UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

(Mark One)

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended **June 30, 2015**

OR

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File Number 0-19034

REGENERON PHARMACEUTICALS, INC.

(Exact name of registrant as specified in its charter)

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

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

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No _____

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes X No _____

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

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

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

Yes _____ No X

Number of shares outstanding of each of the registrant's classes of common stock as of July 17, 2015:

Class of Common Stock	Number of Shares
Class A Stock, $.001 par value	1,951,868
Common Stock, $.001 par value	101,736,534

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

ITEM 1. FINANCIAL STATEMENTS

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

	June 30, 2015	December 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	$ 390,554	$ 648,719
Marketable securities	213,694	251,761
Accounts receivable - trade, net	1,071,665	739,379
Accounts receivable from Sanofi	197,693	111,510
Accounts receivable from Bayer HealthCare	125,767	125,483
Inventories	171,266	128,861
Deferred tax assets	69,603	46,179
Prepaid expenses and other current assets	43,099	79,046
Total current assets	2,283,341	2,130,938
Marketable securities	589,595	460,154
Property, plant, and equipment, at cost, net of accumulated depreciation and amortization	1,326,112	974,309
Deferred tax assets	323,784	269,237
Other assets	4,138	3,034
Total assets	$ 4,526,970	$ 3,837,672
LIABILITIES and STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 529,505	$ 483,489
Deferred revenue from Sanofi, current portion	18,026	15,927
Deferred revenue - other, current portion	51,720	58,098
Other current liabilities	2,291	97,146
Total current liabilities	601,542	654,660
Deferred revenue from Sanofi	46,095	62,819
Deferred revenue - other	76,748	72,430
Facility lease obligations	357,687	310,938
Convertible senior notes	30,360	146,773
Other long-term liabilities	76,080	39,801
Total liabilities	1,188,512	1,287,421
Stockholders' equity:		
Preferred stock, $.01 par value; 30,000,000 shares authorized; issued and outstanding - none	—	—
Class A Stock, convertible, $.001 par value; 40,000,000 shares authorized; shares issued and outstanding - 1,951,868 in 2015 and 1,973,368 in 2014	2	2
Common Stock, $.001 par value; 320,000,000 shares authorized; shares issued - 105,106,034 in 2015 and 102,475,154 in 2014	105	102
Additional paid-in capital	3,118,969	2,450,782
Retained earnings	487,308	216,644
Accumulated other comprehensive income	19,153	52,251
Treasury stock, at cost; 3,416,788 shares in 2015 and 2,017,732 in 2014	(287,079)	(169,530)
Total stockholders' equity	3,338,458	2,550,251
Total liabilities and stockholders' equity	$ 4,526,970	$ 3,837,672

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	**2014**	**2015**	**2014**
Statements of Operations				
Revenues:				
Net product sales	$ 657,819	$ 418,022	$ 1,202,392	$ 780,400
Sanofi collaboration revenue	195,110	142,595	368,466	273,103
Bayer HealthCare collaboration revenue	134,237	97,295	258,083	222,607
Technology licensing and other revenue	11,451	7,788	39,288	15,330
	998,617	665,700	1,868,229	1,291,440
Expenses:				
Research and development	390,330	294,501	733,443	581,880
Selling, general, and administrative	174,588	96,730	333,579	199,957
Cost of goods sold	60,855	29,945	103,425	57,418
Cost of collaboration and contract manufacturing	27,985	16,434	69,370	32,533
	653,758	437,610	1,239,817	871,788
Income from operations	344,859	228,090	628,412	419,652
Other income (expense):				
Investment and other income	1,849	1,677	1,930	2,614
Interest expense	(2,748)	(10,177)	(8,917)	(21,790)
Loss on extinguishment of debt	(15,964)	(10,787)	(16,906)	(10,787)
	(16,863)	(19,287)	(23,893)	(29,963)
Income before income taxes	327,996	208,803	604,519	389,689
Income tax expense	(133,353)	(112,452)	(333,855)	(225,033)
Net income	$ 194,643	$ 96,351	$ 270,664	$ 164,656
Net income per share - basic	$ 1.89	$ 0.96	$ 2.64	$ 1.65
Net income per share - diluted	$ 1.69	$ 0.85	$ 2.35	$ 1.46
Weighted average shares outstanding - basic	102,886	100,391	102,558	100,085
Weighted average shares outstanding - diluted	115,259	113,032	114,962	113,121
Statements of Comprehensive Income				
Net income	$ 194,643	$ 96,351	$ 270,664	$ 164,656
Other comprehensive (loss) income:				
Unrealized (loss) gain on marketable securities, net of tax	(28,751)	2,798	(33,098)	5,451
Comprehensive income	$ 165,892	$ 99,149	$ 237,566	$ 170,107

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

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

	Six Months Ended June 30,	
	2015	**2014**
Cash flows from operating activities:		
Net income	$ 270,664	$ 164,656
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	31,325	24,546
Non-cash compensation expense	198,016	140,613
Non-cash interest expense	2,745	10,871
Loss on extinguishment of debt	16,906	10,787
Other non-cash charges and expenses, net	17,627	6,598
Deferred taxes	(59,069)	(19,092)
Changes in assets and liabilities:		
(Increase) decrease in Sanofi, Bayer HealthCare, and trade accounts receivable	(418,753)	84,776
Increase in inventories	(49,852)	(37,295)
Decrease (increase) in prepaid expenses and other assets	33,842	(29,446)
(Decrease) increase in deferred revenue	(16,685)	16,105
Increase in accounts payable, accrued expenses, and other liabilities	129,338	16,820
Total adjustments	(114,560)	225,283
Net cash provided by operating activities	156,104	389,939
Cash flows from investing activities:		
Purchases of marketable securities	(340,844)	(374,509)
Sales or maturities of marketable securities	193,769	155,850
Capital expenditures	(354,055)	(135,695)
Net cash used in investing activities	(501,130)	(354,354)
Cash flows from financing activities:		
Proceeds (payments) in connection with facility and capital lease obligations	26,780	(534)
Repayments of convertible senior notes	(144,001)	(61,125)
Payments in connection with reduction of outstanding warrants	(124,531)	(143,041)
Proceeds from issuance of Common Stock	115,825	63,057
Payments in connection with Common Stock tendered for employee tax obligations	(35,930)	(64,990)
Excess tax benefit from stock-based compensation	248,718	235,575
Net cash provided by financing activities	86,861	28,942
Net (decrease) increase in cash and cash equivalents	(258,165)	64,527
Cash and cash equivalents at beginning of period	648,719	535,608
Cash and cash equivalents at end of period	$ 390,554	$ 600,135

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

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

1. Interim Financial Statements

The interim Condensed Consolidated Financial Statements of Regeneron Pharmaceuticals, Inc. ("Regeneron" or the "Company") have been prepared in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all information and disclosures necessary for a presentation of the Company's financial position, results of operations, and cash flows in conformity with accounting principles generally accepted in the United States of America. In the opinion of management, these financial statements reflect all normal recurring adjustments and accruals necessary for a fair statement of the Company's financial position, results of operations, and cash flows for such periods. The results of operations for any interim periods are not necessarily indicative of the results for the full year. The December 31, 2014 Condensed Consolidated Balance Sheet data were derived from audited financial statements, but do not include all disclosures required by accounting principles generally accepted in the United States of America. These financial statements should be read in conjunction with the financial statements and notes thereto contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2014.

The previously issued (i) Consolidated Balance Sheet as of December 31, 2014 contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2014, and (ii) Condensed Consolidated Statement of Operations and Comprehensive Income for the three and six months ended June 30, 2014 and Condensed Consolidated Statement of Cash Flows for the six months ended June 30, 2014 contained in the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2014, have each been revised in this Quarterly Report on Form 10-Q to reflect a correction in the Company's accounting for certain stock option awards. See Note 4.

In addition, the previously issued Consolidated Balance Sheet as of December 31, 2014 has been revised in this Quarterly Report on Form 10-Q to reflect a correction related to the accounting for costs incurred in connection with commercial bulk drug product manufactured by the Company, but not billed, under the Company's collaboration agreements with Sanofi and Bayer HealthCare, and the related tax impacts. The correcting adjustments results in a reduction to both accounts receivable and deferred revenue by $41.0 million, and reduce both income tax assets, net and additional paid-in capital by $14.2 million. The previously issued Condensed Consolidated Statement of Cash Flows for the six months ended June 30, 2014 was also revised in this Quarterly Report on Form 10-Q to reflect an $8.6 million increase in cash flows from operating activities and a corresponding reduction in cash flows from financing activities related to the tax impact of these adjustments. These adjustments had no impact on the Company's previously issued Consolidated Statements of Operations and Comprehensive Income in any reporting period. The Company determined that the error is not material to any previously-issued financial statements.

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

2. Product Sales

EYLEA® net product sales in the United States totaled $654.6 million and $414.8 million for the three months ended June 30, 2015 and 2014, respectively, and $1,195.7 million and $773.8 million for the six months ended June 30, 2015 and 2014, respectively. In addition, ARCALYST® net product sales totaled $3.2 million for each of the three-month periods ended June 30, 2015 and 2014, respectively, and $6.7 million and $6.6 million for the six months ended June 30, 2015 and 2014, respectively.

The Company recorded 69% and 73% for the three months ended June 30, 2015 and 2014, respectively, and 69% and 76% for the six months ended June 30, 2015 and 2014, respectively, of its total gross product revenue from sales to Besse Medical, a subsidiary of AmerisourceBergen Corporation.

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

Revenue from product sales is recorded net of applicable provisions for rebates and chargebacks under governmental programs, distribution-related fees, and other sales-related deductions. The following table summarizes the provisions, and credits/payments, for these sales-related deductions during the six months ended June 30, 2015 and 2014.

	Rebates & Chargebacks	Distribution-Related Fees	Other Sales-Related Deductions	Total
Balance as of December 31, 2014	$ 3,083	$ 21,166	$ 532	$ 24,781
Provision related to current period sales	25,481	54,747	3,454	83,682
Credits/payments	(23,090)	(36,433)	(3,482)	(63,005)
Balance as of June 30, 2015	$ 5,474	$ 39,480	$ 504	$ 45,458
Balance as of December 31, 2013	$ 4,400	$ 19,663	$ 538	$ 24,601
Provision related to current period sales	14,817	36,206	818	51,841
Credits/payments	(15,077)	(35,449)	(834)	(51,360)
Balance as of June 30, 2014	$ 4,140	$ 20,420	$ 522	$ 25,082

3. Collaboration Agreements

a. Sanofi

Sanofi collaboration revenue, as detailed below, consisted primarily of reimbursement for research and development expenses that the Company incurred, partly offset by sharing of pre-launch commercialization expenses, in connection with the companies' Discovery and Preclinical Development Agreement ("Antibody Discovery Agreement") and License and Collaboration Agreement (each as amended), collectively referred to as the "Antibody Collaboration".

	Three Months Ended June 30,	
Sanofi Collaboration Revenue	**2015**	**2014**
Antibody:		
Reimbursement of Regeneron research and development expenses	$ 211,516	$ 137,893
Reimbursement of Regeneron commercialization-related expenses	27,347	4,307
Regeneron's share of losses in connection with commercialization of antibodies	(46,313)	(4,295)
Other	2,560	2,560
Total Antibody	195,110	140,465
ZALTRAP:		
Regeneron's share of losses in connection with commercialization of ZALTRAP	—	(692)
Reimbursement of Regeneron research and development expenses	—	1,338
Other	—	1,484
Total ZALTRAP	—	2,130
	$ 195,110	$ 142,595

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

	Six Months Ended June 30,	
Sanofi Collaboration Revenue	**2015**	**2014**
Antibody:		
Reimbursement of Regeneron research and development expenses	$ 380,336	$ 264,715
Reimbursement of Regeneron commercialization-related expenses	35,805	5,375
Regeneron's share of losses in connection with commercialization of antibodies	(68,718)	(4,295)
Other	5,121	5,121
Total Antibody	352,544	270,916
ZALTRAP:		
Regeneron's share of losses in connection with commercialization of ZALTRAP	—	(3,904)
Reimbursement of Regeneron research and development expenses	686	2,430
Other	15,236	3,661
Total ZALTRAP	15,922	2,187
	$ 368,466	$ 273,103

Antibodies

Under the Company's November 2007 Antibody Collaboration with Sanofi, as amended, agreed upon worldwide research and development expenses incurred by both companies during the term of the agreement are funded by Sanofi, except that following receipt of the first positive Phase 3 trial results for a co-developed drug candidate, subsequent Phase 3 trial-related costs for that drug candidate ("Shared Phase 3 Trial Costs") are shared 80% by Sanofi and 20% by Regeneron. During the three months ended June 30, 2015 and 2014, the Company recognized as additional research and development expense $22.5 million and $29.1 million, respectively, and during the six months ended June 30, 2015 and 2014, the Company recognized as additional research and development expense $47.5 million and $52.9 million, respectively, of antibody development expenses that the Company was obligated to reimburse to Sanofi related to Praluent® and sarilumab.

Effective in the second and fourth quarters of 2014, the Company and Sanofi began sharing pre-launch commercialization expenses related to Praluent and sarilumab, respectively, in accordance with the companies' License and Collaboration Agreement. In July 2015, the U.S. Food and Drug Administration ("FDA") approved Praluent for the treatment of adults with heterozygous familial hypercholesterolemia or clinical atherosclerotic cardiovascular disease, who require additional lowering of low-density lipoprotein ("LDL") cholesterol.

In May 2013, the Company acquired from Sanofi full exclusive rights to antibodies targeting the platelet derived growth factor (PDGF) family of receptors and ligands in ophthalmology. With respect to PDGF antibodies, the Company made two $5.0 million development milestone payments to Sanofi in the first quarter of 2014 and a $10.0 million development milestone payment to Sanofi in the second quarter of 2015, each of which was recorded as research and development expense. The Company is also obligated to pay up to $20.0 million in additional potential development milestones as well as royalties on any future sales of PDGF antibodies.

In July 2015, in connection with the Company's new immuno-oncology collaboration with Sanofi, as described below, the Company's Antibody Discovery Agreement and License and Collaboration Agreement with Sanofi were each amended. In connection with these amendments, Sanofi's funding of the Company's antibody discovery activities under the existing Antibody Collaboration will be reduced from $160.0 million to $145.0 million in 2015, and from $160.0 million to $130.0 million in both 2016 and 2017, or an aggregate reduction of $75.0 million over this three-year period. In addition, the Company's discovery activities to identify and validate potential drug discovery targets in the field of immuno-oncology and develop fully human monoclonal antibodies against these targets will now be funded by Sanofi under the terms of the companies' new immuno-oncology collaboration.

ZALTRAP®

In September 2003, the Company entered into a collaboration agreement ("ZALTRAP Collaboration Agreement") with Aventis Pharmaceuticals Inc. (predecessor to Sanofi U.S.) to jointly develop and commercialize ZALTRAP. Under the terms of the ZALTRAP Collaboration Agreement, as amended, Regeneron and Sanofi shared co-promotion rights and profits and losses on sales of ZALTRAP outside of Japan, and the Company was entitled to receive a percentage of sales of ZALTRAP in Japan. Sanofi commenced sales of ZALTRAP (ziv-aflibercept) Injection for Intravenous Infusion, in combination with 5-fluorouracil, leucovorin, irinotecan ("FOLFIRI"), for patients with metastatic colorectal cancer ("mCRC") that is resistant to or has progressed following an oxaliplatin-containing regimen, in the United States in the third quarter of 2012 and in certain European and other countries in the first quarter of 2013.

In February 2015, the Company and Sanofi entered into an amended and restated ZALTRAP agreement ("Amended ZALTRAP Agreement"), with an effective date of July 1, 2014. Under the terms of the Amended ZALTRAP Agreement, Sanofi is solely responsible for the development and commercialization of ZALTRAP for cancer indications worldwide. Sanofi bears the cost of all development and commercialization activities and reimburses Regeneron for its costs for any such activities. Sanofi pays the Company a percentage of aggregate net sales of ZALTRAP during each calendar year, which percentage shall be from 15% to 30%, depending on the aggregate net sales of ZALTRAP in such calendar year. The Company will also be paid for all quantities of ZALTRAP manufactured by it, pursuant to a supply agreement, through the earlier of 2021 or the date Sanofi receives regulatory approval to manufacture ZALTRAP at one of its facilities, or a facility of a third party. In addition, Regeneron no longer has a contingent contractual obligation to reimburse Sanofi for 50% of the development expenses that Sanofi previously funded for the development of ZALTRAP under the ZALTRAP Collaboration Agreement. Unless terminated earlier in accordance with its provisions, the Amended ZALTRAP Agreement will continue to be in effect until such time as neither Sanofi nor its affiliates or sublicensees is developing or commercializing ZALTRAP.

As a result of entering into the Amended ZALTRAP Agreement, in the first quarter of 2015, the Company recognized $14.9 million of collaboration revenue, which was previously recorded as deferred revenue under the ZALTRAP Collaboration Agreement, related to (i) amounts that were previously reimbursed by Sanofi for manufacturing commercial supplies of ZALTRAP since the risk of inventory loss no longer existed, and (ii) the unamortized portion of up-front payments from Sanofi as the Company had no further performance obligations. In addition, during the three and six months ended June 30, 2015, the Company recorded $3.2 million and $23.0 million, respectively, in technology licensing and other revenue, primarily related to (i) revenues earned from Sanofi based on a percentage of net sales of ZALTRAP and (ii) revenues earned from Sanofi for manufacturing ZALTRAP commercial supplies.

Immuno-Oncology

In July 2015, the Company and Sanofi entered into a global strategic collaboration to discover, develop, and commercialize antibody-based cancer treatments in the field of immuno-oncology (the "IO Collaboration"). The IO Collaboration is governed by an Immuno-oncology Discovery and Development Agreement ("IO Discovery Agreement"), and an Immuno-oncology License and Collaboration Agreement ("IO License and Collaboration Agreement"). In connection with the IO Discovery Agreement, Sanofi will make a $265.0 million non-refundable upfront payment to the Company. Pursuant to the IO Discovery Agreement, the Company will spend up to $1,090.0 million to identify and validate potential immuno-oncology targets and develop therapeutic antibodies against such targets through clinical proof-of-concept. Sanofi will reimburse the Company for up to $825.0 million ("IO Discovery Funding") of these costs, subject to certain annual limits, which consists of (i) $750.0 million in new funding and (ii) $75.0 million of funding that would have otherwise been available to Regeneron under the existing Antibody Discovery Agreement, as described above. The term of the IO Discovery Agreement will continue through the later of five years from the effective date of the IO Collaboration or the date the IO Discovery Funding is exhausted, subject to Sanofi’s option to extend it for up to an additional three years for the continued development (and funding) of selected ongoing programs. Pursuant to the IO Discovery Agreement, the Company will be primarily responsible for the design and conduct of all research activities, including target identification and validation, antibody development, preclinical activities, toxicology studies, manufacture of preclinical and clinical supplies, filing of Investigational New Drug ("IND") Applications, and clinical development through proof-of-concept. The Company will reimburse Sanofi for half of the development costs they funded that are attributable to clinical development of antibody product candidates under the IO Discovery Agreement from Regeneron's share of future profits to the extent they are sufficient for this purpose. However, the Company is not required to apply more than 10% of its share of the profits from IO Collaboration products in any calendar quarter towards reimbursing Sanofi for these development costs. With regard to product candidates for which proof-of-concept is established, Sanofi will have the option to license rights to the candidate pursuant to the IO License and Collaboration Agreement (as further described below). If Sanofi does not exercise its option to license rights to a

product candidate, the Company will retain the exclusive right to develop and commercialize such product candidate and Sanofi will be entitled to receive a royalty on sales.

