be in writing and shall be sent by United States express mail or by a nationally recognized overnight delivery service addressed to the party for whom intended at its address set forth on the signature page hereof, or to such other address as such party shall have designated by notice to the other in the manner herein prescribed. Any such notice, etc. shall be deemed given when delivered or refused (or when delivery is attempted) on a business day.

14. Broker

Each party represents and warrants to the other party that such party has dealt with no broker, agent or finder in connection with this Sublease other than the Recognized Broker and each party agrees to indemnify, defend, and hold the other party harmless against any claim for commission or other compensation in connection with this Sublease made against the other party by any other broker, agent or finder with whom such party has dealt, or is claimed to have dealt, in connection with this Sublease, and all costs, expenses and liabilities in connection therewith, including reasonable attorneys' fees and disbursements incurred by the other party in the defense of any such claim. Sublandlord shall pay any commission due the Recognized Broker in accordance with a separate agreement and shall hold Subtenant harmless in connection thereof. The provisions hereof shall survive the termination of this Sublease.

15. Overlandlord Consent

15.1 This Sublease is conditioned on, and shall not be effective until approved by Overlandlord, in writing, such written approval to be in form reasonably acceptable to Subtenant and Sublandlord, it being agreed that Overlandlord's standard form of consent shall be deemed reasonably acceptable. Sublandlord shall request the same and pay any fees or charges expressly provided for in the Overlease (provided, however, that if Subtenant negotiates the form provided by Overlandlord, Subtenant shall pay for any fees or expenses charged by Overlandlord in connection with such negotiation above the standard fee (which, as of the date hereof, is approximately $2,500.00) that Overlandlord charges for the consent without negotiation). Subtenant agrees promptly to provide any financial or other information reasonably requested by Overlandlord. Each party agrees promptly to execute and deliver a consent agreement in the form attached or in any other form requested by Overlandlord provided that the same is no less favorable to such party in any material respect than the form attached. If Overlandlord's consent is not received within 45 days following the full execution and delivery hereof, either party by notice to the other given prior the receipt of Overlandlord's consent, may cancel this Sublease, in which case Sublandlord shall promptly return to

Subtenant the Security Deposit and all other sums theretofore paid by Subtenant hereunder. Subtenant waives any claim against Overlandlord arising out of any failure or refusal by Overlandlord to grant consent.

16. Miscellaneous

16.1. In any instance in which Sublandlord is required by any provision of this Sublease or applicable law not unreasonably to withhold consent or approval, Subtenant's sole remedy shall be an action for specific performance or injunction requiring Sublandlord to grant such consent or approval, all other remedies which would otherwise be available being hereby waived by Subtenant. In any such action, the winning party shall be entitled to reimbursement of its reasonable attorneys' fees incurred from the losing party.

16.2. This Sublease contains the entire agreement between the parties and all prior negotiations and agreements are merged in this Sublease. Any agreement hereafter made shall be ineffective to change, modify or discharge this Sublease in whole or in part unless such agreement is in writing and signed by the party to be charged.

16.3. The submission of this document by Sublandlord to Subtenant shall not constitute an offer by Sublandlord and neither Sublandlord nor Subtenant shall be bound in any way unless and until this Sublease is executed and delivered by both parties.

16.4. Renewal Options . Provided that Subtenant is not then in default of this Sublease as of the date of the applicable Renewal Notice and the commencement of the applicable Renewal Term (and has not ever been in default of this Sublease beyond any applicable notice and cure period), Subtenant shall have successive options (each, a " **Renewal Option** ") to extend the term of this Sublease for three (3) additional periods of one (1) year each (each, a " **Renewal Term** ") on the same terms and conditions of this Sublease as are provided for in the initial term of this Sublease, except as provided below in this Section 16.4, and without any free rent periods or tenant improvement allowances. Each Renewal Term shall commence upon the date of expiration of the initial term of this Sublease or prior Renewal Term, as the case may be. To exercise its Renewal Option, Subtenant must give written notice (each, a " **Renewal Notice** ") to Sublandlord that Subtenant is exercising its applicable Renewal Option at least twelve (12) months (but not earlier than eighteen (18) months) before the date of expiration of the initial term of this Sublease or prior Renewal Term, as the case may be. Once such notice is delivered to Sublandlord, such notice shall be irrevocable by Subtenant. Time is of the essence with respect to the giving of each Renewal Notice. Upon the giving of the last Renewal Notice for a Renewal Term, or upon the failure of Subtenant to timely give a Renewal Notice, Subtenant shall have no further right or option to extend or renew the term of this Sublease. Tenant acknowledges and agrees that notwithstanding anything to the contrary in this Sublease, the right to exercise each Renewal Option shall not extend to any assignee (other than an assignee pursuant to a Permitted Transfer (as that term is defined in Section 12.6 of the Original Overlease) or sub-subtenant of Subtenant, or to any space assigned or sub-subleased by Subtenant, and any attempt to exercise any