In connection with the IO License and Collaboration Agreement, Sanofi will make a $375.0 million non-refundable upfront payment to the Company. If Sanofi exercises its option to license rights to a product candidate thereunder, it will co-develop the drug candidate with the Company through product approval. Principal control of development of each product candidate that enters development under the IO License and Collaboration Agreement will alternate between the Company and Sanofi on a candidate-by-candidate basis. Sanofi will fund drug candidate development costs up front for the candidates for which it is the principal controlling party and the Company will reimburse half of the total development costs for all such candidates from its share of future profits to the extent they are sufficient for this purpose, subject to the same 10% reimbursement limitation described above. In addition, Sanofi and the Company will share equally, on an ongoing basis, the development costs for the drug candidates for which the Company is the principal controlling party. The party having principal control over the development of a product candidate will also lead the commercialization activities for such product candidate in the United States. For all products commercialized under the IO License and Collaboration Agreement, Sanofi will lead commercialization activities outside of the United States. Each party will have the right to co-promote licensed products in countries where it is not the lead commercialization party. The parties will share equally in any profits from worldwide sales of collaboration products. Regeneron is obligated to use commercially reasonable efforts to supply clinical requirements of each drug candidate under the IO License and Collaboration Agreement until commercial supplies of that IO drug candidate are being manufactured.

Under the terms of the IO License and Collaboration Agreement, the parties will also co-develop the Company's antibody product candidate targeting the receptor known as Programmed Cell Death protein 1, or PD-1 ("REGN2810"). The parties will share equally, on an ongoing basis, development expenses for REGN2810 up to a total of $650.0 million. The Company will have principal control over the development of REGN2810 and will lead commercialization activities in the United States, subject to Sanofi's right to co-promote, while Sanofi will lead commercialization activities outside of the United States and the parties will equally share profits from worldwide sales. The Company will be entitled to a milestone payment of $375.0 million in the event that sales of all licensed products targeting PD-1 (including REGN2810), together with sales of any other products licensed under the IO License and Collaboration Agreement and sold for use in combination with a licensed product targeting PD-1, equal or exceed $2.0 billion in any consecutive twelve-month period.

With respect to each product candidate that enters development under the IO License and Collaboration Agreement, Sanofi or the Company may, by giving twelve months' notice, opt-out of further development and/or commercialization of the product, in which event the other party will retain exclusive rights to continue the development and/or commercialization of such product.

b. Bayer HealthCare LLC

The Company and Bayer HealthCare globally collaborate on the development and commercialization of EYLEA outside of the United States. In addition, in January 2014, the Company entered into a license and collaboration agreement with Bayer HealthCare governing the joint development and commercialization outside the United States of an antibody product candidate to Platelet Derived Growth Factor Receptor Beta (PDGFR-beta).

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

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

	Three Months Ended June 30,	
Bayer HealthCare Collaboration Revenue	**2015**	**2014**
EYLEA:		
Regeneron's net profit in connection with commercialization of EYLEA outside the United States	$ 106,631	$ 66,781
Sales milestones	—	15,000
Cost-sharing of Regeneron EYLEA development expenses	2,464	1,494
Other	16,618	10,813
Total EYLEA	125,713	94,088
PDGFR-beta antibody:		
Cost-sharing of REGN2176-3 development expenses	5,926	626
Other	2,598	2,581
Total PDGFR-beta	8,524	3,207
	$ 134,237	$ 97,295

	Six Months Ended June 30,	
Bayer HealthCare Collaboration Revenue	**2015**	**2014**
EYLEA:		
Regeneron's net profit in connection with commercialization of EYLEA outside the United States	$ 196,057	$ 127,940
Sales milestones	15,000	45,000
Cost-sharing of Regeneron EYLEA development expenses	5,121	21,841
Other	29,530	21,745
Total EYLEA	245,708	216,526
PDGFR-beta antibody:		
Cost-sharing of REGN2176-3 development expenses	7,180	1,139
Other	5,195	4,942
Total PDGFR-beta	12,375	6,081
	$ 258,083	$ 222,607

EYLEA outside the United States

In the first quarter of 2015, the Company earned a $15.0 million sales milestone from Bayer HealthCare upon total aggregate net sales of specific commercial supplies of EYLEA outside the United States exceeding $200 million over a twelve-month period. In the first half of 2014, the Company earned three $15.0 million sales milestones from Bayer HealthCare upon total aggregate net sales of EYLEA outside the United States exceeding $500 million, $600 million, and $700 million, respectively, over a twelve-month period.

In January 2014, Bayer HealthCare decided to participate in the global development and commercialization of EYLEA outside the United States for the treatment of macular edema following branch retinal vein occlusion ("BRVO"). In connection with this

decision, Bayer HealthCare reimbursed Regeneron $15.7 million for a defined share of the EYLEA global development costs that the Company had incurred prior to February 2014 for the BRVO indication, which was recognized as Bayer HealthCare collaboration revenue in the first quarter of 2014 and is included with "Cost-sharing of Regeneron EYLEA development expenses" in the table above. In addition, all future agreed upon global EYLEA development expenses incurred in connection with BRVO are being shared equally, and any profits or losses on sales of EYLEA outside of the United States for the treatment of macular edema following BRVO are also shared (for countries other than Japan). The Company is entitled to receive a tiered percentage of EYLEA net sales in Japan.

PDGFR-beta antibody outside the United States

In January 2014, the Company entered into an agreement with Bayer HealthCare governing the joint development and commercialization outside the United States of an antibody product candidate to PDGFR-beta, including in combination with EYLEA, for the treatment of ocular diseases or disorders. In connection with the agreement, Bayer HealthCare made a $25.5 million non-refundable upfront payment to the Company in January 2014, and is obligated to pay 25% of global development costs and 50% of development costs exclusively for the territory outside the United States under the initial development plan. The $25.5 million upfront payment was initially recorded as deferred revenue, and will be recognized as revenue over the related performance period. Bayer HealthCare is also obligated to reimburse the Company for 50% of development milestone payments to Sanofi related to the Company's acquisition of rights to antibodies targeting the PDGF family of receptors in May 2013, as described above. In that regard, Bayer HealthCare made two $2.5 million development milestone payments to the Company in the first quarter of 2014 (both of which, for the purpose of revenue recognition, were not considered substantive) and a $5.0 million development milestone payment to the Company in the second quarter of 2015 (which was recognized as a substantive milestone).

4. Stock-based Compensation

The Company recognizes stock-based compensation expense for grants of stock option awards and restricted stock under the Company's applicable Long-Term Incentive Plan based on the grant-date fair value of those awards. The Company recognized stock-based compensation expense of $94.3 million and $64.8 million for the three months ended June 30, 2015 and 2014, respectively, and $198.0 million and $140.6 million for the six months ended June 30, 2015 and 2014, respectively.

Revisions of Previously-Issued Financial Statements

During the first quarter of 2015, the Company determined that for certain stock option awards granted to an employee in prior periods, the incorrect requisite service period was utilized in determining the period over which the related compensation expense should have been recorded. Such awards were made as part of the Company's annual employee option grants in December of each applicable year. As a result, compensation expense for the three months and years ended December 31, 2014 and 2013 was understated, and compensation expense for the three months ended March 31, 2014 and 2013, June 30, 2014 and 2013, and September 30, 2014 and 2013 was overstated. These revisions consisted entirely of non-cash adjustments, and therefore had no impact on the Company's previously reported total cash flows from operating activities and total cash flows in its Statements of Cash Flows. The Company evaluated the impact of these items on prior periods, assessing materiality quantitatively and qualitatively, and concluded that the errors were not considered to be material to any previously-issued quarterly or annual financial statements. However, the Company concluded that it would revise the applicable prior period amounts in this filing to reflect the impact of these corrections because the cumulative amount of such corrections is expected to be material to the year ending December 31, 2015. The Company's prior-period financial statements will reflect these revisions for the applicable periods presented in future filings.

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

The table below presents the impact of these revisions, including the related tax effect, on the Company's previously-filed financial statements.

	December 31, 2014		
	As Previously Reported	Adjustments	As Revised
Balance Sheet Data:			
Deferred tax assets (noncurrent)	$ 266,869	$ 22,152	$ 289,021
Total assets	3,871,827	22,152	3,893,979
Additional paid-in capital	2,404,118	60,890	2,465,008
Retained earnings	255,382	(38,738)	216,644
Total stockholders' equity	2,542,325	22,152	2,564,477
Total liabilities and stockholders' equity	3,871,827	22,152	3,893,979

	Three Months Ended June 30, 2014			Six Months Ended June 30, 2014		
	As Previously Reported	Adjustments	As Revised	As Previously Reported	Adjustments	As Revised
Consolidated Statement of Operations Data:						
Selling, general, and administrative	$ 102,414	$ (5,684)	$ 96,730	$ 211,264	$ (11,307)	$ 199,957
Total operating expenses	443,294	(5,684)	437,610	883,095	(11,307)	871,788
Income from operations	222,406	5,684	228,090	408,345	11,307	419,652
Income before income taxes	203,119	5,684	208,803	378,382	11,307	389,689
Income tax expense	110,384	2,068	112,452	220,204	4,829	225,033
Net income	92,735	3,616	96,351	158,178	6,478	164,656
Net income per share - basic	$ 0.92	$ 0.04	$ 0.96	$ 1.58	$ 0.07	$ 1.65
Net income per share - diluted	$ 0.82	$ 0.03	$ 0.85	$ 1.40	$ 0.06	$ 1.46

	Six Months Ended June 30, 2014		
	As Previously Reported	Adjustments	As Revised
Consolidated Statement of Cash Flows Data:			
Cash flows from operating activities			
Net income	$ 158,178	$ 6,478	$ 164,656
Non-cash compensation expense	151,920	(11,307)	140,613
Deferred taxes	(32,543)	4,829	(27,714)

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

The tables below present the impact of these revisions, including the related tax effects, on additional previously-filed interim and year-end Consolidated Statements of Operations for the three and nine months ended September 30, 2014, and for the three months and year ended December 31, 2014.

	Three Months Ended September 30, 2014			Nine Months Ended September 30, 2014		
	As Previously Reported	Adjustments	As Revised	As Previously Reported	Adjustments	As Revised
Selling, general, and administrative	$ 149,748	$ (5,745)	$ 144,003	$ 361,012	$ (17,052)	$ 343,960
Total operating expenses	543,069	(5,745)	537,324	1,426,164	(17,052)	1,409,112
Income from operations	182,719	5,745	188,464	591,064	17,052	608,116
Income before income taxes	176,078	5,745	181,823	554,460	17,052	571,512
Income tax expense	96,358	2,090	98,448	316,562	6,919	323,481
Net income	79,720	3,655	83,375	237,898	10,133	248,031
Net income per share - basic	$ 0.79	$ 0.04	$ 0.83	$ 2.37	$ 0.10	$ 2.47
Net income per share - diluted	$ 0.70	$ 0.03	$ 0.73	$ 2.10	$ 0.09	$ 2.19

	Three Months Ended December 31, 2014			Year Ended December 31, 2014		
	As Previously Reported	Adjustments	As Revised	As Previously Reported	Adjustments	As Revised
Selling, general, and administrative	$ 143,743	$ 31,564	$ 175,307	$ 504,755	$ 14,512	$ 519,267
Total operating expenses	554,962	31,564	586,526	1,981,126	14,512	1,995,638
Income from operations	247,367	(31,564)	215,803	838,431	(14,512)	823,919
Income before income taxes	221,287	(31,564)	189,723	775,747	(14,512)	761,235
Income tax expense	111,111	(11,483)	99,628	427,673	(4,564)	423,109
Net income	110,176	(20,081)	90,095	348,074	(9,948)	338,126
Net income per share - basic	$ 1.09	$ (0.20)	$ 0.89	$ 3.46	$ (0.10)	$ 3.36
Net income per share - diluted	$ 0.96	$ (0.18)	$ 0.78	$ 3.07	$ (0.09)	$ 2.98

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

5. Net Income Per Share

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

	Three Months Ended June 30,	
	2015	**2014**
Net income - basic and diluted	$ 194,643	$ 96,351
(Shares in thousands)		
Weighted average shares - basic	102,886	100,391
Effect of dilutive securities:		
Stock options	9,438	9,359
Restricted stock	474	405
Warrants	2,461	2,877
Dilutive potential shares	12,373	12,641
Weighted average shares - diluted	115,259	113,032
Net income per share - basic	$ 1.89	$ 0.96
Net income per share - diluted	$ 1.69	$ 0.85

	Six Months Ended June 30,	
	2015	**2014**
Net income - basic and diluted	$ 270,664	$ 164,656
(Shares in thousands)		
Weighted average shares - basic	102,558	100,085
Effect of dilutive securities:		
Stock options	9,441	9,615
Restricted stock	471	403
Warrants	2,492	3,018
Dilutive potential shares	12,404	13,036
Weighted average shares - diluted	114,962	113,121
Net income per share - basic	$ 2.64	$ 1.65
Net income per share - diluted	$ 2.35	$ 1.46

Shares which have been excluded from diluted per share amounts because their effect would have been antidilutive include the following:

	Three Months Ended June 30,	
(Shares in thousands)	**2015**	**2014**
Stock options	3,366	3,765
Convertible senior notes	1,539	4,662

	Six Months Ended June 30,	
(Shares in thousands)	**2015**	**2014**
Stock options	3,370	3,714
Convertible senior notes	1,733	4,711

6. Marketable Securities

Marketable securities as of June 30, 2015 and December 31, 2014 consist of both debt securities issued by investment grade institutions as well as equity securities. The Company also held restricted marketable securities as of December 31, 2014, consisting of the Company's investment in Avalanche Biotechnologies, Inc. common shares, which were subject to customary transfer restrictions until January 2015 under a lock-up agreement with the underwriters of Avalanche's initial public offering.

The following tables summarize the Company's investments in marketable securities:

As of June 30, 2015	**Amortized Cost Basis**	**Unrealized Gains**	**Unrealized Losses**	**Fair Value**
Unrestricted				
Corporate bonds	$ 661,084	$ 256	$ (951)	$ 660,389
U.S. government and government agency obligations	56,998	31	(24)	57,005
Municipal bonds	39,764	17	(10)	39,771
Equity securities	17,005	29,119	—	46,124
	$ 774,851	$ 29,423	$ (985)	$ 803,289
As of December 31, 2014				
Unrestricted				
Corporate bonds	$ 548,832	$ 136	$ (1,462)	$ 547,506
U.S. government and government agency obligations	28,596	3	(46)	28,553
Municipal bonds	37,044	37	(43)	37,038
Equity securities	2,005	5,374	—	7,379
	616,477	5,550	(1,551)	620,476
Restricted				
Equity securities	15,000	76,439	—	91,439
	$ 631,477	$ 81,989	$ (1,551)	$ 711,915

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

The Company classifies its debt security investments based on their contractual maturity dates. The debt securities listed as of June 30, 2015 mature at various dates through August 2024. The fair values of debt security investments by contractual maturity consist of the following:

	June 30, 2015	December 31, 2014
Maturities within one year	$ 213,694	$ 251,761
Maturities after one year through five years	542,369	360,208
Maturities after five years through ten years	1,102	1,128
	$ 757,165	$ 613,097

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

	Less than 12 Months		12 Months or Greater		Total	
As of June 30, 2015	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Corporate bonds	$ 413,794	$ (920)	$ 7,602	$ (31)	$ 421,396	$ (951)
U.S. government and government agency obligations	20,397	(24)	—	—	20,397	(24)
Municipal bonds	12,675	(10)	—	—	12,675	(10)
	$ 446,866	$ (954)	$ 7,602	$ (31)	$ 454,468	$ (985)
As of December 31, 2014						
Corporate bonds	$ 390,613	$ (1,462)	—	—	$ 390,613	$ (1,462)
U.S. government and government agency obligations	25,549	(46)	—	—	25,549	(46)
Municipal bonds	10,779	(43)	—	—	10,779	(43)
	$ 426,941	$ (1,551)	—	—	$ 426,941	$ (1,551)

For the three and six months ended June 30, 2015 and 2014, total realized gains and losses on sales of marketable securities were not material.

Changes in the Company's accumulated other comprehensive income (loss) for the three and six months ended June 30, 2015 and 2014 related to unrealized gains and losses on available-for-sale marketable securities. For the three and six months ended June 30, 2015 and 2014, amounts reclassified from accumulated other comprehensive income (loss) into investment income in the Company's Statements of Operations were related to realized gains and losses on sales of marketable securities.

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

7. Fair Value Measurements

The Company's assets that are measured at fair value on a recurring basis consist of the following:

		Fair Value Measurements at Reporting Date Using	
As of June 30, 2015	**Fair Value**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**
Available-for-sale marketable securities:			
Unrestricted			
Corporate bonds	$ 660,389	—	$ 660,389
U.S. government and government agency obligations	57,005	—	57,005
Municipal bonds	39,771	—	39,771
Equity securities	46,124	$ 46,124	—
	$ 803,289	$ 46,124	$ 757,165
As of December 31, 2014			
Available-for-sale marketable securities:			
Unrestricted			
Corporate bonds	$ 547,506	—	$ 547,506
U.S. government and government agency obligations	28,553	—	28,553
Municipal bonds	37,038	—	37,038
Equity securities	7,379	$ 7,379	—
	620,476	7,379	613,097
Restricted			
Equity securities	91,439	—	91,439
	$ 711,915	$ 7,379	$ 704,536

Marketable securities included in Level 2 are valued using quoted market prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuations in which significant inputs used are observable. The Company considers market liquidity in determining the fair value for these securities. The Company did not record any charges for other-than-temporary impairment of its Level 2 marketable securities during the three and six months ended June 30, 2015 and 2014.

There were no purchases, sales, or maturities of Level 3 marketable securities and no unrealized gains or losses related to Level 3 marketable securities for the three and six months ended June 30, 2015 and 2014. During the six months ended June 30, 2015, transfers of marketable securities from Level 2 to Level 1 were $91.4 million in connection with the lapse of the transfer restrictions on the Company's investment in Avalanche common shares in January 2015. The Company's policy for recognition of transfers between levels of the fair value hierarchy is to recognize any transfer at the beginning of the fiscal quarter in which the determination to transfer was made. There were no other transfers of marketable securities between Levels 1, 2, or 3 classifications during the six months ended June 30, 2015, and there were no transfers of marketable securities between Levels 1, 2, or 3 classifications during the six months ended June 30, 2014.

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

As of June 30, 2015 and December 31, 2014, the Company had $33.3 million and $169.4 million, respectively, in aggregate principal amount of 1.875% convertible senior notes (the "Notes") that will mature on October 1, 2016 unless earlier converted or repurchased. As described in Note 10, a portion of the Notes was surrendered for conversion during the first half of 2015. The fair value of the outstanding Notes was estimated to be $201.6 million and $819.8 million as of June 30, 2015 and December 31, 2014, respectively, and was determined based on Level 2 inputs, such as market and observable sources.

Additionally, as described in Note 10, pursuant to a November 2014 amendment agreement with a warrant holder, a portion of the Company's warrants were classified as a liability and measured at fair value as of December 31, 2014. The fair value of this liability was estimated to be $87.5 million as of December 31, 2014, and was determined based on Level 2 inputs, such as market and observable sources. During the first quarter of 2015, upon expiration of the November 2014 amendment agreement, the remaining warrants were re-measured at fair value and reclassified back to additional paid-in capital.

8. Inventories

Inventories consist of the following:

	June 30, 2015	December 31, 2014
Raw materials	$ 20,999	$ 10,923
Work-in-process	111,564	73,519
Finished goods	9,495	10,768
Deferred costs	29,208	33,651
	$ 171,266	$ 128,861

Deferred costs represent the costs of product manufactured and shipped to the Company's collaborators for which recognition of revenue has been deferred. For the three months ended June 30, 2015 and 2014, cost of goods sold included inventory write-downs and reserves totaling $6.4 million and $0.8 million, respectively. For the six months ended June 30, 2015 and 2014, cost of goods sold included inventory write-downs and reserves totaling $8.1 million and $1.9 million, respectively.

9. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of the following:

	June 30, 2015	December 31, 2014
Accounts payable	$ 130,016	$ 99,508
Accrued payroll and related costs	83,105	92,778
Accrued clinical trial expense	48,084	41,555
Accrued sales-related charges, deductions, and royalties	196,095	133,085
Other accrued expenses and liabilities	72,205	116,563
	$ 529,505	$ 483,489

10. Debt

a. Convertible Debt

In the first half of 2015, the Company settled conversion obligations for $144.0 million principal amount of the Company's Notes that was previously surrendered for conversion. As of June 30, 2015, an aggregate principal amount of $33.3 million of the original $400.0 million aggregate principal amount of Notes remained outstanding. In accordance with the terms of the Notes, the

Company elected to settle these conversion obligations through a combination of cash, in an amount equal to the principal amount of the converted Notes, and shares of the Company's Common Stock in respect of any amounts due in excess thereof. Consequently, in the first half of 2015, the Company paid $144.0 million in cash and issued 1,399,069 shares of Common Stock. In addition, in the first half of 2015, the Company allocated $694.7 million of the settlement consideration provided to the Note holders to the reacquisition of the equity component of the Notes, and recognized such amount as a reduction of stockholders' equity, and recognized a $16.9 million loss on the debt extinguishment.

In connection with the initial offering of the Notes in October 2011, the Company entered into convertible note hedge and warrant transactions with multiple counterparties, which were recorded to additional paid-in capital. As a result of the Note conversions described above, in the first half of 2015, the Company also exercised a proportionate amount of its convertible note hedges, for which the Company received 1,399,056 shares of Common Stock, which was approximately equal to the number of shares the Company was required to issue to settle the non-cash portion of the related Note conversions. The Company recorded the cost of the shares received, or $117.5 million, as Treasury Stock during the first half of 2015.

In the first half of 2014, the Company settled conversion obligations for $61.1 million principal amount of the Notes surrendered for conversion. Upon settlement of the Notes during the second quarter of 2014, the Company paid $61.1 million in cash and issued 521,876 shares of Common Stock. In addition, during the second quarter of 2014, the Company allocated $156.7 million of the settlement consideration provided to the Note holders to the reacquisition of the equity component of the Notes, and recognized such amount as a reduction of stockholders' equity, and recognized a $10.8 million loss on the debt extinguishment. In connection with the Note conversions in the first half of 2014, the Company also exercised a proportionate amount of its convertible note hedges, for which the Company received 521,876 shares of Common Stock, which was equivalent to the number of shares the Company was required to issue to settle the non-cash portion of the related Note conversions. The Company recorded the cost of the shares received, or $43.8 million, as Treasury Stock during the first half of 2014.

In November 2014, the Company entered into an amendment agreement with a warrant holder whereby the parties agreed to reduce a portion of the number of warrants held by the warrant holder by up to a maximum of 493,229. The reduction in the number of warrants was determined based on the number of warrants with respect to which the warrant holder had closed out its hedge position, provided that the warrant holder did not effect any purchases at a price per share exceeding $397.75 per share, during the period starting on November 26, 2014 and ending no later than February 12, 2015. The Company was obligated to settle any payments due under the amendment agreement in February 2015. Given that the amendment agreement contained a conditional obligation that required settlement in cash, and the Company's obligation was indexed to the Company's share price, the Company reclassified the estimated fair value of the 493,229 warrants from additional paid-in capital to a liability in November 2014, with such liability subsequently measured at fair value with changes in fair value recognized in earnings. As a result of the warrant holder closing out a portion of its hedge position prior to December 31, 2014, the Company recorded a $59.8 million accrued liability as of December 31, 2014 in connection with the warrant holder reducing the number of warrants it held. During the first quarter of 2015, the warrant holder closed out additional portions of its hedge position, and, as a result, in February 2015 the Company paid a total of $124.0 million to reduce the number of warrants held by such warrant holder by 416,480. Upon expiration of the November 2014 amended agreement, the remaining warrants were re-measured at fair value, and $23.3 million was reclassified back to additional paid-in capital, consistent with the original classification of the warrants under the 2011 issuance. Total losses related to changes in fair value of the warrants during the first quarter of 2015 were not material.

During the first half of 2014, the Company entered into agreements to reduce the number of warrants held by warrant holders. Pursuant to the agreements, the Company paid an aggregate amount of $143.0 million to the warrant holders to reduce the maximum number of shares of Common Stock issuable upon exercise of the warrants by 727,516 in the aggregate.

b. Credit Facility

In March 2015, the Company entered into an agreement with a syndicate of lenders (the "Credit Agreement") which provides for a $750.0 million senior unsecured five-year revolving credit facility (the "Credit Facility"). The Credit Agreement includes an option for the Company to elect to increase the commitments under the Credit Facility and/or to enter into one or more tranches of term loans in the aggregate principal amount of up to $250.0 million subject to the consent of the lenders providing the additional commitments or term loans, as applicable, and certain other conditions. Proceeds of the loans under the Credit Facility may be used to finance working capital needs, and for general corporate or other lawful purposes, of Regeneron and its subsidiaries. The Credit Agreement also provides a $100.0 million sublimit for letters of credit. The Credit Agreement includes an option for the Company to elect to extend the maturity date of the Credit Facility beyond March 2020, subject to the consent of the extending lenders and certain other conditions. Amounts borrowed under the Credit Facility may be prepaid, and the commitments under the Credit Facility may be terminated, at any time without premium or penalty.

Any loans under the Credit Facility have a variable interest rate based on either the London Interbank Offered Rate ("LIBOR") or an alternate base rate, plus an applicable margin that varies with the Company's debt rating and total leverage ratio. The Company had no borrowings outstanding under the Credit Facility as of June 30, 2015.

The Credit Agreement contains financial and operating covenants. Financial covenants include a maximum total leverage ratio and a minimum interest expense coverage ratio. The Company was in compliance with all covenants of the Credit Facility as of June 30, 2015.

11. Income Taxes

The Company is subject to U.S. federal, state, and foreign income taxes. The Company recorded an income tax provision in its Statement of Operations of $133.4 million and $112.5 million for the three months ended June 30, 2015 and 2014, respectively, and $333.9 million and $225.0 million for the six months ended June 30, 2015 and 2014, respectively. The Company's effective tax rate was 40.7% and 53.9% for the three months ended June 30, 2015 and 2014, respectively, and 55.2% and 57.7% for the six months ended June 30, 2015 and 2014, respectively. The Company's effective tax rate for the three and six months ended June 30, 2015 was negatively impacted, compared to the U.S. federal statutory rate, by (i) losses incurred in foreign jurisdictions with rates lower than the U.S. federal statutory rate, (ii) the non-deductible Branded Prescription Drug Fee, and (iii) expiration, at the end of 2014, of the federal tax credit for increased research activities.

The Company's effective tax rate for the three and six months ended June 30, 2014 was negatively impacted by losses incurred in foreign jurisdictions with rates lower than the federal statutory rate and expiration at the end of 2013 of the federal tax credit for increased research activities. In addition, the Company's effective tax rate for the six months ended June 30, 2014 was negatively impacted by New York State tax legislation enacted in the first quarter of 2014. This tax legislation reduced the New York State income tax rate to zero percent for "qualified manufacturers", including Regeneron, effective in 2014; however, it also resulted in the Company reducing its related deferred tax assets as a discrete item in the first quarter of 2014. As a result, this tax legislation caused a net increase in the Company's effective tax rate by 3.9% for the six months ended June 30, 2014.

The Company also recorded an income tax benefit in its Statement of Comprehensive Income of $16.3 million and $18.9 million for the three and six months ended June 30, 2015, in connection with unrealized losses on available-for-sale marketable securities. For both the three and six months ended June 30, 2014, the Company recorded an income tax provision in its Statement of Comprehensive Income of $1.4 million in connection with unrealized gains on available-for-sale marketable securities.

12. Statement of Cash Flows

Supplemental disclosure of non-cash investing and financing activities

Included in accounts payable and accrued expenses as of June 30, 2015 and December 31, 2014 were $67.9 million and $56.2 million, respectively, of accrued capital expenditures. Included in accounts payable and accrued expenses as of June 30, 2014 and December 31, 2013 were $35.1 million and $16.1 million, respectively, of accrued capital expenditures.

Included in accounts payable and accrued expenses as of June 30, 2015 and December 31, 2014 was $2.0 million and $7.5 million, respectively, for the Company's conversion settlement obligation related to the Company's Notes which were surrendered for conversion but not settled as of the end of the respective period. No such amounts were payable as of June 30, 2014 and December 31, 2013.

Included in accounts payable and accrued expenses as of December 31, 2014 was $59.8 million related to the Company's payment obligation for a reduction in the number of warrants based on a warrant holder closing out a portion of its hedge position. Additionally, included within other current liabilities as of December 31, 2014 was $87.5 million in connection with the estimated fair value of the remaining warrant liability. See Note 10. There were no such liabilities recorded in connection with warrants as of June 30, 2015, June 30, 2014, and December 31, 2013.

The Company recognized a facility lease obligation of $20.1 million and $50.6 million during the six months ended June 30, 2015 and 2014, respectively, in connection with capitalizing, on the Company's books, the landlord's costs of constructing new facilities that the Company has leased.

13. Legal Matters

From time to time, the Company is a party to legal proceedings in the course of the Company's business. Costs associated with the Company's involvement in legal proceedings are expensed as incurred.

Proceedings Relating to '287 Patent and '018 Patent

The Company is a party to patent infringement litigation involving its European Patent No. 1,360,287 (the "'287 Patent") and its U.S. Patent No. 8,502,018 (the "'018 Patent"), both of which concern genetically altered mice capable of producing chimeric antibodies that are part human and part mouse. Chimeric antibody sequences can be used to produce high-affinity fully human monoclonal antibodies. In these proceedings (the "'287 Patent Infringement Litigation" and "'018 Patent Infringement Litigation," respectively), the Company claims infringement of several claims of the '287 Patent and the '018 Patent (as applicable), and seeks, among other types of relief, an injunction and an account of profits in connection with the defendants' infringing acts, which may include, among other things, the making, use, keeping, sale, or offer for sale of genetically engineered mice (or certain cells from which they are derived) that infringe one or more claims of the '287 Patent and the '018 Patent (as applicable). At this time, the Company is not able to predict the outcome of, or an estimate of gain, if any, related to, these proceedings.

Proceedings Relating to PCSK9 Antibody (Praluent)

On October 17, 2014 and October 28, 2014, Amgen Inc. filed complaints against Regeneron, Sanofi, Aventisub LLC (subsequently removed and replaced with Sanofi-Aventis U.S. LLC), and Aventis Pharmaceuticals, Inc. in the United States District Court for the District of Delaware seeking an injunction to prohibit Regeneron and the other defendants from manufacturing, using, offering to sell, or selling within the United States (as well as importing into the United States) Praluent, the antibody to PCSK9 for LDL cholesterol reduction Regeneron is jointly developing with Sanofi. On November 11, 2014 and November 17, 2014 Amgen filed complaints against Regeneron, Sanofi, Sanofi-Aventis U.S. LLC, and Aventis Pharmaceuticals, Inc. in the same court seeking the same relief. Amgen asserts U.S. Patent Nos. 8,563,698, 8,829,165, and 8,859,741 in the first complaint, U.S. Patent Nos. 8,871,913 and 8,871,914 in the second complaint, U.S. Patent No. 8,883,983 in the third complaint, and U.S. Patent No. 8,889,834 in the fourth complaint. Amgen also seeks a judgment of patent infringement of the asserted patents, monetary damages (together with interest), costs and expenses of the lawsuits, and attorneys' fees. On December 15, 2014, all of the four proceedings were consolidated into a single case. In its April 21, 2015 Scheduling Order, the court set a trial date of March 7, 2016. This matter has not yet progressed sufficiently through discovery and/or development of important factual information and legal issues to enable the Company to estimate a range of possible loss, if any.

Proceedings Relating to Patents Owned by Genentech and City of Hope

On July 27, 2015, the Company and Sanofi-Aventis U.S. LLC filed a complaint in the United States District Court for the Central District of California (Los Angeles division) seeking a declaratory judgment of invalidity, as well as non-infringement by the manufacture, use, sale, offer of sale, or importation of Praluent (alirocumab), of U.S. Patent No. 7,923,221 jointly owned by Genentech, Inc. ("Genentech") and City of Hope relating to the production of recombinant antibodies in host cells. On the same day, the Company and Sanofi-Aventis U.S. LLC initiated an inter partes review in the United States Patent and Trademark Office seeking a declaration of invalidity of U.S. Patent No. 6,331,415 jointly owned by Genentech and City of Hope relating to the production of recombinant antibodies in host cells. At this time, the Company is not able to predict the outcome of these proceedings.

14. Recently Issued Accounting Standards

In May 2014, the FASB issued a new standard related to revenue recognition, *Revenue from Contracts with Customers*, which will replace existing revenue recognition guidance. The new standard requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. To achieve that core principle, an entity must identify the contract(s) with a customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to the performance obligations in the contract, and recognize revenue when (or as) the entity satisfies the performance obligation. In July 2015, the FASB decided to delay the effective date of the new standard by one year; as a result, the new standard will be effective for annual and interim reporting periods beginning after December 15, 2017. Early adoption will be permitted, but no earlier than 2017 for calendar year-end entities. The standard allows for two transition methods - retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial adoption. The Company has not yet determined its method of transition and is evaluating the impact that this guidance will have on the Company's financial statements.

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

The discussion below contains forward-looking statements that involve risks and uncertainties relating to future events and the future performance of Regeneron Pharmaceuticals, Inc. ("Regeneron," "Company," "we," "us," and "our"), and actual events or results may differ materially from these forward-looking statements. Words such as "anticipate," "expect," "intend," "plan," "believe," "seek," "estimate," variations of such words, and similar expressions are intended to identify such forward-looking statements, although not all forward-looking statements contain these identifying words. These statements concern, and these risks and uncertainties include, among others, the nature, timing, and possible success and therapeutic applications of our products, product candidates, and research and clinical programs now underway or planned, including without limitation Regeneron's human genetics initiative; unforeseen safety issues resulting from the administration of products and product candidates in patients, including serious complications or side effects in connection with the use of our product candidates in clinical trials; the likelihood and timing of possible regulatory approval and commercial launch of our late-stage product candidates and new indications for marketed products, including without limitation Praluent® (alirocumab) Injection, sarilumab, dupilumab, fasinumab, and REGN2222; ongoing regulatory obligations and oversight impacting our marketed products (such as EYLEA® (aflibercept) Injection and Praluent), research and clinical programs, and business, including those relating to patient privacy; determinations by regulatory and administrative governmental authorities which may delay or restrict our ability to continue to develop or commercialize our products and product candidates; competing drugs and product candidates that may be superior to our products and product candidates; uncertainty of market acceptance and commercial success of our products and product candidates; our ability to manufacture and manage supply chains for multiple products and product candidates; coverage and reimbursement determinations by third-party payers, including Medicare and Medicaid; unanticipated expenses; the costs of developing, producing, and selling products; our ability to meet any of our sales or other financial projections or guidance, including without limitation capital expenditures and income tax obligations, and changes to the assumptions underlying those projections or guidance; the potential for any license or collaboration agreement, including our agreements with Sanofi and Bayer HealthCare LLC, to be cancelled or terminated without any further product success; and risks associated with intellectual property of other parties and pending or future litigation relating thereto. These statements are made based on management's current beliefs and judgment, and the reader is cautioned not to rely on any such statements. In evaluating such statements, shareholders and potential investors should specifically consider the various factors identified under Part II, Item 1A. "Risk Factors," which could cause actual events and results to differ materially from those indicated by such forward-looking statements. We do not undertake any obligation to update publicly any forward-looking statement, whether as a result of new information, future events, or otherwise.

Overview

Regeneron Pharmaceuticals, Inc. is a fully integrated biopharmaceutical company that discovers, invents, develops, manufactures, and commercializes medicines for the treatment of serious medical conditions. We commercialize medicines for eye diseases, high low-density lipoprotein (LDL) cholesterol, and a rare inflammatory condition and have product candidates in development in other areas of high unmet medical need, including oncology, rheumatoid arthritis (RA), asthma, atopic dermatitis, pain, and infectious diseases.

Our total revenues were $998.6 million in the second quarter and $1,868.2 million in the first half of 2015, compared to $665.7 million in the second quarter and $1,291.4 million in the first half of 2014. Our net income was $194.6 million, or $1.69 per diluted share, in the second quarter and $270.7 million, or $2.35 per diluted share, in first half of 2015, compared to net income of $96.4 million, or $0.85 per diluted share, in the second quarter and $164.7 million, or $1.46 per diluted share, in the first half of 2014. Refer to the "Results of Operations" section below for further details of our financial results.

We currently have three marketed products:

- **EYLEA (aflibercept) Injection**, known in the scientific literature as VEGF Trap-Eye, which is available in the United States, European Union (EU), Japan, and certain other countries outside the United States for the treatment of neovascular age-related macular degeneration (wet AMD), diabetic macular edema (DME), macular edema following central retinal vein occlusion (CRVO), and macular edema following retinal vein occlusion (RVO), which includes macular edema following branch retinal vein occlusion (BRVO). EYLEA is also available in Japan for the treatment of myopic choroidal neovascularization (mCNV) and in the United States for the treatment of diabetic retinopathy in patients with DME. Bayer HealthCare has additional regulatory applications for EYLEA for the treatment of wet AMD, macular edema secondary to CRVO and BRVO, DME, and mCNV pending in other countries. We are collaborating with Bayer HealthCare on the global development and commercialization of EYLEA outside the United States.

- **Praluent (alirocumab) Injection**, which is available in the United States for the treatment of adults with heterozygous familial hypercholesterolemia or clinical atherosclerotic cardiovascular disease (ASCVD), who require additional lowering of LDL cholesterol. We are collaborating with Sanofi on the global development and commercialization of Praluent.

- **ARCALYST® (rilonacept) Injection for Subcutaneous Use**, which is available in the United States for the treatment of Cryopyrin-Associated Periodic Syndromes (CAPS), including Familial Cold Auto-inflammatory Syndrome (FCAS) and Muckle-Wells Syndrome (MWS), in adults and children 12 years and older.