Renewal Option by any such assignee or sub-subtenant, or by Subtenant in connection with such assigned or sub-subleased space, shall be deemed null and void. The applicable Renewal Option may be exercised with respect to the entire Sublease Premises only. Notwithstanding anything to the contrary contained herein, Subtenant shall only have the right to exercise the second (2nd) and third (3rd) Renewal Options if Sublandlord mutually agrees to such renewal in writing. Commencing no sooner than eighteen (18) months prior to the expiration of the 1st Renewal Term or the 2nd Renewal Term (as the case may be), Subtenant shall have the right to request Sublandlord's intention as to whether or not Sublandlord will approve the 2nd and 3rd Renewal Options and, if Sublandlord shall fail to respond by the twelfth (12th) month prior to the commencement of the applicable 2nd or 3rd Renewal Term (or if Sublandlord otherwise notifies Subtenant that the second (2nd) and/or third (3rd) Renewal Options are not agreeable to Sublandlord), then Sublandlord shall be deemed to have rejected Subtenant's request and Subtenant shall have no right to the applicable Renewal Option for the 2nd or 3rd Renewal Term (and if Sublandlord rejects or is deemed to reject Subtenant's request for the 2nd Renewal Term, then Subtenant shall have no right with respect to a Renewal Option for either the 2nd or 3rd Renewal Term). The Sublease Base Rental Rate for the Renewal Terms shall be: $477,225.40 per annum for the first (1st) Renewal Term; $491,542.16 per annum for the second (2nd) Renewal Term; and $506,288.43 per annum for the third (3rd) Renewal Term.

16.5. Right of First Offer.

16.5.1. For so long as Subtenant has not assigned this Sublease or sub-sublet any of the Sublease Premises (excepting Permitted Transfers), and subject to the other restrictions set forth herein, Subtenant shall have a right of first offer ("ROFO") as to any rentable premises immediately adjacent to then-applicable Sublease Premises located in the balance of the Overlease Premises for which Sublandlord is seeking a third-party subtenant ("Available ROFO Premises"); provided, however, that in no event shall Sublandlord be required to lease any Available ROFO Premises to Tenant for any period past the date on which this Sublease expires or is terminated pursuant to its terms (provided that if Tenant has any remaining Renewal Option hereunder, then the term may extend to the end of such extension period), nor shall Subtenant have any ROFO with respect to any such Available ROFO Premises if the term that Sublandlord is offering therefor extends beyond the date on which this Sublease expires or is terminated pursuant to its terms. To the extent that Sublandlord renews or extends a then-existing sublease with any then-existing subtenant or sub-subtenant of any space, or enters into a new sublease with such then-existing subtenant or sub-subtenant for the same premises, the affected space shall not be deemed to be Available ROFO Premises. In addition, notwithstanding anything to the contrary contained herein, any space involved in (a) a Permitted Transfer by Sublandlord, (b) a surrender of space by Sublandlord to Overlandlord, (c) a subletting to any Affiliate or portfolio company of Sublandlord or to any company with which Sublandlord does business, or (d) a licensing of desk space (i.e., non-demised space) by

Sublandlord, shall not be deemed to be Available ROFO Premises. In the event Sublandlord intends to market Available ROFO Premises, Sublandlord shall provide written notice thereof to Subtenant (the " Notice of Marketing "), which shall identify the applicable Available ROFO Premises that Sublandlord desires to market and the material economic terms and conditions on which Sublandlord proposes to market the same.

16.5.2. Within five (5) business days following its receipt of a Notice of Marketing, Subtenant shall advise Sublandlord in writing whether Subtenant elects to sublease all (not just a portion) of the Available ROFO Premises described in the Notice of Marketing on all (but not less than all) of the terms and conditions specified in the Notice of Marketing. If Subtenant fails to notify Sublandlord of Subtenant's election within such five (5) business day period, then Subtenant shall be deemed to have elected not to sublease the applicable Available ROFO Premises.

16.5.3. If Subtenant timely notifies Sublandlord that Subtenant elects to sublease all of the applicable Available ROFO Premises described in the Notice of Marketing on all of the terms and conditions set forth therein, then the applicable Available ROFO Space shall be added to the Sublease Premises on the terms and conditions described above and shall be co-terminous with the remaining term of the Sublease, provided that there is then one (1) or more years remaining in the term of the Sublease (as extended pursuant to 16.5.1 above).

16.5.4. If Subtenant fails to notify Sublandlord of Subtenant's election to sublease the applicable Available ROFO Premises within the five (5)-business day period described above, then Sublandlord shall have the right to consummate a sublease of all (but not less than all) of the applicable Available ROFO Premises at base rent not less than eighty-five percent (85%) of that stated in the Notice of Marketing and otherwise on substantially the same economic terms set forth in the Notice of Marketing. If Sublandlord does not sublease all of the applicable Available ROFO Premises within one hundred eighty (180) days after Subtenant's election (or deemed election) not to sublease the applicable Available ROFO Premises, then the ROFO shall be fully reinstated with respect to such Available ROFO Premises (to the extent the same remain Available ROFO Premises), and, to the extent that Subtenant remains eligible for ROFO rights hereunder, Sublandlord shall not thereafter sublease any of the applicable Available ROFO Premises (to the extent the same remain Available ROFO Premises) without first complying with the procedures set forth in this Section 16.5.

16.5.5. Notwithstanding anything in this Section 16.5 to the contrary, Subtenant shall not exercise the ROFO during such period of time that Subtenant is in default under any provision of this Sublease beyond the applicable notice or cure period, or otherwise in default in the payment of money under this Sublease. Any

attempted exercise of the ROFO during a period of time in which Subtenant is so in default shall be void and of no effect. In addition, Subtenant shall not be entitled to exercise the ROFO if Sublandlord has given Subtenant two (2) or more notices of default under this Sublease, whether or not the defaults are cured, during the twelve (12) month period prior to the date on which Subtenant seeks to exercise the ROFO, or if any Event of Default under this Sublease has ever occurred, whether or not a cure of such Event of Default has been accepted by Sublandlord.

16.5.6. Notwithstanding anything in this Sublease to the contrary, Subtenant shall not assign or transfer the ROFO, either separately or in conjunction with an assignment or transfer of Subtenant's interest in the Sublease, without Sublandlord's prior written consent, which consent Sublandlord may withhold in its sole and absolute discretion.