In February 2015, we and Sanofi entered into an amended and restated ZALTRAP® agreement (Amended ZALTRAP Agreement). Under the terms of the Amended ZALTRAP Agreement, Sanofi is solely responsible for the development and commercialization of ZALTRAP (ziv-aflibercept) Injection for Intravenous Infusion for cancer indications worldwide. Sanofi bears the cost of all development and commercialization activities and reimburses Regeneron for its costs for any such activities. Sanofi pays us a percentage of aggregate net sales of ZALTRAP during each calendar year, which percentage shall be from 15% to 30%, depending on the aggregate net sales of ZALTRAP in such calendar year. Refer to "Collaboration Agreements - Collaborations with Sanofi - ZALTRAP" below for further details of the Amended ZALTRAP Agreement. ZALTRAP is currently available in the United States, EU, and certain other countries for treatment, in combination with 5-fluorouracil, leucovorin, irinotecan (FOLFIRI), of patients with metastatic colorectal cancer (mCRC) that is resistant to or has progressed following an oxaliplatin-containing regimen.

We have 16 product candidates in clinical development, all of which were discovered in our research laboratories. These consist of a Trap-based clinical program and 15 fully human monoclonal antibody product candidates, as summarized below. Each of the antibodies in the table below was generated using our *VelocImmune®* technology.

Trap-based Clinical Programs

EYLEA

In Phase 3 clinical development for the treatment of Neovascular Glaucoma (NVG) (in Japan) in collaboration with Bayer HealthCare. As described below, EYLEA is also being studied in combination with (i) an antibody to Platelet Derived Growth Factor Receptor Beta (PDGFR-beta), and (ii) an antibody to angiopoietin-2 (Ang2).

Antibody-based Clinical Programs in Collaboration with Sanofi

Praluent (alirocumab)

Antibody to PCSK9. In Phase 3 clinical development for LDL cholesterol reduction and for the prevention of cardiovascular events. In the third quarter of 2015, the U.S. Food and Drug Administration (FDA) approved Praluent as an adjunct to diet and maximally tolerated statin therapy for the treatment of adults with heterozygous familial hypercholesterolemia or clinical ASCVD, who require additional lowering of LDL cholesterol.

Sarilumab (REGN88)

Antibody to the interleukin-6 receptor (IL-6R). In clinical development in rheumatoid arthritis (Phase 3) and non-infectious uveitis (Phase 2).

Dupilumab (REGN668)

Antibody to the interleukin-4 receptor (IL-4R) alpha subunit. In clinical development in atopic dermatitis in adults (Phase 3), atopic dermatitis in children (Phase 2), asthma (Phase 3), nasal polyps in patients who also have chronic sinusitis (NPwCS) (Phase 2), and eosinophilic esophagitis (EoE) (Phase 2).

REGN2810

Antibody to programmed cell death protein 1 (PD-1). Phase 1 clinical study in advanced malignancies initiated in the first quarter of 2015.

REGN2222

Antibody to the Respiratory Syncytial Virus-F (RSV-F) protein. Phase 3 clinical study in RSV initiated in the second quarter of 2015. In the fourth quarter of 2014, Sanofi provided notice to Regeneron that it had elected not to continue co-development of REGN2222 effective December 2015, and will be entitled to receive royalties on any future sales of the product candidate.

Antibody-based Clinical Programs in Collaboration with Bayer HealthCare

REGN2176-3

Combination product comprised of an antibody to PDGFR-beta co-formulated with EYLEA for use in ophthalmology, via intravitreal administration. Phase 2 clinical study for the treatment of wet AMD initiated in the second quarter of 2015.

Antibody-based Clinical Programs Developing Independently

Fasinumab (REGN475)*

Antibody to Nerve Growth Factor (NGF). Phase 2b/3 study in pain due to osteoarthritis initiated in the second quarter of 2015; currently on partial clinical hold by the FDA limiting duration of trials in osteoarthritis to 16 weeks.

REGN1500*

Antibody to Angptl-3. Phase 2 clinical study for the treatment of dyslipidemia in homozygous familial hypercholesterolemia initiated in the first quarter of 2015. Studies are ongoing under a partial clinical hold by the FDA that excludes women of childbearing potential.

REGN1033*

Antibody to myostatin (GDF8). In Phase 2 clinical development in skeletal muscle disorders. In the second quarter of 2015, Sanofi provided notice to Regeneron that it had elected not to continue co-development of REGN1033.

REGN1908-1909*

Antibody to Feld1 in Phase 1/Phase 2 clinical development against allergic disease.

REGN1400

Antibody to ErbB3. In Phase 1 clinical development in oncology.

REGN1154*

Antibody against an undisclosed target. Phase 1 clinical study in Australia completed.

REGN1193*

Antibody to glucagon receptor (GCGR). In Phase 1 clinical development.

REGN1979

Bispecific antibody against CD20 and CD3. In Phase 1 clinical development for Non-Hodgkin's Lymphoma and Chronic Lymphocytic Leukemia.

REGN910-3**

Combination product comprised of an antibody to Ang2 co-formulated with EYLEA for use in ophthalmology, via intravitreal administration. In Phase 1 clinical development for the treatment of wet AMD and DME.

* Sanofi did not opt-in to or elected not to continue to co-develop the product candidate and we have sole global rights. Under the terms of our agreement, Sanofi is entitled to receive a mid-single digit royalty on future sales of the product candidate.

** We acquired from Sanofi full exclusive rights to antibodies targeting the Ang2 receptor and ligand in ophthalmology, which were previously included in our antibody collaboration with Sanofi. Under the terms of our agreement, Sanofi is entitled to receive a potential development milestone and royalties on any future sales of the product candidate.

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

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

In 2014, we launched a new human genetics initiative via a wholly owned subsidiary, Regeneron Genetics Center LLC (RGC). RGC performs sequencing and genotyping to generate de-identified genomic data. The objective of RGC is to expand the use of human genetics for discovering and validating genetic factors that cause or influence a range of diseases where there are major unmet medical needs, with the prospect of improving the drug discovery and development process. RGC is undertaking both large population-based efforts as well as family- and founder-based approaches. RGC leverages laboratory automation and an innovative approach to cloud computing to achieve high-quality throughput at a rate that exceeds 70,000 unique samples per year.

Marketed Products

EYLEA (aflibercept) Injection

We commenced sales of EYLEA in the United States for the treatment of wet AMD in November 2011, macular edema following CRVO in September 2012, DME in July 2014, and macular edema following RVO in October 2014. In addition, in March 2015, the FDA approved EYLEA for the treatment of diabetic retinopathy in patients with DME. Outside the United States, Bayer HealthCare commenced sales of EYLEA for the treatment of wet AMD in the fourth quarter of 2012, macular edema secondary to CRVO in the fourth quarter of 2013, visual impairment due to DME in the third quarter of 2014, and mCNV in Japan in the fourth quarter of 2014. In February and June 2015, the European Commission and the Japanese Ministry of Health, Labour and Welfare (MHLW), respectively, approved EYLEA for the treatment of macular edema following RVO, which includes macular edema following BRVO. In the fourth quarter of 2014, Bayer HealthCare submitted a regulatory application in China for EYLEA for the treatment of wet AMD. Bayer HealthCare has additional regulatory applications for EYLEA for the treatment of wet AMD, macular edema secondary to CRVO and BRVO, DME, and mCNV pending in other countries.

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

Net product sales of EYLEA in the United States were $654.6 million in the second quarter and $1,195.7 million in the first half of 2015, compared to $414.8 million in the second quarter and $773.8 million in the first half of of 2014. Bayer HealthCare records revenue from sales of EYLEA outside the United States, which were $337.8 million in the second quarter and $629.6 million in the first half of 2015, compared to $246.8 million in the second quarter and $464.9 million in the first half of 2014.

Praluent (alirocumab) Injection

In July 2015, the FDA approved Praluent as an adjunct to diet and maximally tolerated statin therapy for the treatment of adults with heterozygous familial hypercholesterolemia or clinical ASCVD, who require additional lowering of LDL cholesterol. We are collaborating with Sanofi on the global development and commercialization of Praluent. Under our collaboration agreement, Sanofi will record product sales and cost of sales for commercialized products, and Regeneron has the right to co-promote such products. We have exercised our option to co-promote Praluent in the United States. We and Sanofi will equally share profits and losses from sales within the United States.

ARCALYST (rilonacept) Injection for Subcutaneous Use

ARCALYST is available in the United States for the treatment of CAPS in adults and children 12 years and older. CAPS are a group of rare, inherited, auto-inflammatory conditions characterized by life-long, recurrent symptoms of rash, fever/chills, joint pain, eye redness/pain, and fatigue. Intermittent, disruptive exacerbations or flares can be triggered at any time by exposure to cooling temperatures, stress, exercise, or other unknown stimuli. Net product sales of ARCALYST were $3.2 million in the second quarter and $6.7 million in the first half of 2015, compared to $3.2 million in the second quarter and $6.6 million in the first half of 2014.

Trap-based Clinical Programs

EYLEA - Ophthalmologic Diseases

Overview

Vascular Endothelial Growth Factor (VEGF) is a naturally occurring protein in the body. Its normal role in a healthy organism is to trigger formation of new blood vessels (angiogenesis) supporting the growth of the body's tissues and organs. However, in certain diseases, such as wet AMD, it is also associated with the growth of abnormal new blood vessels in the eye, which exhibit abnormal increased permeability that leads to edema. Scarring and loss of fine-resolution central vision often results. CRVO is caused by obstruction of the central retinal vein that leads to a back-up of blood and fluid in the retina. Release of VEGF contributes to increased vascular permeability in the eye and macular edema. In BRVO, a blockage occurs in the blood vessels branching from the main vein draining the retina, resulting in the release of VEGF and consequent retinal edema. For centrally involved DME, VEGF-mediated leakage of fluid from blood vessels in the eye results in interference with vision. Wet AMD, diabetic retinopathy (which includes DME), and RVO are three of the leading causes of adult blindness in the developed world. In these conditions, severe visual loss is caused by neovascular proliferation and/or retinal edema.

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

DME

Phase 3 VISTA-DME and VIVID-DME Trials. We conducted the VISTA-DME study in the United States, and Bayer HealthCare is conducting the VIVID-DME study in Europe, Japan, and Australia. Patients in both trials were randomized to receive either EYLEA 2 mg monthly, EYLEA 2 mg every two months (after 5 initial monthly injections), or the comparator treatment of laser photocoagulation. Both trials followed patients for up to 148 weeks.

In addition to the previous approval for DME, in March 2015, the FDA approved EYLEA for the treatment of diabetic retinopathy in patients with DME.

Phase 3 VIVID EAST-DME Study. We and Bayer HealthCare have conducted a Phase 3 study to evaluate the efficacy and safety of EYLEA in DME in Russia, China, and other Asian countries (VIVID EAST-DME).

Neovascular Glaucoma

NVG is a secondary glaucoma triggered by the formation of new blood vessels (neovascularization) on the iris and the anterior chamber angle. Neovascularization restricts aqueous outflow and consequently elevates intraocular pressure (IOP). NVG is a serious condition that may lead to permanent loss of vision, a persistently painful eye, and, especially in the advanced stages, is unlikely to respond to treatment. NVG is caused by eye diseases leading to retinal ischemia, mainly CRVO, proliferative diabetic retinopathy (PDR), and ocular ischemic syndrome (OIS).

The clinical manifestations of NVG include elevated IOP and neovascularization in the anterior segment of the eye (iris and/or anterior chamber angle). Panretinal photocoagulation (PRP) is commonly used to treat ischemic retina, induce regression of neovascularization in the anterior segment, and reduce IOP. The effects of PRP are not produced immediately, and during this period, further neovascularization may be seen and the anterior chamber angle may become progressively occluded worsening the prognosis. Moreover, it is often difficult to perform PRP in eyes with NVG, due to corneal edema secondary to high IOP or to other opacities of the optic media such as cataract or vitreous hemorrhage. If PRP is suboptimal, cryo-coagulation is conducted or endolaser coagulation may be combined with vitreous surgery. Despite such invasive treatments, progression of the neovascularization may continue because of persistent ischemia.

NVG meets the criteria for an orphan indication in Japan where the estimated number of NVG patients is 30,000 to 40,000. In the second quarter of 2015, Bayer HealthCare initiated a Phase 3 study in Japan to assess the efficacy and safety of intravitreal administration of aflibercept in comparison to sham treatment on the change in IOP in patients with NVG.

Late-Stage Antibody-based Clinical Programs

Praluent for LDL cholesterol reduction

Overview

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

Clinical Programs

Phase 3 ODYSSEY Program. We and Sanofi initiated the global Phase 3 ODYSSEY program for Praluent in the second quarter of 2012. The ODYSSEY program consists of more than 23,500 patients, and includes clinical trials evaluating the effect of Praluent, dosed every two weeks, on lowering LDL cholesterol. In addition, the potential of Praluent to demonstrate cardiovascular benefit is being prospectively assessed in the ongoing 18,000-patient ODYSSEY OUTCOMES trial. LDL cholesterol reduction is the primary efficacy endpoint for initial regulatory filings. Additionally, the ODYSSEY program includes two trials of Praluent dosed every four weeks, ODYSSEY CHOICE I and ODYSSEY CHOICE II. Patients in the ODYSSEY CHOICE I trial received Praluent 300 mg (most in combination with statins) every four weeks and patients in the CHOICE II trial received Praluent 150 mg monotherapy and in combination with non-statin lipid lowering therapy every four weeks. The ODYSSEY studies are being conducted in clinical centers around the world including North America, Western and Eastern Europe, South America, Australia, and Asia.

In 2013, we and Sanofi reported data from the ODYSSEY MONO trial, which evaluated the efficacy and safety of Praluent monotherapy versus ezetimibe monotherapy in patients with primary hypercholesterolemia. In 2014, we and Sanofi reported detailed positive results from nine additional Phase 3 ODYSSEY studies. All ten studies (ODYSSEY MONO, LONG TERM, FH I, FH II, HIGH FH, COMBO I, COMBO II, OPTIONS I, OPTIONS II, and ALTERNATIVE) met their primary efficacy endpoint of a greater percent reduction from baseline in LDL-C at 24 weeks compared to placebo or active comparator. Based on the positive results of these studies, a Biologics License Application (BLA) for U.S. regulatory approval of Praluent was submitted, and accepted by the FDA in January 2015. An FDA rare pediatric disease priority review voucher was utilized in connection with this BLA submission, as a result of which the submission was accepted by the FDA for priority review. In July 2015, the FDA approved Praluent for the treatment of adults with heterozygous familial hypercholesterolemia or clinical ASCVD, who require additional lowering of LDL cholesterol. In addition, in July 2015, the European Medicines Agency's (EMA's) Committee for Medicinal Products for Human Use (CHMP) adopted a positive opinion for the marketing authorization of Praluent, recommending its approval for use in certain adult patients with hypercholesterolemia.

In January 2015, we and Sanofi announced that the ODYSSEY CHOICE I and ODYSSEY CHOICE II studies met their primary efficacy endpoints. The trials compared the reduction from baseline in LDL-C at 24 weeks with Praluent versus placebo in patients with hypercholesterolemia. In these trials dosing every four weeks, the mean percent reduction in LDL-C from baseline was consistent with that seen in previous Phase 3 trials evaluating Praluent in every other week dosing. The most common adverse events (AEs) in the trials (occurring in at least 5% of Praluent-treated patients) were injection site reactions, headache, upper respiratory tract infection, arthralgia, nausea, sinusitis, pain in extremity, and fatigue. Injection site reactions occurred more frequently in the Praluent groups compared to placebo. Detailed data were presented at the American College of Cardiology (ACC) conference in March 2015.

In March 2015, 18-month (78-week) results of the ODYSSEY LONG TERM Phase 3 trial of Praluent were published online in *The New England Journal of Medicine*.

In July 2015, we and and Sanofi announced that the Phase 3 ODYSSEY JAPAN trial met its primary endpoint. At week 24, patients in the Praluent group experienced an average 64% greater reduction from baseline in their LDL-C when added to current standard of care including statins, compared to standard of care alone ($p<0.0001$). Patients were started on the lower dose of 75

mg, with the option to adjust their dose to 150 mg if they had not achieved their LDL-C goal (as defined by the Japan Atherosclerosis Society (JAS) guidelines) at week 8. At week 24, 97% of patients in the Praluent group reached their LDL-C treatment goal, compared to 10% for placebo ($p<0.0001$). Ninety-nine percent of patients who received Praluent at week 8 remained on the initial 75 mg dose, while 1% of patients had their dose adjusted to receive 150 mg every two weeks, also as a single 1 mL injection. The most common adverse events (occurring in at least 5% of patients in the Praluent group) were nasopharyngitis, injection site reaction, and back pain. Results were presented at the Annual Scientific Meeting of the JAS in Sendai, Japan.

ODYSSEY JAPAN evaluated Praluent (n =144) compared to placebo (n =72), both on top of standard care, in Japanese patients with hypercholesterolemia, with either HeFH or at high CV risk, and who could not reach their LDL-C treatment goal as defined by the JAS guidelines despite lipid-lowering treatments that included statins. The mean LDL-C value at baseline was 141.2 mg/dL. Patients were initially randomized to receive either Praluent 75 mg every two weeks administered as a single 1 mL injection, or placebo. Patients in both groups received statins, with or without other lipid-lowering therapies.

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

Overview

IL-6 is a key cytokine involved in the pathogenesis of RA, causing inflammation and joint destruction. Sarilumab is a fully human monoclonal antibody to IL-6R generated using our *VelocImmune* technology.

Rheumatoid Arthritis

Phase 3 Studies. In 2013, we and Sanofi announced that in the 52 week SARIL-RA-MOBILITY Phase 3 clinical trial in adult patients with active RA who were inadequate responders to methotrexate (MTX) therapy, sarilumab treatment in combination with MTX improved disease signs and symptoms as well as physical function, and inhibited progression of joint damage. Additional data from the trial were presented at the annual meeting of the European League Against Rheumatism (EULAR) in June 2015. A summary of primary endpoints and most common AEs for this trial, as well as additional Phase 3 trials, is as follows:

Completed Efficacy and Safety Studies					
		Primary efficacy endpoints			
Study	**Patient group**	**ACR[a] 20/50/70**	**HAQ-DI[b]**	**mTSS[c]**	**Most common AEs**
MOBILITY *(n=1,197)* *150mg + MTX (n=400)*	Moderate to severe RA with inadequate response to MTX	58/37/20 ($p<0.0001$ vs. placebo)	-0.53	0.90	Infections, reduction in neutrophil counts, increase in mean LDL-C and transaminases
200mg + MTX (n=398)		66/46/25 ($p<0.0001$ vs. placebo)	-0.55	0.25	
Placebo + MTX (n=399)		33/17/7	-0.29	2.78	
TARGET *(n=546)* *150mg + DMARD[d]*	Moderate to severe active RA with inadequate response to, or intolerant of, one or more tumor necrosis factor-alpha (TNF-alpha) inhibitors	56/NA/NA ($p<0.001$)	NA	NA	Infections, injection site reactions, reduction in neutrophil counts
200mg + DMARD		61/NA/NA ($p<0.001$)			
Placebo + DMARD		34/NA/NA			

NA = not applicable

a. ACR = American College of Rheumatology score

b. HAQ-DI = the Health Assessment Question-Disability Index

c. mTSS = van der Heijde modified total Sharp score

d. DMARD = non-biologic disease modifying anti-rheumatic drugs

Completed Safety Studies			
Study	**Patient group**	**Primary endpoint**	**Study met primary endpoint?**
ASCERTAIN *(n=202)*	Moderate to severe active RA with inadequate response to, or intolerant of, one or more TNF-alpha inhibitors	Assess safety of two subcutaneous doses of sarilumab and tocilizumab in combination with DMARDs	Yes
EASY *(n=217)*	Completed patients from MOBILITY, TARGET, or ASCERTAIN trials	Product technical failures	Yes

Detailed results from the SARIL-RA-TARGET, SARIL-RA-EASY, and SARIL-RA-ASCERTAIN trials will be presented at future medical congresses.

We and Sanofi have also initiated additional Phase 3 studies, SARIL-RA-ONE, SARIL-RA-MONARCH, and SARIL-RA-KAKEHASI (in Japan). In addition, the SARIL-RA-HARUKA long-term safety trial was initiated in Japan in the first quarter of 2015. In the second quarter of 2015, an open-label, randomized, parallel group, single-dose Phase 1 study to assess the safety of IL-6 receptor blockade with sarilumab or tocilizumab monotherapy in Japanese patients with RA was also initiated. The broad SARIL-RA clinical development program is focused on adult populations with moderate-to-severe RA who are inadequate responders to either MTX or tumor necrosis factor alpha inhibitor therapy. Patients who complete SARIL-RA-MOBILITY, SARIL-RA-TARGET, SARIL-RA-ASCERTAIN, or SARIL-RA-ONE are offered enrollment into the ongoing SARIL-RA-EXTEND, which is an open-label, long-term safety study of sarilumab.

Non-infectious Uveitis

Phase 2 SARIL-NIU-SATURN Study. A Phase 2 study, SARIL-NIU-SATURN, was initiated in 2013 and is a placebo-controlled proof-of-concept study evaluating the safety and efficacy of sarilumab in non-infectious uveitis. The study is fully enrolled.

Dupilumab (REGN668; IL-4R Antibody) for allergic and inflammatory conditions

Overview

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

Atopic Dermatitis

Phase 2b Trial. In July 2014, we and Sanofi announced positive results from a Phase 2b dose-ranging study of dupilumab in adult patients with moderate-to-severe atopic dermatitis. All doses of dupilumab met the primary endpoint of a greater improvement in Eczema Severe Score Index (EASI) scores from baseline compared to placebo. In the Phase 2b trial, all five subcutaneous doses of dupilumab showed a dose-dependent improvement in the primary endpoint, the mean percent change in EASI score from baseline to week 16. The improvements in EASI score ranged from a high of 74% for patients in the highest dose group, who received 300 mg weekly, to a low of 45% in patients who received the lowest dose of 100 mg monthly, compared to 18% for patients in the placebo group ($p<0.0001$ for all doses). The most common AE in the Phase 2b study was nasopharyngitis, which was balanced across dupilumab treatment groups (18.5% to 23%) compared to placebo (21%). Injection site reactions were more frequent in the dupilumab group (5% to 9.5%) compared to placebo (3%), as was headache (12% to 15%) compared to placebo (8%).

Dupilumab-treated patients showed highly statistically significant and dose-dependent improvements in additional key efficacy measures compared to placebo after 16 weeks of treatment:

- 12% to 33% of dupilumab-treated patients achieved clearing or near-clearing of skin lesions, as measured by an Investigator's Global Assessment (IGA) score of 0 or 1, compared to 2% with placebo ($p=0.02$ to $p<0.0001$).
- Dupilumab-treated patients experienced a 16.5% to 47% mean reduction in itching, as measured by the pruritus numerical-rating scale (NRS) score, compared to an increase of 5% in the placebo group ($p=0.0005$ to $p<0.0001$).

This Phase 2b double-blind, placebo-controlled, 16-week, dose-ranging study randomized 380 patients with moderate-to-severe atopic dermatitis, who could not be adequately controlled with topical medication or for whom topical treatment was not advisable. Patients were randomized to receive one of five doses of dupilumab (300 mg weekly, 300 mg every other week, 300 mg monthly, 200 mg every other week, 100 mg monthly) or placebo. Patients in the study had approximately 50% of their skin affected by atopic dermatitis at baseline. In the year preceding enrollment in the study, approximately 35% of patients received an oral corticosteroid and approximately 20% received a systemic non-steroid immunosuppressant for atopic dermatitis. Approximately 60% of patients had another allergic condition, including approximately 40% of patients who had a history of asthma. The follow-up period of the study is ongoing and patients will be followed for 16 weeks after treatment.

Phase 3 Study. In the fourth quarter of 2014, four Phase 3 trials in atopic dermatitis, LIBERTY AD CHRONOS, LIBERTY AD SOLO 1, LIBERTY AD SOLO 2, and LIBERTY AD Open label Extension, were initiated. Enrollment has been completed in the LIBERTY AD CHRONOS, LIBERTY AD SOLO 1 and LIBERTY AD SOLO 2 pivotal trials. LIBERTY AD CHRONOS is a randomized, double-blind, placebo-controlled, multi-national study with the primary objective of demonstrating the efficacy of dupilumab in adults with moderate-to-severe atopic dermatitis when administered concomitantly with topical corticosteroids through 16 weeks. Secondary objectives of the LIBERTY AD CHRONOS trial will evaluate the long-term safety and efficacy of dupilumab up to 52 weeks. The LIBERTY AD Phase 3 clinical program will consist of patients with moderate-to-severe atopic dermatitis at sites worldwide.

In November 2014, the FDA granted Breakthrough Therapy designation to dupilumab for the treatment of adults with moderate-to-severe atopic dermatitis who are not adequately controlled with topical prescription therapy and/or for whom these treatments are not appropriate. This designation is based on positive results from Phase 1 and 2 clinical trials, and the determination that atopic dermatitis is a serious disease and preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over existing therapies.

Phase 2 Trial in Adolescents and Children. In March 2015, a Phase 2 pharmacokinetic and safety study in adolescents and children (6-17 years of age) with moderate-to-severe atopic dermatitis was initiated.

Asthma

Phase 2b Study. In May 2015, we and Sanofi presented positive results from an interim analysis of a pivotal Phase 2b study of dupilumab in adult patients with moderate-to-severe asthma, who are uncontrolled despite treatment with inhaled corticosteroids and long-acting beta agonists (ICS/LABA), at the American Thoracic Society 2015 International Conference. As previously reported in 2014, the study met its primary endpoint of improving lung function in asthma patients with high blood eosinophil counts ((HEos), greater than or equal to 300 eosinophilic cells/microliter). New data presented on secondary endpoints at the American Thoracic Society 2015 International Conference included positive results in study patients with low blood eosinophil counts ((LEos), less than 300 eosinophilic cells/microliter), who are thought to be less likely to suffer from "allergic" asthma and thus less likely to respond to Type 2 helper T-cell (TH2) targeted therapies. Based on discussions with the FDA, this Phase 2b study may be considered one of two pivotal efficacy studies required for a potential dupilumab BLA in asthma.

The results presented in May 2015 focused on LEos asthma patients. In this population, patients treated every other week with either 200 mg or 300 mg doses of dupilumab showed a greater than 8% improvement in forced expiratory volume over one second ((FEV1), a standard measure of lung function) at week 12 ($p<0.001$), in comparison to placebo, both in combination with ICS/LABA. Additionally, the 200 mg and 300 mg every other week doses of dupilumab in combination with ICS/LABA showed 68% and 62% reductions, respectively, in adjusted annualized rate of severe exacerbations in the LEos population ($p<0.01$ and $p<0.05$), in comparison to placebo in combination with ICS/LABA. These results are consistent with previously reported positive results in HEos asthma patients and the overall patient population, in which the two every other week doses (200 mg and 300 mg) of dupilumab in combination with ICS/LABA demonstrated a statistically significant 12% to 15% improvement in FEV1 over placebo at week 12 and a 64% to 75% improvement in annualized rate of severe exacerbations over placebo. Dupilumab also significantly reduced mean fractional exhaled nitric oxide (FeNO) across both every other week doses tested (200 and 300 mg) and the three patient populations (overall, LEos and HEos), in a roughly dose-dependent manner. FeNO is recommended by the American Thoracic Society clinical practice guidelines to assess airway inflammation, since higher-than-normal levels of nitric oxide may be released when a patient has a chronic airway disease, such as asthma.

The most common AE was injection site reaction, which was more frequent in the dupilumab dose groups (13% to 25%) compared to placebo (12%). Other common AEs in the study included upper respiratory tract infection (10% to 13% dupilumab; 13% placebo), headache (5% to 10% dupilumab; 8% placebo), nasopharyngitis (3% to 10% dupilumab; 6% placebo) and bronchitis (5% to 8% dupilumab; 8% placebo). The incidence of infections was balanced across treatment groups (42% to 45% dupilumab; 46% placebo), as was the incidence of serious AEs (3% to 7% dupilumab; 5% placebo).

These results were based on a pre-specified interim analysis, which occurred when all patients had reached week 12 of the 24-week treatment period; the average treatment duration at the time of the analysis was 21.4 weeks. The primary endpoint of the

study was improvement from baseline in FEV1 at week 12 in the HEos group. Final analyses on exacerbations and safety will be conducted after 24 weeks of treatment and a 16-week follow-up period.

Phase 3 Study. A Phase 3 trial, LIBERTY ASTHMA QUEST, in patients with uncontrolled persistent asthma was initiated in the second quarter of 2015. LIBERTY ASTHMA QUEST is expected to serve as the second required pivotal efficacy study. The global, placebo-controlled Phase 3 study is expected to enroll more than 1,600 patients with uncontrolled persistent asthma and will evaluate two doses of dupilumab, 200 mg and 300 mg, subcutaneously administered every other week.

Nasal Polyps in Patients With Chronic Sinusitis

Phase 2 Trial. In 2013, a Phase 2 trial in NPwCS was initiated. In September 2014, we and Sanofi announced positive results from the Phase 2 proof-of-concept study of dupilumab in patients with moderate-to-severe NPwCS who did not respond to intranasal corticosteroids. The randomized, double-blind, placebo-controlled study enrolled 60 adult patients with moderate-to-severe NPwCS. Patients in the study received 300 mg of dupilumab or placebo administered once per week subcutaneously for 16 weeks, following an initial loading dose of 600 mg. All patients in the study also received a standard-of-care nasal corticosteroid spray. Patients were eligible for the study if they continued to have severe NPwCS despite standard treatment for at least one month. Fifty percent of patients in the study had received prior surgery for their condition. Asthma was also present in 58 percent of NPwCS patients in the study. The conditions are often co-morbid and symptoms/exacerbations are frequently interdependent.

In the study, dupilumab resulted in a statistically-significant improvement in the size of nasal polyps, as measured by endoscopic Nasal Polyp Score (NPS), the primary endpoint of the study. Statistically significant improvements in all secondary efficacy endpoints were also observed, including objective measures of sinusitis by CT scan, nasal air flow, and patient-reported symptoms (sense of smell, congestion, postnasal drip, runny nose and sleep disturbance). In a pre-specified exploratory analysis, dupilumab-treated patients who also had asthma demonstrated significant improvements in asthma control. The safety profile was consistent with previous studies. The most common AEs with dupilumab were injection site reactions, nasopharyngitis, oropharyngeal pain, epistaxis, headache, and dizziness. Detailed results of the study will be presented at an upcoming medical conference.

Eosinophilic Esophagitis

Phase 2 Trial. A Phase 2 trial of dupilumab in eosinophilic esophagitis was initiated in the first quarter of 2015. EoE is a chronic allergic inflammatory disease that is considered a major cause of gastrointestinal illness. Eosinophils are a type of white blood cell that, due to allergens, can accumulate in the esophagus, causing inflammation and tissue injuries that create difficulty swallowing. People with eosinophilic esophagitis may also have allergies, asthma, atopic dermatitis, or chronic respiratory disease.

REGN2222 (RSV-F Antibody) for RSV

Overview

Respiratory Syncytial Virus, or RSV, is a virus that infects the lungs and breathing passages. It is the most common cause of bronchiolitis (inflammation of the small airways) and is the second most common cause of death, globally, in the first year of life. RSV results in a significant healthcare burden, as it is the leading cause of infant hospitalizations in the United States. In addition to hospitalizations, RSV frequently results in emergency department, urgent care, and physicians' office visits. It is estimated that about half of all children will have an RSV infection by their first birthday. REGN2222 is a fully human monoclonal antibody to the RSV-F protein. REGN2222 was generated using our *VelocImmune* technology.

Clinical Program

Based on clinical results from a Phase 1 study, and following discussions with the FDA, REGN2222 entered into Phase 3 clinical studies (NURSERY). The first Phase 3 trial, NURSERY-PreTerm, is currently ongoing and enrolling patients in the Southern hemisphere (where the RSV season is from May-October).

Fasinumab (REGN475; NGF Antibody) for pain due to osteoarthritis

Overview

Persistent pain represents a growing unmet medical need. Pain is a frequent reason for physician visits, a common reason for taking prescription medications, and a major cause of work disability and impaired quality of life. Targeting NGF is a potential advance in pain management. NGF expression is elevated in many acute and chronic painful conditions and NGF blockade has demonstrated efficacy in various animal models of pain. Fasinumab is a fully human monoclonal antibody to NGF, generated using our *VelocImmune* technology.

Clinical Program

A Phase 2b/3 clinical study in patients with pain due to osteoarthritis was initiated in the second quarter of 2015. Fasinumab is currently on partial clinical hold by the FDA, limiting duration of trials in osteoarthritis to 16 weeks.

Research Programs

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

Research and Development Technologies

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

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

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

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

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

We have utilized our *VelociSuite* technologies to develop a class of potential drug candidates, known as bi-specific antibodies. In the area of immunotherapies in oncology, we are exploring the use of bi-specific antibodies that target tumor antigens and the CD3 receptor on T-cells to harness the oncolytic properties of T-cells. Our first such bi-specific antibody, which entered into clinical development in 2014, targets CD20 and CD3.

Regeneron Genetics Center. In 2014, we launched a new human genetics initiative via a wholly owned subsidiary, Regeneron Genetics Center LLC. RGC leverages de-identified clinical and molecular data from human volunteers for medically relevant

associations in a blinded fashion designed to preserve patients' privacy. The objective of RGC is to expand the use of human genetics for discovering and validating genetic factors that cause or influence a range of diseases where there are major unmet medical needs, with the prospect of improving the drug discovery and development process. RGC is undertaking both large population-based efforts as well as family- and founder-based approaches. RGC utilizes laboratory automation and an innovative approach to cloud computing to achieve high-quality throughput at a rate that exceeds 70,000 unique samples per year.

Central to the work of RGC is a collaboration with the Geisinger Health System of Pennsylvania. During the initial five-year collaboration term, Geisinger plans to collect samples from more than 100,000 consented patient volunteers, while RGC will perform sequencing and genotyping to generate de-identified genomic data. RGC has expanded on its foundational population-based collaboration with Geisinger with a number of other institutions, including Columbia University Medical Center, the Clinic for Special Children, Baylor College of Medicine, and SickKids in Toronto.

Collaboration Agreements

Collaborations with Sanofi

ZALTRAP. Since September 2003, we and Sanofi have been parties to a global collaboration (ZALTRAP Collaboration Agreement) for the development and commercialization of ZALTRAP. In February 2015, we and Sanofi entered into an Amended ZALTRAP Agreement. Under the terms of the Amended ZALTRAP Agreement, Sanofi is solely responsible for the development and commercialization of ZALTRAP for cancer indications worldwide. Sanofi bears the cost of all development and commercialization activities and reimburses Regeneron for its costs for any such activities. Sanofi pays us a percentage of aggregate net sales of ZALTRAP during each calendar year, which percentage shall be from 15% to 30%, depending on the aggregate net sales of ZALTRAP in such calendar year. We will also be paid for all quantities of ZALTRAP manufactured by us pursuant to a supply agreement through the earlier of 2021 or the date Sanofi receives regulatory approval to manufacture ZALTRAP at one of its facilities or a facility of a third party. In addition, Regeneron no longer has a contingent contractual obligation (which was approximately $461 million at December 31, 2014) to reimburse Sanofi for 50% of the development expenses that Sanofi previously funded for the development of ZALTRAP under the ZALTRAP Collaboration Agreement.

Antibodies. Since November 2007, we and Sanofi have been parties to a global, strategic collaboration to discover, develop, and commercialize fully human monoclonal antibodies. The collaboration is governed by a Discovery and Preclinical Development Agreement (Antibody Discovery Agreement) and a License and Collaboration Agreement (each as amended), collectively referred to as the Antibody Collaboration. Pursuant to the collaboration, Sanofi was responsible for funding up to $160.0 million per year of our antibody discovery activities over the period from 2010-2014, and, as amended in connection with the companies' July 2015 immuno-oncology collaboration as described below, is funding up to $145.0 million in 2015, and up to $130.0 million in each of 2016 and 2017 to identify and validate potential drug discovery targets and develop fully human monoclonal antibodies against these targets. Our discovery activities to identify and validate potential drug discovery targets in the field of immuno-oncology and develop fully human monoclonal antibodies against these targets will now be funded by Sanofi under the terms of the companies' new immuno-oncology collaboration. We lead the design and conduct of research activities under the collaboration, including target identification and validation, antibody development, research and preclinical activities through filing of an Investigational New Drug application (IND) or its equivalent, toxicology studies, and manufacture of preclinical and clinical supplies. Sanofi has an option to extend certain antibody development and preclinical activities relating to selected program targets for up to an additional three years after 2017.

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

Under our collaboration agreement, Sanofi will record product sales and cost of sales for commercialized products, and Regeneron has the right to co-promote such products. We have exercised our option to co-promote Praluent in the United States. We have not exercised our option to co-promote Praluent outside the United States; however, we retain the right to do so at a future date subject to the terms of the collaboration agreement. We and Sanofi will equally share profits and losses from sales within the United States. We and Sanofi will share profits outside the United States on a sliding scale based on sales starting at 65% (Sanofi)/35% (us) and ending at 55% (Sanofi)/45% (us), and will share losses outside the United States at 55% (Sanofi)/45% (us). In addition to profit sharing, we are entitled to receive up to $250.0 million in sales milestone payments, with milestone payments commencing after aggregate annual sales outside the United States exceed $1.0 billion on a rolling 12-month basis.

Immuno-Oncology. In July 2015, we and Sanofi entered into a global strategic collaboration to discover, develop, and commercialize antibody-based cancer treatments in the field of immuno-oncology (the IO Collaboration). The IO Collaboration is governed by an Immuno-oncology Discovery and Development Agreement (IO Discovery Agreement), and an Immuno-oncology License and Collaboration Agreement (IO License and Collaboration Agreement). In connection with the IO Discovery Agreement, Sanofi will make a $265.0 million non-refundable upfront payment to us. Pursuant to the IO Discovery Agreement, we will spend up to $1,090.0 million to identify and validate potential immuno-oncology targets and develop therapeutic antibodies against such targets through clinical proof-of-concept. Sanofi will reimburse us for up to $825.0 million (IO Discovery Funding) of these costs, subject to certain annual limits, which consists of (i) $750.0 million in new funding and (ii) $75.0 million of funding that would have otherwise been available to Regeneron under the existing Antibody Discovery Agreement, as described above. The term of the IO Discovery Agreement will continue through the later of five years from the effective date of the IO Collaboration or the date the IO Discovery Funding is exhausted, subject to Sanofi's option to extend it for up to an additional three years for the continued development (and funding) of selected ongoing programs. Pursuant to the IO Discovery Agreement, we will be primarily responsible for the design and conduct of all research activities, including target identification and validation, antibody development, preclinical activities, toxicology studies, manufacture of preclinical and clinical supplies, filing of IND Applications, and clinical development through proof-of-concept. We will reimburse Sanofi for half of the development costs they funded that are attributable to clinical development of antibody product candidates under the IO Discovery Agreement from our share of future profits to the extent they are sufficient for this purpose. However, we are not required to apply more than 10% of our share of the profits from IO Collaboration products in any calendar quarter towards reimbursing Sanofi for these development costs. With regard to product candidates for which proof-of-concept is established, Sanofi will have the option to license rights to the candidate pursuant to the IO License and Collaboration Agreement (as further described below). If Sanofi does not exercise its option to license rights to a product candidate, we will retain the exclusive right to develop and commercialize such product candidate and Sanofi will be entitled to receive a royalty on sales.