16.5.7. Notwithstanding anything in this Sublease to the contrary, any proper exercise of a ROFO shall be subject to the consent of Overlandlord in accordance with Article 12 of the Original Overlease, and if Overlandlord rejects any subleasing of such Available ROFO Premises, Subtenant shall have no further ROFO right hereunder.

16.5.8. If Subtenant exercises the ROFO, Sublandlord does not guarantee that the Available ROFO Premises will be available on the anticipated commencement date for the sublease as to such Available ROFO Premises due to a holdover by any then-existing occupants of such Available ROFO Premises or for any other reason beyond Sublandlord's reasonable control.

16.5.9. Notwithstanding anything in this Sublease to the contrary, Subtenant shall not have the right to exercise the ROFO, and Sublandlord shall not be obligated to deliver any Notice of Marketing, if there are less than twelve (12) months remaining in the term of this Sublease (including, to the extent then-exercised, any Renewal Term), or if the term that Sublandlord is offering for such Available ROFO Premises extends beyond the date on which this Sublease expires or is terminated pursuant to its terms.

16.5.10. Notwithstanding anything in this Sublease to the contrary (except for the provisions of Section 16.5.4 above), if Subtenant elects (or is deemed to elect) not to sublease any applicable Available ROFO Premises , then Subtenant shall have no further ROFO right hereunder .

17. Parking

17.1. Subtenant and its employees, visitors, customers, invitees and guests shall have the right, in common with other tenants in the Building and subject to the further provisions of Section 1.3 of the Original Overlease and any other applicable provision of the Overlease, to the use of 3.8 unreserved common parking spaces per 1000 square feet of the Subleased

Premises. Notwithstanding anything to the contrary contained herein, in no event shall Subtenant be permitted to use any of Sublandlord's covered parking spaces or any of Sublandlord's additional reserved executive parking spaces.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement of Sublease as of the day and year first above written.

Sublandlord	Subtenant
Rovi Corporation a Delaware corporation	Radius Health, Inc., a Delaware corporation
By: /s/ Pamela Sergeeff Name: Pamela Sergeeff Title: Authorized Signatory	By: /s/ Brent Hatzis-Schoch Name: Brent Hatzis-Schoch Title: General Counsel
Address for Notices: Rovi Corporation 2830 De La Cruz Blvd. Santa Clara, CA 95050 Attn: General Counsel with a copy to: Cooley LLP 1114 Avenue of the Americas New York, NY 10036 Attn: Daniel A. Goldberger, Esq.	Address for Notices: Radius Health, Inc. 950 Winter St. Waltham, MA 02451 Attn: General Counsel

Exhibit A

Floor Plan of Sublease Premises

Exhibit B
Subtenant’s Preliminary Plans for Initial Alterations to Sublease Premises

Exhibit C
Overlease

Exhibit D
Overlease Provisions Which Are Not Incorporated Provisions

The following provisions of the Overlease are not incorporated into this Sublease, subject to the provisions hereof:

1. The provisions of the Overlease providing for Sublandlord to pay rent or additional rent based on Taxes and/or Operating Expenses and/or increases therein, other than for the purposes of calculating the amounts due for Taxes and Operating Expenses under Section 3 of this Sublease. (See Sublease §3)

2. The provisions of the Overlease providing for Overlandlord to provide liability and/or casualty insurance shall apply only to Overlandlord, notwithstanding the provisions of Section 5.2 of this Sublease. (See Sublease §6)

3. Any covenant of quiet enjoyment. (See Sublease §7)

4. Intentionally omitted.

5. Intentionally omitted.

6. Intentionally omitted.

7. The provisions of the Overlease requiring Overlandlord to indemnify, defend, and/or hold harmless Sublandlord with respect to the common or public areas of the Building shall apply only to Overlandlord, notwithstanding the provisions of Section 5.2 of this Sublease.

8. Any provisions of the Overlease redacted from the copy thereof attached to this Lease as Exhibit C.

9. The following additional provisions of the Overlease: (A) the Overlease Second Amendment; (B) the Overlease First Amendment; (C) the following provisions of the Original Overlease: Section 1.1 with respect to the "Premises" (other than as a definition of the Overlease Premises); the provisions of Section 1.3 relating to the covered parking area within the Building, the particular number of parking spaces (i.e., 247) for the entire Overlease Premises, the executive parking spaces, and the "Additional Spaces"; Section 2.1; Section 2.2 regarding any "Permitted Holdover" (it being understood that any holdover under the Sublease is an "Unpermitted Holdover"); Article 3; Sections 4.1.1, 4.2, 4.3, 4.4, 4.6, and 4.7; Article 5 (other than for the purposes of calculating the amounts due for Taxes and Operating Expenses under Section 3 of this Sublease); the last paragraph of Section 6.1 to the extent that Sublandlord is not provided with an abatement; the third (3 rd) sentence of Section 8.3.1, Section 8.3.3, and the second (2 nd) paragraph (regarding Exterior Building Signage) of Section 8.8; in Section 12.7.2, the reference to Section 4.6 and Security Deposit shall be deemed to be a reference to Subtenant defaults with respect to the security deposit provisions of this Sublease, and the reference to Article 12 and Assignment and Subletting shall also be deemed a reference to Subtenant defaults with respect to the assignment and subletting provisions of this Sublease; the right to receive a Non-

Disturbance Agreement under Article 13; Article 14; Section 15.1; Article 16; Article 17; Article 18; Exhibit 1.1-A; Exhibit 1.3; Exhibit 3.1; Exhibit 3.2; Exhibit 8.8; Exhibit 8.3.3; Exhibit 14.11; and Exhibit 16.3.