In connection with the IO License and Collaboration Agreement, Sanofi will make a $375.0 million non-refundable upfront payment to us. If Sanofi exercises its option to license rights to a product candidate thereunder, it will co-develop the drug candidate with us through product approval. Principal control of development of each product candidate that enters development under the IO License and Collaboration Agreement will alternate between us and Sanofi on a candidate-by-candidate basis. Sanofi will fund drug candidate development costs up front for the candidates for which it is the principal controlling party and we will reimburse half of the total development costs for all such candidates from our share of future profits to the extent they are sufficient for this purpose, subject to the same 10% reimbursement limitation described above. In addition, we and Sanofi will share equally, on an ongoing basis, the development costs for the drug candidates for which we are the principal controlling party. The party having principal control over the development of a product candidate will also lead the commercialization activities for such product candidate in the United States. For all products commercialized under the IO License and Collaboration Agreement, Sanofi will lead commercialization activities outside of the United States. Each party will have the right to co-promote licensed products in countries where it is not the lead commercialization party. The parties will share equally in any profits from worldwide sales of collaboration products. We are obligated to use commercially reasonable efforts to supply clinical requirements of each drug candidate under the IO License and Collaboration Agreement until commercial supplies of that IO drug candidate are being manufactured.

Under the terms of the IO License and Collaboration Agreement, the parties will also co-develop our antibody product candidate targeting PD-1 (REGN2810). The parties will share equally, on an ongoing basis, development expenses for REGN2810 up to a total of $650.0 million. We will have principal control over the development of REGN2810 and will lead commercialization activities in the United States, subject to Sanofi's right to co-promote, while Sanofi will lead commercialization activities outside of the United States and the parties will equally share profits from worldwide sales. We will be entitled to a milestone payment of $375.0 million in the event that sales of all licensed products targeting PD-1 (including REGN2810), together with sales of any other products licensed under the IO License and Collaboration Agreement and sold for use in combination with a licensed product targeting PD-1, equal or exceed $2.0 billion in any consecutive twelve-month period.

With respect to each product candidate that enters development under the IO License and Collaboration Agreement, we or Sanofi may, by giving twelve months' notice, opt-out of further development and/or commercialization of the product, in which event the other party will retain exclusive rights to continue the development and/or commercialization of such product.

Collaborations with Bayer HealthCare

EYLEA outside the United States. Since October 2006, we and Bayer HealthCare have been parties to a license and collaboration agreement for the global development and commercialization outside the United States of EYLEA. Under the agreement, we and Bayer HealthCare collaborate on, and share the costs of, the development of EYLEA through an integrated global plan. Bayer HealthCare markets EYLEA outside the United States, where, for countries other than Japan, the companies share equally in profits and losses from sales of EYLEA. In Japan, we are entitled to receive a tiered percentage of between 33.5% and 40.0% of EYLEA net sales.

Since inception of the agreement, we have earned $110.0 million of development milestone payments and $165.0 million of sales milestone payments from Bayer HealthCare. During the first quarter of 2015, we earned the final potential milestone payment under our Bayer HealthCare collaboration agreement in connection with EYLEA outside the United States.

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

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

PDGFR-beta antibody outside the United States. In January 2014, we entered into an agreement with Bayer HealthCare governing the joint development and commercialization outside the United States of an antibody product candidate to PDGFR-beta, including in combination with EYLEA, for the treatment of ocular diseases or disorders. REGN2176-3, a combination product candidate comprised of an antibody to PDGFR-beta co-formulated with EYLEA, is being developed under the agreement. Under the agreement, we will conduct the initial development of the PDGFR-beta antibody through completion of the first proof-of-concept study, upon which Bayer HealthCare will have a right to opt-in to license and collaborate on further development and commercialization outside the United States.

In connection with the agreement, Bayer HealthCare made a $25.5 million non-refundable upfront payment to us in January 2014, and is obligated to pay 25% of global development costs and 50% of development costs exclusively for the territory outside the United States under the initial development plan. In addition, Bayer HealthCare is obligated to reimburse us for 50% of development milestone payments to Sanofi related to our acquisition of rights to antibodies targeting the PDGF family of receptors in May 2013. In that regard, Bayer HealthCare made two $2.5 million development milestone payments to us in the 2014, and an additional $5.0 million development milestone payment to us in the second quarter of 2015. Further, in connection with our initial development of the PDGFR-beta antibody through completion of the first proof-of-concept study, we are eligible to receive up to $10.0 million in future development milestone payments from Bayer HealthCare, although certain of these development milestone payments could be reduced by half if Bayer HealthCare does not opt-in to the collaboration.

If Bayer HealthCare exercises its right to opt-in to the collaboration, they will obtain exclusive commercialization rights to the product outside the United States, continue to pay for 25% of global development costs and 50% of development costs exclusively for the territory outside the United States, pay a $20.0 million opt-in payment to us, pay a $20.0 million development milestone to us upon receipt of the first marketing approval in the EU or Japan, share profits and losses from sales outside the United States equally with us, and be responsible for the payment of royalties on sales outside the United States to Sanofi.

Within the United States, we have exclusive commercialization rights and will retain all of the profits from sales. If Bayer HealthCare does not opt-in to the collaboration, we will have exclusive rights to develop and commercialize PDGFR-beta antibodies (except as a combination product with EYLEA) for use outside the United States.

We also have the right to opt-out of the collaboration upon completion of the first proof-of-concept study for the PDGFR-beta antibody. If we opt-out of the collaboration and Bayer HealthCare exercises its right to opt-in to the collaboration, Bayer HealthCare will obtain exclusive rights to the PDGFR-beta antibody (except as a combination product with EYLEA) outside of the United States, be responsible for all development costs outside of the United States, be responsible for all royalty and milestone payments to a third party, and will retain all of the profits from sales of the PDGFR-beta antibody outside of the United States.

General

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

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

The planning, execution, and results of our clinical programs are significant factors that can affect our operating and financial results. In our clinical programs, key events in 2015 to date were, and plans for the next twelve months are, as follows:

Trap-based Clinical Program:

2015 Events to Date	2015-2016 Plans (next 12 months)
EYLEA	
Ÿ Bayer HealthCare received regulatory approval for EYLEA in certain countries for the treatment of patients with wet AMD, macular edema secondary to CRVO, and DME, and continued to pursue regulatory applications for marketing approval in additional countries Ÿ European Commission and Japanese MHLW approved EYLEA for the treatment of macular edema secondary to BRVO Ÿ Bayer HealthCare submitted marketing authorization application to EMA for the treatment of mCNV Ÿ FDA approved EYLEA for the treatment of diabetic retinopathy in patients with DME Ÿ Initiated Phase 3 trial for NVG in Japan	Ÿ Bayer HealthCare to file for additional ex-US regulatory approvals for various indications Ÿ Regulatory agency decisions on applications outside the United States for various indications Ÿ We and Bayer HealthCare to report 3-year data from Phase 3 DME trials

Antibody-based Clinical Programs:

	2015 Events to Date	2015-2016 Plans (next 12 months)
Praluent (PCSK9 Antibody)	Ÿ BLA accepted for priority review in the United States Ÿ Regulatory application accepted for review by the EMA Ÿ Reported positive results from ODYSSEY CHOICE I and CHOICE II trials Ÿ ODYSSEY LONG TERM 18-month trial results published in *The New England Journal of Medicine* Ÿ Reported positive results from ODYSSEY Japan trial Ÿ CHMP adopted a positive opinion for marketing authorization in EU Ÿ FDA approved Praluent for the treatment of adults with heterozygous familial hypercholesterolemia or clinical ASCVD, who require additional lowering of LDL cholesterol	Ÿ Complete patient enrollment of Phase 3 ODYSSEY OUTCOMES trial Ÿ Report additional results from Phase 3 ODYSSEY trials Ÿ File for additional regulatory approvals outside the United States Ÿ Decisions on regulatory applications outside the United States
Sarilumab (IL-6R Antibody)	Ÿ Initiated Phase 3 MONARCH study (head-to-head monotherapy study against adalimumab) Ÿ Initiated several studies in Japan Ÿ Reported positive results from SARIL-RA-TARGET, SARIL-RA-EASY, and SARIL-RA-ASCERTAIN trials Ÿ Completed patient enrollment in SARIL-NIU-SATURN Phase 2 study in non-infectious uveitis	Ÿ Continue patient enrollment in Phase 3 SARIL-RA program Ÿ Report results from additional Phase 3 trials Ÿ Submit for regulatory approval in the United States
Dupilumab (IL-4R Antibody)	Ÿ Initiated Phase 2 study in EoE Ÿ Initiated Phase 2 study in atopic dermatitis in adolescents and children Ÿ Initiated Phase 3 study in asthma Ÿ Presented positive pivotal Phase 2b data in asthma at the American Thoracic Society 2015 International Conference Ÿ Completed patient enrollment in Phase 3 atopic dermatitis pivotal trials	Ÿ Continue patient enrollment in various Phase 2 and Phase 3 studies
REGN2222 (RSV-F Antibody)	Ÿ Completed Phase 1 study Ÿ Initiated NURSERY Pre-Term pivotal study	Ÿ Continue patient enrollment in pivotal study
Fasinumab (NGF Antibody)	Ÿ Initiated sixteen-week Phase 2b/3 study in osteoarthritis Ÿ On partial clinical hold by the FDA	Ÿ Continue patient enrollment in Phase 2b/3 study
REGN1500 (Angptl-3 Antibody)	Ÿ Initiated Phase 2 study Ÿ On partial clinical hold by the FDA	Ÿ Complete patient enrollment in Phase 1 and Phase 2 studies

Antibody-based Clinical Programs (continued):

	2015 Events to Date	2015-2016 Plans (next 12 months)
REGN1033 (GDF8 Antibody)	Ÿ Phase 2 proof-of-concept study in elderly men and women with sarcopenia met its primary endpoint, while secondary, functional endpoints were mixed. Ÿ Sanofi elected not to continue co-development	Ÿ Determine future development plan
REGN1908-1909 (Feld1 Antibody)	Ÿ Continued patient enrollment in Phase 2 study	Ÿ Complete patient enrollment in Phase 2 study
REGN2176-3 (PDGFR-beta Antibody in combination with EYLEA)	Ÿ Received Fast Track designation from the FDA for the treatment of patients with wet AMD Ÿ Initiated Phase 2 study	Ÿ Continue patient enrollment in Phase 2 study
REGN1400 (ErbB3 Antibody)		Ÿ Determine future development plan
REGN1154 (target not disclosed)		Ÿ Determine future development plan
REGN1193 (GCGR Antibody)	Ÿ Continued patient enrollment in Phase 1 study	Ÿ Complete patient enrollment in Phase 1 study
REGN1979 (CD20 and CD3 Antibody)	Ÿ Continued patient enrollment in Phase 1 study	Ÿ Complete patient enrollment in Phase 1 study
REGN910-3 (Ang2 Antibody co-formulated with EYLEA)	Ÿ Completed patient enrollment in Phase 1 study	
REGN2810 (PD-1 Antibody)	Ÿ Initiated Phase 1 study	Ÿ Continue patient enrollment in Phase 1 study

Corporate Information

We were incorporated in the State of New York in 1988 and publicly listed in 1991. Our principal executive offices are located at 777 Old Saw Mill River Road, Tarrytown, New York 10591, and our telephone number at that address is (914) 847-7000.

We make available free of charge on or through our Internet website (*http://www.regeneron.com*) our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and, if applicable, amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission (SEC).

Investors and other interested parties should note that we use our media and investor relations website (*http://newsroom.regeneron.com*) and our social media channels to publish important information about Regeneron, including information that may be deemed material to investors. We encourage investors and other interested parties to review the information we may publish through our media and investor relations website and the social media channels listed on our media and investor relations website, in addition to our SEC filings, press releases, conference calls, and webcasts.

Results of Operations

The results of operations discussion below reflects certain revisions to previously-issued financial statements. See Note 4 of the Notes to Condensed Consolidated Financial Statements for a description of such revisions.

Three Months Ended June 30, 2015 and 2014

Net Income

Net income for the three months ended June 30, 2015 and 2014 consists of the following:

(In millions)	2015	2014
Revenues	$ 998.6	$ 665.7
Operating expenses	(653.8)	(437.6)
Other income (expense)	(16.8)	(19.3)
Income before income taxes	328.0	208.8
Income tax expense	(133.4)	(112.5)
Net income	$ 194.6	$ 96.3

Revenues

Revenues for the three months ended June 30, 2015 and 2014 consist of the following:

(In millions)	2015	2014
Net product sales	$ 657.8	$ 418.0
Collaboration revenue:		
Sanofi	195.1	142.6
Bayer HealthCare	134.2	97.3
Total collaboration revenue	329.3	239.9
Technology licensing and other revenue	11.5	7.8
Total revenues	$ 998.6	$ 665.7

Net Product Sales

Net product sales consist of U.S. sales of EYLEA and ARCALYST. We received marketing approval from the FDA for EYLEA for the treatment of wet AMD in 2011, macular edema following CRVO in 2012, DME in July 2014, macular edema following BRVO in October 2014, and diabetic retinopathy in patients with DME in March 2015. For the three months ended June 30, 2015, EYLEA net product sales increased to $654.6 million from $414.8 million for the three months ended June 30, 2014 due to higher sales volume. For both the three months ended June 30, 2015 and 2014, we also recognized ARCALYST net product sales of $3.2 million.

For the three months ended June 30, 2015 and 2014, we recorded 69% and 73%, respectively, of our total gross product revenue from sales to Besse Medical, a subsidiary of AmerisourceBergen Corporation.

Revenue from product sales is recorded net of applicable provisions for rebates and chargebacks under governmental programs, distribution-related fees, and other sales-related deductions. The following table summarizes the provisions, and credits/payments, for sales-related deductions.

(In millions)	Rebates & Chargebacks	Distribution-Related Fees	Other Sales-Related Deductions	Total
Balance as of March 31, 2015	$ 4.7	$ 32.9	$ 0.5	$ 38.1
Provision related to current period sales	14.1	30.0	2.1	46.2
Credits/payments	(13.3)	(23.4)	(2.1)	(38.8)
Balance as of June 30, 2015	$ 5.5	$ 39.5	$ 0.5	$ 45.5
Balance as of March 31, 2014	$ 4.6	$ 20.3	$ 0.5	$ 25.4
Provision related to current period sales	7.9	19.3	0.4	27.6
Credits/payments	(8.4)	(19.2)	(0.4)	(28.0)
Balance as of June 30, 2014	$ 4.1	$ 20.4	$ 0.5	$ 25.0

Sanofi Collaboration Revenue

The collaboration revenue we earned from Sanofi, as detailed below, primarily consisted of reimbursement for research and development expenses that we incurred, partly offset by sharing of pre-launch commercialization expenses, in connection with the companies' Antibody Collaboration.

Sanofi Collaboration Revenue	Three Months Ended June 30,	
(In millions)	**2015**	**2014**
Antibody:		
Reimbursement of Regeneron research and development expenses	$ 211.5	$ 137.9
Reimbursement of Regeneron commercialization-related expenses	27.3	4.3
Regeneron's share of losses in connection with commercialization of antibodies	(46.3)	(4.3)
Other	2.6	2.6
Total Antibody	195.1	140.5
ZALTRAP:		
Regeneron's share of losses in connection with commercialization of ZALTRAP	—	(0.7)
Reimbursement of Regeneron research and development expenses	—	1.3
Other	—	1.5
Total ZALTRAP	—	2.1
Total Sanofi collaboration revenue	$ 195.1	$ 142.6

In the second quarter of 2015, Sanofi's reimbursement of our antibody research and development expenses consisted of $56.4 million under our Antibody Discovery Agreement and $155.1 million under our License and Collaboration Agreement, compared to $42.9 million and $95.0 million, respectively, in the second quarter of 2014. The higher reimbursement of research and development costs in the second quarter of 2015, compared to the same period in 2014, was primarily due to increased research and pre-clinical activities under our Antibody Discovery Agreement and increased development activities for dupilumab.

Effective in the second and fourth quarters of 2014, we and Sanofi began sharing pre-launch commercial expenses related to Praluent and sarilumab, respectively, in accordance with the companies' License and Collaboration Agreement. Consequently, we began recording our share of losses in connection with commercialization of these two antibody product candidates. Reimbursement of Regeneron commercialization-related expenses represents reimbursement of internal and external costs in connection with

preparing to commercialize these antibody product candidates. We and Sanofi incurred higher commercialization expenses for Praluent in anticipation of an FDA decision on the BLA for Praluent in July 2015.

Other Sanofi antibody revenue includes recognition of deferred revenue from an $85.0 million up-front payment and other payments. As of June 30, 2015, $64.1 million of the up-front and other payments was deferred and will be recognized as revenue in future periods.

In September 2003, we and Sanofi entered into a ZALTRAP Collaboration Agreement to jointly develop and commercialize ZALTRAP. Under the terms of ZALTRAP Collaboration Agreement, we and Sanofi shared profits and losses on sales of ZALTRAP outside of Japan, and we were entitled to receive a percentage of sales of ZALTRAP in Japan. Our share of the loss in connection with the commercialization of ZALTRAP in the second quarter of 2014 represents our share of the costs of launching and commercializing ZALTRAP, partly offset by net product sales. As described above under "Collaboration Agreements - Collaborations with Sanofi - *ZALTRAP*" and below in the "*Six Months Ended June 30, 2015 and 2014"* section, in February 2015, we entered into an Amended ZALTRAP Agreement with Sanofi which amended and restated the ZALTRAP Collaboration Agreement.

Bayer HealthCare Collaboration Revenue

The collaboration revenue we earned from Bayer HealthCare, as detailed below, primarily consisted of recognition of our share of profits in connection with commercialization of EYLEA outside the United States.

Bayer HealthCare Collaboration Revenue	**Three Months Ended June 30,**	
(In millions)	**2015**	**2014**
EYLEA:		
Regeneron's net profit in connection with commercialization of EYLEA outside the United States	$ 106.6	$ 66.8
Sales milestones	—	15.0
Cost-sharing of Regeneron EYLEA development expenses	2.5	1.5
Other	16.6	10.8
Total EYLEA	125.7	94.1
PDGFR-beta antibody:		
Cost-sharing of REGN2176-3 development expenses	5.9	0.6
Other	2.6	2.6
Total PDGFR-beta antibody	8.5	3.2
Total Bayer HealthCare collaboration revenue	$ 134.2	$ 97.3

Bayer HealthCare commenced sales of EYLEA outside the United States for the treatment of wet AMD in 2012, macular edema secondary to CRVO in 2013, visual impairment due to DME in the third quarter of 2014, mCNV (in Japan) in the fourth quarter of 2014, and macular edema following BRVO in the second quarter of 2015. Regeneron's net profit in connection with commercialization of EYLEA outside the United States is summarized below.