Exhibit E
Method of Charging for Electricity

Option A

[Use when the Sublease Premises are separately metered (by direct utility company meter or by submeter) and the Overlandlord or the utility company issues a separate bill relating solely to the Sublease Premises. Subtenant's electric charge will be equal to the amount so billed.]

In consideration of the electricity furnished to the Sublease Premises, Subtenant shall pay to Sublandlord additional rent equal to all amounts payable by Sublandlord in respect of such electricity, whether payable (a) directly to the utility company or (b) to Overlandlord. Payments under this Option A shall be due within ten days of Sublandlord's bills therefor. If Subtenant shall so request, Sublandlord shall provide Subtenant with a copy of any electricity bill provided by the utility company or Overlandlord. Notwithstanding the foregoing, if the Sublease Premises are directly metered by the utility company Sublandlord may require Subtenant to obtain service from and to make payment when due directly to the utility company.

Option B

[Use when the Subtenant's electric charge will be equal to the product of (1) the amounts payable by Sublandlord for electricity, multiplied by (2) Subtenant's Proportionate Share.]

In consideration of the electricity furnished to the Sublease Premises during any period, Subtenant shall pay to Sublandlord as additional rent for such period an amount equal to the product of

(1) the amount payable for such period by Sublandlord in respect of electricity furnished to the Overlease Premises for the third floor (excluding Sublandlord's Data Room) (whether payable (a) directly to the utility company based on a direct meter or submeter for the third floor or (b) to Overlandlord (i) on the basis of a submeter measuring the electricity usage in the Overlease Premises for the third floor (excluding Sublandlord's Data Room), (ii) under a so-called "rent-inclusion" provision or (iii) otherwise) (the " **Overlease Electric Charge** "), multiplied by

(2) Subtenant's proportionate share of the Overlease Premises located on the third floor.

Option C

[Use when the Subtenant's electric charge will be equal to the product of (1) the amounts payable by Sublandlord for electricity, multiplied by (2) the ratio of the electricity consumption in Sublease Premises to the electricity consumption in the Overlease Premises, as measured by electric meters

in each case. This Option should not be used if the amounts payable by Sublandlord for electricity are not determined by meter.]

In consideration of the electricity furnished to the Sublease Premises during any period, Subtenant shall pay to Sublandlord as additional rent for such period an amount equal to the product of

(1) the amount payable for such period by Sublandlord in respect of electricity furnished to the Overlease Premises (whether payable (a) directly to the utility company or (b) to Overlandlord on the basis of a submeter measuring the electricity usage in the Overlease Premises) (the " **Overlease Electric Charge** "), multiplied by

(2) the ratio of the amount of electricity consumed in the Sublease Premises for such period divided by the amount of electricity consumed in the Overlease Premises for such period, as measured by electric meters in each case.

Payments under this Option C shall be due within ten days of Sublandlord's bills therefor. If Subtenant shall so request, Sublandlord shall provide Subtenant with a copy of any electricity bill provided by the utility company or Overlandlord and a copy of the applicable meter readings. If the meters used to measure electric consumption in the Sublease Premises shall be out of order or shall be read on dates different than the dates on which any meters measuring electric consumption in the Overlease Premises are read, Sublandlord shall reasonably estimate the amounts payable by Subtenant under this Option C.

Option D

[Use when the Subtenant's electric charge will initially be a specified amount, and will be adjusted according to each adjustment in Sublandlord's electric charge payable to Overlandlord. This method is not workable if Sublandlord's electric charge payable to Overlandlord changes for each billing period (as is the case when such amount is determined by meter or submeter) and so this method should only be used if Sublandlord's electric charge payable to Overlandlord is determined pursuant to a "rent-inclusion" provision.]

In consideration of the electricity furnished to the Sublease Premises, Subtenant shall pay to Sublandlord as additional rent an electric charge, initially in the amount set forth in Section 1.17. Each time the amount payable by Sublandlord in respect of electricity furnished to the Overlease Premises is increased after the date hereof, the electric charge payable by Subtenant shall be increased by Subtenant's Proportionate Share of the amount of such increase payable by Sublandlord. The electric charge under this Option D shall be due and payable in equal monthly installments (pro-rated for any partial month) together with each payment of Base Rent under Section 3.1, without notice from Sublandlord; except that Subtenant shall not be required to pay any increase in the electric charge until ten days after Sublandlord shall have

notified Subtenant thereof (and in such a case Subtenant shall make payment retroactively to the effective date of such increase). If Subtenant shall so request, Sublandlord shall furnish a copy of each notice received by Sublandlord of an increase in the amount payable by Sublandlord in respect of electricity.

Opt i *on E*

[Use when the Subtenant's electric charge will initially be a specified amount, and will be adjusted annually according to the Consumer Price Index.]

In consideration of the electricity furnished to the Sublease Premises, Subtenant shall pay to Sublandlord as additional rent an electric charge, initially in the amount set forth in Section 1.17. On the each anniversary of the Commencement Date the Electric Inclusion Amount shall be adjusted to equal the product of (i) the Electric Inclusion Amount set forth in Section 1.17, multiplied by (ii) a fraction, the numerator of which is the Index for the third month prior to the month in which such anniversary occurs and the denominator of which is the Index for the third month prior to the month in which the Commencement Date occurred. The term " **Index** " shall refer to the Consumer Price Index, all urban consumers, all items, New York Northeastern New Jersey, published by the Bureau of Labor Statistics or, if the same be discontinued, a recognized impartial index selected by Sublandlord. The electric charge under this Exhibit E shall be due and payable in equal monthly installments (pro-rated for any partial month) together with each payment of Base Rent under Section 3.1, without notice from Sublandlord; except that Subtenant shall not be required to pay any increase in the electric charge until ten days after Sublandlord shall have notified Subtenant thereof (and in such a case Subtenant shall make payment retroactively to the effective date of such increase).