Regeneron's Net Profit from EYLEA Sales Outside the United States	Three Months Ended June 30,	
(In millions)	**2015**	**2014**
Net product sales outside the United States	$ 337.8	$ 246.8
Regeneron's share of collaboration profit from sales outside the United States	$ 120.4	$ 81.5
Reimbursement of EYLEA development expenses incurred by Bayer HealthCare in accordance with Regeneron's payment obligation	(13.8)	(14.7)
Regeneron's net profit in connection with commercialization of EYLEA outside the United States	$ 106.6	$ 66.8

Bayer HealthCare records revenue from sales of EYLEA outside the United States. Bayer HealthCare provides us with an estimate of our share of the profit or loss, including the percentage of sales in Japan that we earned, from commercialization of EYLEA outside the United States for the most recent fiscal quarter; these estimates are reconciled to actual results in the subsequent fiscal quarter, and our portion of the profit or loss is adjusted accordingly, as necessary. In the second quarter of 2015 and 2014, our share of the profit we earned from commercialization of EYLEA outside the United States was partly offset by our contractual obligation to reimburse Bayer HealthCare for a portion of the agreed-upon development expenses previously incurred by Bayer HealthCare.

In the second quarter of 2014, we earned a $15.0 million sales milestone payment from Bayer HealthCare upon total aggregate net sales of EYLEA outside the United States exceeding $700 million over a twelve-month period.

Other EYLEA revenue primarily consists of reimbursement of other Regeneron EYLEA expenses, principally related to Bayer HealthCare's share of royalties payable to Genentech pursuant to a license and settlement agreement in connection with sales of EYLEA outside the United States. In addition, other EYLEA revenue includes reimbursements for producing EYLEA commercial supplies for Bayer HealthCare, and recognition of deferred revenue related to EYLEA up-front and 2007 non-substantive milestone payments from Bayer HealthCare. As of June 30, 2015, $12.5 million of the EYLEA up-front and 2007 milestone payments was deferred and will be recognized ratably as revenue in future periods.

Cost-sharing of REGN2176-3 development expenses with Bayer HealthCare commenced in the first quarter of 2014 following the execution of the companies' PDGFR-beta antibody collaboration agreement as described above under "Collaboration Agreements - Collaborations with Bayer HealthCare - *PDGFR-beta antibody outside the United States.*" Bayer HealthCare is also obligated to reimburse us for 50% of development milestone payments to Sanofi related to our acquisition of rights to antibodies targeting the PDGF family of receptors in May 2013. In that regard, Bayer HealthCare made a $5.0 million development milestone payment to us in the second quarter of 2015, which was recognized as revenue in the quarter and included in "Cost-sharing of REGN2176-3 development expenses" in the table above.

Other PDGFR-beta antibody revenue consists of recognition of deferred revenue related to the PDGFR-beta up-front payment and non-substantive milestones received in the first quarter of 2014. As of June 30, 2015, $14.7 million of the PDGFR-beta up-front and 2014 milestone payments was deferred and will be recognized ratably as revenue in future periods.

Technology Licensing and Other Revenue

In connection with the amendment and extension of our *VelocImmune* license agreement with Astellas, in August 2010, we received a $165.0 million up-front payment, which was deferred upon receipt and is being recognized as revenue ratably over a seven-year period beginning in June 2011. In the second quarter of both 2015 and 2014, we recognized $5.9 million of revenue related to this agreement. As of June 30, 2015, $69.2 million of the August 2010 technology licensing payment received from Astellas was deferred and will be recognized as revenue in future periods.

In connection with the February 2015 Amended ZALTRAP Agreement with Sanofi, we recorded $3.2 million of revenue in the second quarter of 2015 primarily related to a percentage of net sales of ZALTRAP in the second quarter of 2015.

In addition, under a June 2009 agreement with Novartis, we receive royalties on worldwide sales of Novartis' Ilaris (canakinumab). In the second quarter of 2015 and 2014, technology licensing and other revenue included $2.2 million and $1.9 million, respectively, of royalties from Novartis.

Expenses

Total operating expenses increased to $653.8 million in the second quarter of 2015 from $437.6 million in the second quarter of 2014. Our average headcount in the second quarter of 2015 increased to 3,574 from 2,549 in the same period in 2014, principally in connection with expanding our research and development and commercialization activities.

Operating expenses in the second quarter of 2015 and 2014 included a total of $94.3 million and $64.8 million, respectively, of non-cash compensation expense related to employee stock option and restricted stock awards (Non-cash Compensation Expense). The increase in total Non-cash Compensation Expense in the second quarter of 2015 was primarily attributable to the higher fair market value of our Common Stock on the date of our annual employee option grants made in December 2014 compared to recent prior years.

Research and Development Expenses

Research and development expenses increased to $390.3 million in the second quarter of 2015 from $294.5 million in the same period of 2014. The following table summarizes the major categories of our research and development expenses:

Research and Development Expenses	**Three Months Ended June 30,**		**Increase**
(In millions)	**2015**	**2014**	**(Decrease)**
Payroll and benefits [1]	$ 120.6	$ 93.3	$ 27.3
Clinical trial expenses	74.8	52.6	22.2
Clinical manufacturing costs [2]	96.1	61.3	34.8
Research and other development costs	39.3	24.5	14.8
Occupancy and other operating costs	34.9	29.2	5.7
Cost-sharing of Bayer HealthCare and Sanofi development expenses [3]	24.6	33.6	(9.0)
Total research and development expenses	$ 390.3	$ 294.5	$ 95.8

[1] Includes Non-cash Compensation Expense of $51.2 million for the three months ended June 30, 2015 and $37.3 million for the three months ended June 30, 2014.

[2] Represents the full cost of manufacturing drug for use in research, preclinical development, and clinical trials, including related payroll and benefits, Non-cash Compensation Expense, manufacturing materials and supplies, drug filling, packaging, and labeling costs, depreciation, and occupancy costs of our Rensselaer manufacturing facility. Also includes Non-cash Compensation Expense of $8.8 million for the three months ended June 30, 2015 and $6.5 million for the three months ended June 30, 2014.

[3] Under our collaborations with Bayer HealthCare and Sanofi, in periods when Bayer HealthCare or Sanofi incurs certain development expenses, we also recognize, as additional research and development expense, the portion of our collaborators' development expenses that we are obligated to reimburse. Our collaborators provide us with estimated development expenses for the most recent fiscal quarter. Bayer HealthCare and Sanofi's estimates are reconciled to their actual expenses for such quarter in the subsequent fiscal quarter, and our portion of our collaborators' development expenses that we are obligated to reimburse is adjusted accordingly.

Payroll and benefits increased principally due to the increase in employee headcount and Non-cash Compensation Expense, as described above. Clinical trial expenses increased due primarily to additional costs for clinical studies of dupilumab, partly offset by lower Praluent-, REGN1033-, and EYLEA-related costs. Clinical manufacturing costs increased primarily due to additional costs related to manufacturing drug supplies of dupilumab. Research and other development costs increased primarily due to a $10.0 million development milestone payment to Sanofi in the second quarter of 2015 related to our 2013 acquisition of PDGF in ophthalmology from Sanofi. Cost-sharing of Bayer HealthCare and Sanofi development expenses primarily consists of costs related to our obligation to fund 20% of Sanofi's Phase 3 Praluent and sarilumab development costs. These costs decreased due to lower development costs incurred by Sanofi for Praluent, as well as lower development costs incurred by Sanofi for sarilumab and by Bayer HealthCare for EYLEA.

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

Project Costs	**Three Months Ended June 30,**		**Increase**
(In millions)	**2015**	**2014**	**(Decrease)**
Praluent	$ 49.6	$ 63.9	$ (14.3)
Dupilumab	113.0	39.4	73.6
Sarilumab	20.1	24.3	(4.2)
EYLEA	17.4	27.8	(10.4)
Other antibody candidates in clinical development	62.7	39.9	22.8
Other research programs and unallocated costs	127.5	99.2	28.3
Total research and development expenses	$ 390.3	$ 294.5	$ 95.8

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

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

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

Selling, General, and Administrative Expenses

Selling, general, and administrative expenses increased to $174.6 million in the second quarter of 2015 from $96.7 million in the second quarter of 2014 primarily due to higher headcount and related costs, higher Non-cash Compensation Expense principally for the reason described under "*Expenses*" above, higher commercialization expenses related to Praluent, sarilumab, and EYLEA, and higher costs associated with the Branded Prescription Drug Fee. Selling, general, and administrative expenses included $32.2 million and $20.5 million of Non-cash Compensation Expense in the second quarter of 2015 and 2014, respectively.

Cost of Goods Sold

Cost of goods sold was $60.9 million in the second quarter of 2015 and $29.9 million in the second quarter of 2014. Cost of goods sold, which primarily consists of royalties, as well as costs in connection with producing EYLEA commercial supplies and various start-up costs in connection with our Limerick, Ireland commercial manufacturing facility, increased principally due to the increase in U.S. EYLEA net product sales. In addition, in the second quarter of 2015 and 2014, cost of goods sold included inventory write-downs and reserves totaling $6.4 million and $0.8 million, respectively. We record a charge to cost of goods sold to write down our inventory to its estimated realizable value if certain batches or units of product do not meet quality specifications or are expected to expire prior to sale.

Cost of Collaboration and Contract Manufacturing

Cost of collaboration and contract manufacturing, which includes costs we incur in connection with producing commercial drug supplies for Sanofi and Bayer HealthCare, increased to $28.0 million in the second quarter of 2015 from $16.4 million in the second quarter of 2014. This increase was primarily due to royalties payable to Genentech in connection with higher sales of EYLEA outside the United States, as well as the recognition of costs associated with commercial supplies of EYLEA.

Other Income and Expense

Total other expenses (net of other income) decreased to $16.8 million in the second quarter of 2015 from $19.3 million in the second quarter of 2014. Interest expense in the second quarter of 2015 and 2014 primarily includes interest associated with our 1.875% convertible senior notes (the Notes), including amortization of the note discount and debt issuance costs, and interest associated with our facility lease obligations. Interest expense in the second quarter of 2015 decreased compared to the second quarter of 2014 primarily due to conversions of a substantial principal amount of our Notes since the second quarter of 2014. In addition, in the second quarter of 2015 and 2014, we recognized a $16.0 million and $10.8 million loss, respectively, in connection with Notes which were surrendered for conversion during those quarters.

Income Taxes

In the second quarter of 2015 and 2014, we recorded income tax expense of $133.4 million and $112.5 million, respectively. The effective tax rate was 40.7% and 53.9% for the second quarter of 2015 and 2014, respectively. The second quarter 2015 effective tax rate was negatively impacted, compared to the U.S. federal statutory rate, by (i) losses incurred in foreign jurisdictions with rates lower than the U.S. federal statutory rate, (ii) the non-tax deductible Branded Prescription Drug Fee, and (iii) expiration, at the end of 2014, of the federal tax credit for increased research activities.

The effective tax rate for the second quarter of 2014 was negatively impacted, compared to the U.S. federal statutory rate, by losses incurred in foreign jurisdictions with rates lower than the U.S. federal statutory rate and expiration at the end of 2013 of the federal tax credit for increased research activities.

Six Months Ended June 30, 2015 and 2014

Net Income

Net income for the six months ended June 30, 2015 and 2014 consists of the following:

(In millions)	2015	2014
Revenues	$ 1,868.2	$ 1,291.4
Operating expenses	(1,239.8)	(871.8)
Other income (expense)	(23.9)	(30.0)
Income before income taxes	604.5	389.6
Income tax expense	(333.8)	(225.0)
Net income	$ 270.7	$ 164.6

Revenues

Revenues for the six months ended June 30, 2015 and 2014 consist of the following:

(In millions)	2015	2014
Net product sales	$ 1,202.4	$ 780.4
Collaboration revenue:		
Sanofi	368.4	273.1
Bayer HealthCare	258.1	222.6
Total collaboration revenue	626.5	495.7
Technology licensing and other revenue	39.3	15.3
Total revenues	$ 1,868.2	$ 1,291.4

Net Product Sales

Net product sales consist of U.S. sales of EYLEA and ARCALYST. For the six months ended June 30, 2015, EYLEA net product sales increased to $1,195.7 million from $773.8 million for the six months ended June 30, 2014 due to higher sales volume. For the six months ended June 30, 2015 and 2014, we also recognized ARCALYST net product sales of $6.7 million and $6.6 million, respectively.

For the six months ended June 30, 2015 and 2014, we recorded 69% and 76%, respectively, of our total gross product revenue from sales to Besse Medical, a subsidiary of AmerisourceBergen Corporation.

Revenue from product sales is recorded net of applicable provisions for rebates and chargebacks under governmental programs, distribution-related fees, and other sales-related deductions. The following table summarizes the provisions, and credits/payments, for sales-related deductions.

(In millions)	Rebates & Chargebacks	Distribution-Related Fees	Other Sales-Related Deductions	Total
Balance as of December 31, 2014	$ 3.1	$ 21.2	$ 0.5	$ 24.8
Provision related to current period sales	25.5	54.7	3.5	83.7
Credits/payments	(23.1)	(36.4)	(3.5)	(63.0)
Balance as of June 30, 2015	$ 5.5	$ 39.5	$ 0.5	$ 45.5
Balance as of December 31, 2013	$ 4.4	$ 19.7	$ 0.5	$ 24.6
Provision related to current period sales	14.8	36.2	0.8	51.8
Credits/payments	(15.1)	(35.5)	(0.8)	(51.4)
Balance as of June 30, 2014	$ 4.1	$ 20.4	$ 0.5	$ 25.0

Sanofi Collaboration Revenue

The collaboration revenue we earned from Sanofi, as detailed below, primarily consisted of reimbursement for research and development expenses that we incurred, partly offset by sharing of pre-launch commercialization expenses, in connection with the companies' Antibody Collaboration.

Sanofi Collaboration Revenue	**Six Months Ended June 30,**	
(In millions)	**2015**	**2014**
Antibody:		
Reimbursement of Regeneron research and development expenses	$ 380.3	$ 264.7
Reimbursement of Regeneron commercialization-related expenses	35.8	5.4
Regeneron's share of losses in connection with commercialization of antibodies	(68.7)	(4.3)
Other	5.1	5.1
Total Antibody	352.5	270.9
ZALTRAP:		
Regeneron's share of losses in connection with commercialization of ZALTRAP	—	(3.9)
Reimbursement of Regeneron research and development expenses	0.7	2.4
Other	15.2	3.7
Total ZALTRAP	15.9	2.2
Total Sanofi collaboration revenue	$ 368.4	$ 273.1

In the first half of 2015, Sanofi's reimbursement of our antibody research and development expenses consisted of $102.4 million under our Antibody Discovery Agreement and $277.9 million under our License and Collaboration Agreement, compared to $83.1 million and $181.6 million, respectively, in the first half of 2014. The higher reimbursement of research and development costs in the first half of 2015, compared to the same period in 2014, was primarily due to increased research and pre-clinical activities under our Antibody Discovery Agreement and increased development activities for dupilumab, Praluent, and REGN2222.

Effective in the second and fourth quarters of 2014, we and Sanofi began sharing pre-launch commercial expenses related to Praluent and sarilumab, respectively, in accordance with the companies' License and Collaboration Agreement. Consequently, we began recording our share of losses in connection with commercialization of these two antibody product candidates. Reimbursement of Regeneron commercialization-related expenses represents reimbursement of internal and external costs in connection with preparing to commercialize these antibody product candidates. We and Sanofi have incurred higher commercialization expenses for Praluent in anticipation of an FDA decision on the BLA for Praluent in July 2015.

In September 2003, we and Sanofi entered into a ZALTRAP Collaboration Agreement to jointly develop and commercialize ZALTRAP. Under the terms of ZALTRAP Collaboration Agreement, we and Sanofi shared profits and losses on sales of ZALTRAP outside of Japan, and we were entitled to receive a percentage of sales of ZALTRAP in Japan. Our share of the loss in connection with the commercialization of ZALTRAP in the first half of 2014 represents our share of the costs of commercializing ZALTRAP, partly offset by net product sales.

As described above under "Collaboration Agreements - Collaborations with Sanofi - *ZALTRAP*", in February 2015, we entered into an Amended ZALTRAP Agreement with Sanofi which amended and restated the ZALTRAP Collaboration Agreement. As a result, in the first quarter of 2015 we recognized $14.9 million of previously deferred revenue under the ZALTRAP Collaboration Agreement, related to (i) amounts that were previously reimbursed by Sanofi for manufacturing commercial supplies of ZALTRAP since our risk of inventory loss under the collaboration no longer existed, and (ii) the unamortized portion of up-front payments from Sanofi as we had no further performance obligations.

Bayer HealthCare Collaboration Revenue

The collaboration revenue we earned from Bayer HealthCare, as detailed below, primarily consisted of recognition of our share of profits in connection with commercialization of EYLEA outside the United States and sales milestones achieved.

Bayer HealthCare Collaboration Revenue	**Six Months Ended June 30,**	
(In millions)	**2015**	**2014**
EYLEA:		
Regeneron's net profit in connection with commercialization of EYLEA outside the United States	$ 196.1	$ 128.0
Sales milestones	15.0	45.0
Cost-sharing of Regeneron EYLEA development expenses	5.1	21.8
Other	29.5	21.7
Total EYLEA	245.7	216.5
PDGFR-beta antibody:		
Cost-sharing of REGN2176-3 development expenses	7.2	1.1
Other	5.2	5.0
Total PDGFR-beta antibody	12.4	6.1
Total Bayer HealthCare collaboration revenue	$ 258.1	$ 222.6

Regeneron's net profit in connection with commercialization of EYLEA outside the United States is summarized below.

Regeneron's Net Profit from EYLEA Sales Outside the United States	**Six Months Ended June 30,**	
(In millions)	**2015**	**2014**
Net product sales outside the United States	$ 629.6	$ 464.9
Regeneron's share of collaboration profit from sales outside the United States	$ 223.9	$ 157.1
Reimbursement of EYLEA development expenses incurred by Bayer HealthCare in accordance with Regeneron's payment obligation	(27.8)	(29.1)
Regeneron's net profit in connection with commercialization of EYLEA outside the United States	$ 196.1	$ 128.0

Bayer HealthCare records revenue from sales of EYLEA outside the United States. Bayer HealthCare provides us with an estimate of our share of the profit or loss, including the percentage of sales in Japan that we earned, from commercialization of EYLEA outside the United States for the most recent fiscal quarter; these estimates are reconciled to actual results in the subsequent fiscal quarter, and our portion of the profit or loss is adjusted accordingly, as necessary. In the first half of 2015 and 2014, our share of the profit we earned from commercialization of EYLEA outside the United States was partly offset by our contractual obligation to reimburse Bayer HealthCare for a portion of the agreed-upon development expenses previously incurred by Bayer HealthCare.