Exhibit F

List of Furniture to be Removed by Sublandlord and Moved by Subtenant (and Further Description of Certain Initial Alterations to be Made to Sublease Premises by Subtenant)

Exhibit 10.3

FIRST AMENDMENT TO SUBLEASE

This **FIRST AMENDMENT** (this " **First Amendment** ") dated as of July 7, 2017, by and between ROVI CORPORATION, a Delaware corporation (" **Sublandlord** ") and RADIUS HEALTH, INC., a Delaware corporation (" **Subtenant** ").

RECITALS

WHEREAS , Sublandlord is the tenant under that certain Lease with KBSIII CROSSPOINT AT VALLEY FORGE TRUST (as successor-in-interest to DIV VALLEY FORGE LIMITED PARTNERSHIP) (the " **Landlord** "), dated February 11, 2014 (the " **Main Lease** ") for certain premises in the building located at 550 Swedesford Road, Wayne, Pennsylvania, and comprising approximately 64,967 rentable square feet (the " **Premises** ");

WHEREAS , Subtenant is the Subtenant under that certain Sublease Agreement dated as of March 11, 2016, by and between Sublandlord and Subtenant (the " **Sublease** "), demising a portion of the Premises, which portion is described as the "Sublease Premises" in the Sublease;

WHEREAS , pursuant to the Sublease, the rentable area of the Sublease Premises (prior to adjustment by this First Amendment), consists of approximately 14,000 rentable square feet of the Premises;

WHEREAS , pursuant to the Sublease, the term of the Sublease (prior to extension by this First Amendment), commenced on May 1, 2016, and ends on April 30, 2019;

WHEREAS , Sublandlord and Subtenant desire to amend the Sublease by, among other things, and subject to the terms hereof, (i) extending the term thereof to October 31, 2025, (ii) adding to the Subleased Premises certain contiguous additional space in the Premises (on the 3 rd floor of the Building) consisting of approximately 12,401 rentable square feet (the " Additional Space "), (iii) providing an option for Sublandlord to deliver to Subtenant certain contiguous expansion space in the Premises (on the 3 rd floor of the Building) consisting of approximately 8,000 rentable square feet (the "Expansion Space"), (iv) providing Subtenant with the continuing right of first offer to certain other space in the Premises, (v) modifying the Base Rent thereof and Subtenant's Proportionate Share, and (vi) further amending the Sublease as hereinafter provided.

NOW THEREFORE , for good and valuable consideration, Sublandlord and Subtenant hereby agree as follows:

1. All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Sublease.

2. From and after the date of Landlord's written consent to this First Amendment (the " **Effective Date** "), the Sublease is amended as follows:

A. The term of the Sublease is hereby modified so that it expires on October 31, 2025 (the **"Expiration Date** "), subject to Subtenant's limited termination right set forth in Paragraph 9 hereof.

B. The definition of " **Base Rent** " (also called " **Sublease Base Rental Rate** ") in Section 1.10 of the Sublease is hereby modified so that (i) the Base Rent for the period from May 1, 2017 to April 30, 2018 shall be an annual amount equal to $32.29 per rentable square foot of the Sublease Premises, (ii) the Base Rent for the period from May 1, 2018 to April 30, 2019 shall be an annual amount equal to $33.09 per rentable square foot of the Sublease Premises, (iii) the Base Rent for the period from May 1, 2019 to April 30, 2020 shall be an annual amount equal to $33.92 per rentable square foot of the Sublease Premises, (iv) the Base Rent for the period from May 1, 2020 to April 30, 2021 shall be an annual amount equal to $34.77 per rentable square foot of the Sublease Premises, (v) the Base Rent for the period from May 1, 2021 to April 30, 2022 shall be an annual amount equal to $35.64 per rentable square foot of the Sublease Premises, (vi) the Base Rent for the period from May 1, 2022 to April 30, 2023 shall be an annual amount equal to $36.53 per rentable square foot of the Sublease Premises, (vii) the Base Rent for the period from May 1, 2023 to April 30, 2024 shall be an annual amount equal to $37.44 per rentable square foot of the Sublease Premises, (viii) the Base Rent for the period from May 1, 2024 to April 30, 2025 shall be an annual amount equal to $38.38 per rentable square foot of the Sublease Premises, and (ix) the Base Rent for the period from May 1, 2025 to October 31, 2025 shall be an annual amount equal to $39.34 per rentable square foot of the Sublease Premises. As of the Additional Space Delivery Date (as hereinafter defined), Subtenant's Proportionate Share shall be deemed to equal 40.64%.

C. Upon the date (the " **Additional Space Delivery Date** ") of delivery of the Additional Space by Sublandlord to Subtenant with Sublandlord's Demising Work (as hereinafter defined) substantially complete, the rentable area of the Subleased Premises shall be deemed to consist of 26,401 rentable square feet of space, and the Base Rent shall commence with respect to the Additional Space. The references to "Rent Commencement Date" in the Sublease shall not be applicable to the Additional Space, as there shall be no "free rent" or other rent concession applicable to such space. Sublandlord, at its sole cost and expense, shall, after Landlord's written consent to this Sublease is obtained, work in a commercially reasonable diligent manner (without any requirement to use overtime labor) to remove a minimum of six (6) lineal feet of wall to create a new opening connecting the existing Sublease Premises and the Additional Space, and shall close off the balance of the Additional Space from the Premises by means of a demising wall (and shall make such reasonably necessary repairs and/or replacements to carpet, ceiling tiles, lighting fixtures, paint, and such other finishes to the extent the same are damaged by the work creating such new opening and installing such new demising wall) (" Sublandlord's Demising Work "). Subtenant agrees to accept the Additional Space in its "as is" condition, subject to Sublandlord's obligation to perform Sublandlord's Demising Work. Subtenant has been provided with the opportunity to examine the condition and repair of all mechanical, electrical, plumbing, and life safety systems within the Additional Space, and agrees that the same are in good operating condition and repair as of the date of this Sublease, and Subtenant acknowledges and agrees that (i) Sublandlord's Demising Work shall not include any repairs needed due to any change in such condition and repair between the date hereof and the Additional Space Delivery Date, and (ii) that the responsibility for making (or

causing Landlord to make) any such repairs are fully addressed in the Sublease. Upon the Effective Date (if the same is not the Additional Space Delivery Date), Sublandlord shall provide reasonable early access to the Additional Space to Subtenant for Subtenant's installation of its telecommunications and business equipment, provided that Subtenant's work in the space does not interfere with Sublandlord's performance of the Sublandlord's Demising Work. Subtenant shall not be required to pay rent for the Additional Space during such early access period, if any, prior to the Additional Space Delivery Date.

D. Effective as of the Additional Space Delivery Date, Exhibit A attached to the Sublease shall hereby be deleted in its entirety and replaced with Exhibit A attached hereto (showing the Sublease Premises consisting of the originally demised Subleased Premises and the Additional Space).

E. Section 16.4 of the Sublease (Renewal Options) is hereby deleted in its entirety.

F. To the extent that Landlord consents thereto, Section 5.5.2 of the Sublease, with respect to use of or access to the Common Areas, is hereby modified to allow Subtenant to request the Overlandlord's consent or approval directly, provided that written notice of each such consent or approval request (and response) is simultaneously delivered to Sublandlord, and provided, further, that (a) Subtenant is not then in default under the Sublease, and (b) any payment due (if any) with respect to such use or access is made directly to Landlord at the time of such consent or approval, and (c) Sublandlord has no material liability with respect to any such use or access.

G. To the extent that Landlord consents thereto, Section 8.2 of the Sublease is hereby modified to permit Subtenant to sub-sublet less than the entire Sublease Premises to another party (subject to all of the other terms and conditions applicable to sub-subletting under the Sublease), provided that (a) Tenant shall pay for and perform the demising work required therefor at its sole cost and expense (and shall restore such work to its prior condition at the end of the term at its sole cost and expense), (b) Subtenant shall not then be in default under the Sublease (and an Event of Default shall not have occurred under the Sublease), and (c) no more than two (2) occupiable spaces (e.g., two (2) sub-sublet spaces, or one (1) sub-sublet space and one (1) retained space for Subtenant) shall be demised in the Sublease Space at any one time.

3. Sublandlord and Subtenant each hereby represent that it has not dealt with or had any conversations or negotiations with any broker or finder concerning this First Amendment other than Cushman & Wakefield of Pennsylvania, Inc. (" **Broker** "). Sublandlord and Subtenant each shall indemnify, defend and hold the other harmless from and against any claims for any brokerage commissions or other compensation, and all costs, expenses and liabilities in connection therewith, including, without limitation, reasonable attorneys' fees and expenses which are made by any broker or finder (other than Broker) who claims to have dealt with the indemnifying party or its representatives in connection with this transaction. Sublandlord shall pay the commissions of Broker, as earned, pursuant to a separate agreement between Sublandlord and the Broker. The provisions of this Section shall survive the expiration or earlier termination of the Sublease.

4. Sublandlord and Subtenant each hereby warrant and represent that all requisite third party consents required in connection with the execution and delivery of this First Amendment have been obtained.

5. Except as amended by this First Amendment, the Sublease shall remain in full force and effect according to its terms. The parties hereby ratify and reaffirm the Sublease as modified herein.

6. This First Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. An electronic version of an executed counterpart shall constitute an original counterpart for the purposes of this Agreement.

7. The provisions hereof shall inure to the benefit of, and be binding upon, the parties hereto and their respective heirs, legal representatives and permitted assigns.

8. Sublandlord shall submit a request for consent to this First Amendment to Landlord promptly after the full execution hereof and shall use commercially reasonable efforts to diligently pursue an answer to such request, and Subtenant shall use commercially reasonable efforts to cooperate with the same. In the event Landlord's consent to this First Amendment is not obtained on or before October 1, 2017, then (i) Subtenant shall have the right to terminate this First Amendment by giving written notice to Sublandlord at any time after October 1, 2017 (but prior to the receipt of Landlord's consent); and (ii) Sublandlord shall have the right to terminate this First Amendment by giving written notice to Subtenant at any time after October 1, 2017 (but prior to the receipt of Landlord's consent); and upon either of such notices this First Amendment shall terminate and be of no further force and effect except for those obligations which are specifically provided to survive such termination. In no event shall Subtenant have any right to occupy the Additional Space unless and until such consent of Landlord to this First Amendment is received.

9. Subject to the terms and provisions contained herein, if Sublandlord shall deliver to Subtenant a notice (the " **Expansion Space Notice** ") between September 30, 2020 and December 31, 2020 (the " **Expansion Space Notice Period** ") identifying at least 8,000 rentable square feet of space (in a commercially reasonable configuration) in the balance of the Premises immediately adjacent to then-applicable Sublease Premises (the " **Expansion Space** "), then the Expansion Space shall become part of the Sublease Premises (and Subtenant's Proportionate Share shall be appropriately adjusted) upon the date of delivery to Subtenant with Sublandlord's Demising Work (as applicable to the Expansion Space) substantially complete, and the Base Rent (per rentable square foot), and all of the other terms and conditions of the Sublease, shall be applicable to the Expansion Space upon such delivery. Unless otherwise agreed upon by the parties, Sublandlord shall not deliver the Expansion Space to Subtenant prior to May 1, 2022. If Sublandlord shall not have delivered the Expansion Space Notice during the Expansion Space Notice Period, then Subtenant shall have the right to send a reminder notice (the " **Expansion Space Wake-Up Notice** ") to Sublandlord within thirty (30) days after the expiration of the Expansion Space Notice Period, time being of the essence, referencing the Sublease and any amendments thereto and this paragraph of the First Amendment, and stating the following: "Sublandlord has failed to deliver the Expansion

Space Notice during the Expansion Space Notice Period. If Sublandlord fails to deliver the Expansion Space Notice by the date that is thirty (30) days after the date of delivery of this notice, then, subject to the terms and conditions of the First Amendment and the Sublease, Subtenant shall have the right to exercise the Expansion Space Failure Termination Option pursuant to Paragraph 9 of the First Amendment." If, after the failure of Sublandlord to deliver the Expansion Space Notice during the Expansion Space Notice Period, and the subsequent failure of Sublandlord to deliver the Expansion Space Notice within thirty (30) days after timely delivery of the Expansion Space Wake-Up Notice (the " **Extended Expansion Space Notice Period** "), then, subject to the terms and conditions hereof, Subtenant shall have the option (the " **Early Termination Option** ") to accelerate the Expiration Date to May 1, 2022 (the " **Early Termination Date** ") by delivering notice of such exercise to Sublandlord by the date that is thirty (30) days after the Extended Expansion Space Notice Period, time being of the essence, together with a payment to Sublandlord of the Termination Payment. As used herein, " **Termination Payment** " shall mean the sum of (1) the unamortized balance of the First Amendment Leasing Costs as of the Early Termination Date had the First Amendment Leasing Costs been loaned to Subtenant as of the Effective Date at the interest rate of nine percent (9%) per annum and had such loaned amount been repaid in equal monthly installments commencing on the Effective Date in amounts sufficient to fully amortize such loaned amount and the imputed interest thereon on the uncelebrated Expiration Date and (2) an amount equal to three (3) multiplied by the sum of Base Rent and Additional Rent due under the Sublease for the full calendar month immediately preceding the Early Termination Date. The term " **First Amendment Leasing Costs** " shall mean the sum of (i) the total brokerage commission actually paid by Sublandlord in connection with the First Amendment, and (ii) Sublandlord's actual costs incurred in performing Sublandlord's Demising Work for the Additional Space. Sublandlord and Subtenant acknowledge that the Termination Payment is not a penalty, but is a reasonable estimate of the damages to be suffered by Sublandlord as a consequence of Subtenant's exercise of the Early Termination Option. Subtenant hereby acknowledges and agrees that Subtenant shall not be entitled to any rebate or return of any portion of the Termination Payment as a consequence of the actual costs incurred by Sublandlord in re-letting the Sublease Premises being less than the Termination Payment. Within 30 days after Subtenant's request, made no earlier than the Effective Date and no more than once in any calendar year, Sublandlord shall provide Subtenant with a then-estimate of the First Amendment Leasing Costs. Notwithstanding anything contained herein to the contrary, Subtenant shall have no rights under this Paragraph 9 with respect to the Expansion Space (including, without limitation, any right to exercise the Early Termination Option), and Sublandlord shall have no obligations under this Paragraph 9 with respect to the Expansion Space (including, without limitation, any obligation to recognize any prior exercise of the Early Termination Option, or to deliver any Expansion Space), if (i) Subtenant is in default under any provision of this Sublease beyond the applicable notice or cure period, or otherwise in default in the payment of money under this Sublease, (ii) Subtenant shall have subleased at least 8,000 rentable square feet of space pursuant to a ROFO under Section 16.5 of the Sublease, or Subtenant shall have (from and after the date that is 12 months after the Effective Date) rejected (or shall have been deemed to have rejected) a ROFO of at least 8,000 rentable square feet of space (in a commercially reasonable configuration) in the balance of the Premises immediately adjacent to the then-applicable Sublease Premises under such Section 16.5 of the Sublease, or (iii) Subtenant shall have assigned the Sublease or sub-sublet any of the Sublease Premises (excepting Permitted Transfers). In the event that Sublandlord is obligated under this Paragraph 9 to deliver the Expansion Space, then if Sublandlord fails to so deliver (with

Sublandlord's Demising Work for the Expansion Space substantially complete) by May 1, 2022 (as such date shall be extended by one day for each day of delay due to a force majeure event (e.g. causes beyond the reasonable control of Sublandlord), or any act, omission (where Subtenant is obligated to act), or negligence by Subtenant or any of its employees, agents, invitees, or contractors), and, provided further, that Subtenant is in not in default under any provision of this Sublease beyond the applicable notice or cure period, or otherwise in default in the payment of money under this Sublease, Subtenant shall be entitled to an abatement of one day of Base Rent for all of the Sublease Premises for each day beyond May 1, 2022 (as such date is extended, as provided herein) that such delivery of the Expansion Space is delayed.

10. The parties acknowledge that the provisions of Section 16.5 of the Sublease (Right of First Offer) shall remain in effect.

11. Subject to the approval, consent, and conditions of Landlord (and otherwise in accordance with the incorporated provisions of the Lease), (a) Subtenant, at its sole cost and expense, may install building suite entry door signage in a location designated by Landlord at the entrance to the Additional Space (and Sublandlord, at its sole cost and expense, shall remove its existing signage at such entrance), and (b) have its name inserted in the multi-tenant building directory in the lobby of the Building and the multi-tenant monument sign in front of the Building.

12. Effective as of the Additional Space Delivery Date, Subtenant shall have, as an appurtenant privilege with respect to the Additional Space, the use of the furniture, fixtures and equipment located in the Additional Space as of the date of this First Amendment, an inventory of which is attached hereto as Exhibit B (collectively, the "Additional Space Furniture") during the term of the Sublease. Subtenant agrees to take all actions necessary or appropriate to ensure that the Additional Space Furniture shall be and remain personal property, and nothing in this Sublease shall be constituted as conveying to Subtenant any interest in the Additional Space Furniture other than its interest as a Subtenant. The Additional Space Furniture shall be used by Subtenant only at the Additional Space and in the ordinary conduct of its business. Subtenant shall, at its expense, repair and maintain, but not replace (unless damaged by Subtenant), the Additional Space Furniture so that it will remain in the same condition as when delivered to Subtenant, ordinary wear and tear from proper use excepted. In addition, as Sublandlord is not the manufacturer or vendor of the Additional Space Furniture, it makes no other representation or warranty, express or implied, as to any matter whatsoever, including without limitation the design or condition of the Additional Space Furniture, its merchantability, durability, suitability or fitness for any particular purpose, the quality of the material or workmanship of the Additional Space Furniture, or the conformity of the Additional Space Furniture to the provisions or specifications of any purchase order relating thereto, and Sublandlord hereby disclaims any and all such representations and warranties. At the expiration or earlier termination of the Term, Subtenant shall return all remaining Additional Space Furniture (and all Included Personal Property) to Sublandlord in the condition required hereunder, or, upon notice from Sublandlord, remove the same (including, notwithstanding anything to the contrary in the Sublease, all Included Personal Property) from the Sublease Premises and dispose of the same, at Subtenant's sole cost and expense.

13. Provided Landlord has consented in writing to this First Amendment and Subtenant has delivered certificates evidencing the insurance required to be carried by Subtenant under the Sublease and shall have performed any other applicable obligation under the Sublease, and provided that the same shall not interfere with the performance or completion of Sublandlord's Demising Work, Subtenant shall be entitled to reasonable early access of the Additional Space prior to the Additional Space Delivery Date for the purpose of installing furniture, trade fixtures, equipment, cabling and similar items, on all of the terms of this Sublease, except that, for such early access period prior to the Additional Space Delivery Date, Subtenant shall have no obligation to begin paying Base Rent or other charges payable (other than charges, such as freight elevator fees, etc., that are directly incurred with respect to such installation) related to the Additional Space based solely on its installation of these items, it being understood, however, that any other use or occupancy of the Additional Space by Subtenant for the operation of its business during such early access period shall require the commencement of payment of Base Rent and other charges under this First Amendment.

14. Effective as of the Additional Space Delivery Date, Sublandlord shall provide Subtenant with four (4) of Sublandlord's reserved, covered parking spaces. Subtenant shall have parking spaces 16, 18, 20, and 22 for a monthly fee of $75.00 per month per parking space. Such monthly fee is subject to such parking cost increases charged to Sublandlord by Landlord for such spaces (it being understood that Subtenant shall pay whatever Sublandlord is required to pay for such spaces from time to time). Effective as of the Additional Space Delivery Date, Subtenant shall receive such additional parking spaces as Subtenant is entitled to under Section 17.1 of the Sublease.

IN WITNESS WHEREOF, Sublandlord and Subtenant have duly executed this First Amendment as of the day and year first above written.

SUBLANDLORD: ROVI CORPORATION, a Delaware corporation

By /s/ Pamela Sergeeff
Name Pamela Sergeeff
Its General Counsel

SUBTENANT: RADIUS HEALTH, INC., a Delaware corporation

By /s/ Brent Hatzis-Schoch
Name Brent Hatzis-Schoch
Its General Counsel

EXHIBIT A

FLOOR PLAN OF SUBLEASE PREMISES (SHOWING ORIGINALLY DEMISED SUBLEASE PREMISES AND ADDITIONAL SPACE)

EXHIBIT "B"

ADDITIONAL SPACE FURNITURE INVENTORY

147440307 v1

Exhibit 31.1

CERTIFICATIONS

I, Jesper Høiland, certify that:

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

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

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

4. The registrant's other certifying officer(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 the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

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

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 control over financial reporting.

Date: August 3, 2017

/s/ Jesper Høiland

Jesper Høiland

President and Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Jose Carmona, certify that:

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

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

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

4. The registrant's other certifying officer(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 the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

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

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 control over financial reporting.

Date: August 3, 2017

/s/ Jose Carmona

Jose Carmona

Chief Financial Officer

Exhibit 32.1

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

Each of Jesper Høiland and Jose Carmona hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in his capacity as President and Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer), respectively, of Radius Health, Inc. (the "Company"), that, to his knowledge, the Quarterly Report of the Company on Form 10-Q for the period ended June 30, 2017 as filed with the Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 3, 2017

By: /s/ Jesper Høiland
Jesper Høiland

President and Chief Executive Officer

Date: August 3, 2017

By: /s/ Jose Carmona
Jose Carmona
Chief Financial Officer

This written statement is being furnished to the Securities and Exchange Commission as an exhibit to the Report, and "accompanies" such Report to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Report to which it relates), notwithstanding any general incorporation language contained in such filing. A signed original of this statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.