In the first half of 2015, we earned a $15.0 million sales milestone payment from Bayer HealthCare upon total aggregate net sales of specific commercial supplies of EYLEA outside the United States exceeding $200 million over a twelve-month period. In the first half of 2014, we earned three $15.0 million sales milestone payments from Bayer HealthCare upon total aggregate net sales of EYLEA outside the United States exceeding $500 million, $600 million, and $700 million, respectively, over a twelve-month period.

Cost-sharing of our global EYLEA development expenses with Bayer HealthCare decreased in the first half of 2015 compared to the same period in 2014. In January 2014, Bayer HealthCare decided to participate in the global development and commercialization of EYLEA outside the United States for the treatment of macular edema following BRVO. In connection with

this decision, Bayer HealthCare reimbursed us $15.7 million for a defined share of the EYLEA global development costs that we had incurred prior to February 2014 for the BRVO indication, which was recognized as Bayer HealthCare collaboration revenue in the first quarter of 2014. In addition, all future agreed-upon global EYLEA development expenses incurred in connection with BRVO are being shared equally, and any future profits or losses on sales of EYLEA outside of the United States for the treatment of macular edema following BRVO are also shared (for countries other than Japan). We are entitled to receive a tiered percentage of EYLEA net sales in Japan.

Other EYLEA revenue primarily consists of reimbursement of other Regeneron EYLEA expenses, principally related to Bayer HealthCare's share of royalties payable to Genentech pursuant to a license and settlement agreement in connection with sales of EYLEA outside the United States. In addition, other EYLEA revenue includes reimbursements for producing EYLEA commercial supplies for Bayer HealthCare, and recognition of deferred revenue related to EYLEA up-front and 2007 non-substantive milestone payments from Bayer HealthCare.

Cost-sharing of REGN2176-3 development expenses with Bayer HealthCare commenced in the first quarter of 2014 following the execution of the companies' PDGFR-beta antibody collaboration agreement as described above under "Collaboration Agreements - Collaborations with Bayer HealthCare - *PDGFR-beta antibody outside the United States.*" Bayer HealthCare is also obligated to reimburse us for 50% of development milestone payments to Sanofi related to our acquisition of rights to antibodies targeting the PDGF family of receptors in May 2013. In that regard, Bayer HealthCare made a $5.0 million development milestone payment to us in the second quarter of 2015, which was recognized as revenue in the quarter and included in "Cost-sharing of REGN2176-3 development expenses" in the table above.

Technology Licensing and Other Revenue

In connection with the amendment and extension of our *VelocImmune* license agreement with Astellas, in August 2010, we received a $165.0 million up-front payment, which was deferred upon receipt and is being recognized as revenue ratably over a seven-year period beginning in June 2011. In the first half of both 2015 and 2014, we recognized $11.8 million of revenue related to this agreement.

In connection with the February 2015 Amended ZALTRAP Agreement with Sanofi, we recorded $23.0 million of revenue in the first half of 2015 primarily related to (i) manufacturing ZALTRAP commercial supplies for Sanofi and (ii) a percentage of net sales of ZALTRAP from July 1, 2014 (the effective date of the Amended ZALTRAP Agreement) through June 30, 2015.

In addition, under a June 2009 agreement with Novartis, we receive royalties on worldwide sales of Novartis' Ilaris. In the first half of 2015 and 2014, technology licensing and other revenue included $4.3 million and $3.5 million, respectively, of royalties from Novartis.

Expenses

Total operating expenses increased to $1,239.8 million in the first half of 2015 from $871.8 million in the first half of 2014. Our average headcount in the first half of 2015 increased to 3,320 from 2,469 in the same period in 2014, principally in connection with expanding our research and development and commercialization activities.

Operating expenses in the first half of 2015 and 2014 included a total of $198.0 million and $140.6 million, respectively, of Non-cash Compensation Expense. The increase in total Non-cash Compensation Expense in the first half of 2015 was primarily attributable to the higher fair market value of our Common Stock on the date of our annual employee option grants made in December 2014 compared to recent prior years.

Research and Development Expenses

Research and development expenses increased to $733.4 million in the first half of 2015 from $581.9 million in the same period of 2014. The following table summarizes the major categories of our research and development expenses:

Research and Development Expenses	**Six Months Ended June 30,**		**Increase**
(In millions)	**2015**	**2014**	**(Decrease)**
Payroll and benefits [1]	$ 236.7	$ 189.3	$ 47.4
Clinical trial expenses	131.0	100.8	30.2
Clinical manufacturing costs [2]	184.9	119.5	65.4
Research and other development costs	65.2	52.3	12.9
Occupancy and other operating costs	64.1	56.6	7.5
Cost-sharing of Bayer HealthCare and Sanofi development expenses [3]	51.5	63.4	(11.9)
Total research and development expenses	$ 733.4	$ 581.9	$ 151.5

[1] Includes Non-cash Compensation Expense of $101.4 million for the six months ended June 30, 2015 and $74.9 million for the six months ended June 30, 2014.

[2] Represents the full cost of manufacturing drug for use in research, preclinical development, and clinical trials, as well as pre-launch commercial supplies which were not capitalized as inventory. Includes related payroll and benefits, Non-cash Compensation Expense, manufacturing materials and supplies, drug filling, packaging, and labeling costs, depreciation, and occupancy costs of our Rensselaer manufacturing facility. Also includes Non-cash Compensation Expense of $18.1 million for the six months ended June 30, 2015 and $12.2 million for the six months ended June 30, 2014.

[3] Under our collaborations with Bayer HealthCare and Sanofi, in periods when Bayer HealthCare or Sanofi incurs certain development expenses, we also recognize, as additional research and development expense, the portion of our collaborators' development expenses that we are obligated to reimburse. Our collaborators provide us with estimated development expenses for the most recent fiscal quarter. Bayer HealthCare and Sanofi's estimates are reconciled to their actual expenses for such quarter in the subsequent fiscal quarter, and our portion of our collaborators' development expenses that we are obligated to reimburse is adjusted accordingly.

Payroll and benefits increased principally due to the increase in employee headcount and Non-cash Compensation Expense, as described above. Clinical trial expenses increased primarily due to additional costs for clinical studies of dupilumab, partly offset by lower Praluent- and EYLEA-related costs. Clinical manufacturing costs increased primarily due to additional costs related to manufacturing drug supplies of Praluent and dupilumab.

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

Project Costs	**Six Months Ended June 30,**		**Increase**
(In millions)	**2015**	**2014**	**(Decrease)**
Praluent	$ 131.2	$ 117.4	$ 13.8
Dupilumab	167.6	82.5	85.1
Sarilumab	38.2	43.7	(5.5)
EYLEA	36.8	61.2	(24.4)
Other antibody candidates in clinical development	123.7	83.7	40.0
Other research programs and unallocated costs	235.9	193.4	42.5
Total research and development expenses	$ 733.4	$ 581.9	$ 151.5

For the reasons described above under "Research and Development Expenses" for the three months ended June 30, 2015 and 2014, and due to the variability in the costs necessary to develop a pharmaceutical product and the uncertainties related to future indications to be studied, the estimated cost and scope of the projects, and our ultimate ability to obtain governmental approval for commercialization, accurate and meaningful estimates of the total cost to bring our product candidates to market are not available. Similarly, we are currently unable to reasonably estimate if our product candidates in clinical development will generate material product revenues and net cash inflows.

Selling, General, and Administrative Expenses

Selling, general, and administrative expenses increased to $333.6 million in the first half of 2015 from $200.0 million in the first half of 2014 primarily due to higher headcount and related costs, higher Non-cash Compensation Expense principally for the reason described under "*Expenses*" above, higher commercialization-related expenses related to Praluent, sarilumab, and EYLEA, and higher costs associated with the Branded Prescription Drug Fee. Selling, general, and administrative expenses included $74.3 million and $52.4 million of Non-cash Compensation Expense in the first half of 2015 and 2014, respectively.

Cost of Goods Sold

Cost of goods sold was $103.4 million in the first half of 2015 and $57.4 million in the first half of 2014. Cost of goods sold, which primarily consists of royalties, as well as costs in connection with producing EYLEA commercial supplies and various start-up costs in connection with our Limerick, Ireland commercial manufacturing facility, increased principally due to the increase in U.S. EYLEA net product sales. In addition, in the first half of 2015 and 2014, cost of goods sold included inventory write-downs and reserves totaling $8.1 million and $1.9 million, respectively. We record a charge to cost of goods sold to write down our inventory to its estimated realizable value if certain batches or units of product do not meet quality specifications or are expected to expire prior to sale.

Cost of Collaboration and Contract Manufacturing

Cost of collaboration and contract manufacturing, which includes costs we incur in connection with producing commercial drug supplies for Sanofi and Bayer HealthCare, increased to $69.4 million in the first half of 2015 from $32.5 million in the first half of 2014. This increase was primarily due to the recognition of costs associated with commercial supplies of ZALTRAP, as well as royalties payable to Genentech in connection with higher sales of EYLEA outside the United States and the recognition of costs associated with commercial supplies of EYLEA. Under our collaboration arrangements, when the product is sold by our collaborators to third-party customers, our risk of inventory loss no longer exists, and we therefore recognize our related manufacturing costs for the sold product as cost of collaboration manufacturing. However, as described above, in February 2015, we entered into an Amended ZALTRAP Agreement with Sanofi. As a result, in the first quarter of 2015 we recognized as expense $20.2 million of previously inventoried costs for ZALTRAP commercial supplies that were shipped to Sanofi because our risk of inventory loss no longer exists under the Amended ZALTRAP Agreement.

Other Income and Expense

Total other expenses (net of other income) decreased to $23.9 million in the first half of 2015 from $30.0 million in the first half of 2014. Interest expense in the first half of 2015 and 2014 primarily includes interest associated with our Notes, including amortization of the note discount and debt issuance costs, and interest associated with our facility lease obligations. Interest expense in the first half of 2015 decreased compared to the first half of 2014 primarily due to conversions of a substantial principal amount of our Notes since the second quarter of 2014. In addition, in the first half of 2015 and 2014, we recognized a $16.9 million and a $10.8 million loss, respectively, in connection with Notes which were surrendered for conversion during the respective periods.

Income Taxes

In the first half of 2015 and 2014, we recorded income tax expense of $333.9 million and $225.0 million, respectively. The effective tax rate was 55.2% and 57.7% for the first half of 2015 and 2014, respectively. The first half 2015 effective tax rate was negatively impacted, compared to the U.S. federal statutory rate, by (i) losses incurred in foreign jurisdictions with rates lower than the U.S. federal statutory rate, (ii) the non-tax deductible Branded Prescription Drug Fee, and (iii) expiration, at the end of 2014, of the federal tax credit for increased research activities.

The effective tax rate for the first half of 2014 was negatively impacted, compared to the U.S. federal statutory rate, by (i) losses incurred in foreign jurisdictions with rates lower than the federal statutory rate, (ii) expiration at the end of 2013 of the federal tax credit for increased research activities, and (iii) New York State tax legislation enacted in the first quarter of 2014. This tax legislation reduced the New York State income tax rate to zero percent for "qualified manufacturers", including Regeneron, effective in 2014; however, it also resulted in the reduction of our related deferred tax assets as a discrete item in the first quarter of 2014. As a result, this tax legislation caused a net increase in our effective tax rate by 3.9% for the first half of 2014.

Liquidity and Capital Resources

The sources and uses of cash discussion below reflects certain revisions to previously-issued financial statements. See Notes 1 and 4 of the Notes to Condensed Consolidated Financial Statements for a description of such revisions.

Sources and Uses of Cash for the Six Months Ended June 30, 2015 and 2014

As of June 30, 2015, we had $1,193.8 million in cash, cash equivalents, and marketable securities compared with $1,360.6 million as of December 31, 2014. Additionally, as of June 30, 2015, we had borrowing availability of $750.0 million under a revolving credit facility that was entered into during the first quarter of 2015 (see further description under "*Credit Facility*" below).

Cash Provided by Operating Activities

Net cash provided by operating activities was $156.1 million in the first half of 2015. Our net income of $270.7 million in the first half of 2015 included Non-cash Compensation Expense of $198.0 million and depreciation and amortization of $31.3 million. In addition, deferred tax assets as of June 30, 2015 increased by $59.1 million, compared to December 31, 2014, primarily due to an increase in Non-cash Compensation Expense, partly offset by a reduction in deferred revenue.

As of June 30, 2015, Sanofi, Bayer HealthCare, and trade accounts receivable increased by $418.8 million, compared to December 31, 2014, primarily due to higher U.S. EYLEA sales and higher amounts due from Sanofi in connection with the companies' Antibody Collaboration. Inventories as of June 30, 2015 increased by $49.9 million, compared to December 31, 2014, primarily due to increased production of EYLEA commercial supplies. Accounts payable, accrued expenses, and other liabilities increased by $129.3 million as of June 30, 2015, compared to December 31, 2014, primarily due to (i) higher accruals for sales-related charges (including the impact of the Branded Prescription Drug Fee) and deductions, and royalties related to EYLEA, and (ii) higher expenditures in connection with our expanding research and development activities.

Net cash provided by operating activities was $389.9 million in the first half of 2014. Our net income of $164.7 million in the first half of 2014 included Non-cash Compensation Expense of $140.6 million and depreciation and amortization of $24.5 million. In addition, deferred tax assets as of June 30, 2014 increased by $19.1 million, compared to end-of-year 2013, primarily due to an increase in Non-cash Compensation Expense, partly offset by the reduction of our deferred tax assets related to the New York State tax legislation enacted in the first quarter of 2014, which reduced our New York State income tax rate to zero percent effective in 2014.

As of June 30, 2014, Sanofi, Bayer HealthCare, and trade accounts receivable decreased by $84.8 million, compared to December 31, 2013, primarily due to lower trade accounts receivable resulting from shortened payment terms to certain of our U.S. EYLEA customers effective January 2014, partly offset by higher amounts receivable from Bayer HealthCare in connection with the commercialization of EYLEA outside the United States. Inventories increased by $37.3 million, compared to December 31, 2013, primarily in connection with increased production of EYLEA commercial supplies.

Cash Used in Investing Activities

Net cash used in investing activities was $501.1 million and $354.4 million in the first half of 2015 and 2014, respectively. In the first half of 2015 and 2014, purchases of marketable securities exceeded sales or maturities by $147.1 million and $218.7 million, respectively. Capital expenditures were $354.1 million and $135.7 million in the first half of 2015 and 2014, respectively. Capital expenditures in the first half of 2015 primarily included costs in connection with renovations of our Limerick, Ireland manufacturing facility and tenant improvement and associated costs related to two new buildings under construction at our leased Tarrytown, New York facilities. In addition, in April 2015, we acquired an approximate 100-acre parcel of undeveloped land adjacent to our current Tarrytown, New York location for an aggregate purchase price of $73.0 million. We intend to develop this property to accommodate and support our growth, primarily in connection with expanding our existing research and development and office space. Capital expenditures in the first half of 2014 primarily included costs in connection with purchasing manufacturing equipment, expanding our Rensselaer, New York manufacturing facilities, tenant improvement and associated costs related to our leased facilities in Tarrytown, New York, and the acquisition and renovations of our Limerick, Ireland manufacturing facility..

Cash Provided by Financing Activities

Net cash provided by financing activities was $86.9 million in the first half of 2015 and $28.9 million in the first half of 2014. In the first half of 2015, proceeds in connection with facility and capital leases obligations primarily relates to reimbursements of $27.4 million we received from our landlord for tenant improvement costs in connection with our leased facilities in Tarrytown, New York. In the first half of 2015 and 2014, $144.0 million and $61.1 million principal amount of our Notes, respectively, that was previously surrendered for conversion was settled. In accordance with the terms of the Notes, we elected to settle these conversion obligations through a combination of cash, in an amount equal to the principal amount of the converted Notes, and shares of our Common Stock in respect of any amounts due in excess thereof. Also during the first half of 2015 and 2014, we paid an aggregate amount of $124.5 million and $143.0 million to warrant holders to reduce the maximum number of shares of Common Stock issuable upon exercise of the warrants. Proceeds from issuances of Common Stock, in connection with exercises of employee stock options, were $115.8 million in the first half of 2015, compared to $63.1 million in the first half of 2014. In addition, payments for employee tax obligations in connection with stock option exercises and vesting of restricted stock were $35.9 million in the first half of 2015 compared to $65.0 million in the first half of 2014. Cash flows from financing activities also increased by $248.7 million and $235.6 million in the first half of 2015 and 2014, respectively, due to utilization of excess tax benefits in connection with stock option exercises, which offset cash tax obligations.

Credit Facility

In March 2015, we entered into an agreement with a syndicate of lenders (the Credit Agreement) which provides for a $750.0 million senior unsecured five-year revolving credit facility (the Credit Facility). The Credit Agreement includes an option for us to elect to increase the commitments under the Credit Facility and/or to enter into one or more tranches of term loans in the aggregate principal amount of up to $250.0 million subject to the consent of the lenders providing the additional commitments or term loans, as applicable, and certain other conditions. Proceeds of the loans under the Credit Facility may be used to finance working capital needs, and for general corporate or other lawful purposes, of Regeneron and its subsidiaries. The Credit Agreement also provides a $100.0 million sublimit for letters of credit. The Credit Agreement includes an option for us to elect to extend the maturity date of the Credit Facility beyond March 2020, subject to the consent of the extending lenders and certain other conditions. Amounts borrowed under the Credit Facility may be prepaid, and the commitments under the Credit Facility may be terminated, at any time without premium or penalty. We had no borrowings outstanding under the Credit Facility as of June 30, 2015.

The Credit Agreement contains financial and operating covenants. Financial covenants include a maximum total leverage ratio and a minimum interest expense coverage ratio. We were in compliance with all covenants of the Credit Facility as of June 30, 2015.

Immuno-Oncology Collaboration with Sanofi

As described above under "Collaboration Agreements - Collaborations with Sanofi", in July 2015, we and Sanofi entered into a global strategic collaboration to discover, develop, and commercialize antibody-based cancer treatments in the field of immuno-oncology. The IO Collaboration is governed by an IO Discovery Agreement and an IO License and Collaboration Agreement. In connection with the IO Discovery Agreement, Sanofi will make a $265.0 million non-refundable upfront payment to us. Pursuant to the IO Discovery Agreement, we will spend up to $1,090.0 million to identify and validate potential immuno-oncology targets and develop therapeutic antibodies against such targets through clinical proof-of-concept. Sanofi will reimburse us for up to $825.0 million of these costs, subject to certain annual limits, to identify and validate potential immuno-oncology targets and develop therapeutic antibodies against such targets through clinical proof-of-concept. Pursuant to the IO Discovery Agreement, we will be primarily responsible for the design and conduct of all research activities, including target identification and validation, antibody development, preclinical activities, toxicology studies, manufacture of preclinical and clinical supplies, filing of IND Applications, and clinical development through proof-of-concept. We will reimburse Sanofi for half of the development costs they funded that

are attributable to clinical development of antibody product candidates under the IO Discovery Agreement from our share of future profits to the extent they are sufficient for this purpose. However, we are not required to apply more than 10% of our share of the profits from IO Collaboration products in any calendar quarter towards reimbursing Sanofi for these development costs. With regard to product candidates for which proof-of-concept is established, Sanofi will have the option to license rights to the candidate pursuant to the IO License and Collaboration Agreement (as further described below). If Sanofi does not exercise its option to license rights to a product candidate, we will retain the exclusive right to develop and commercialize such product candidate and Sanofi will be entitled to receive a royalty on sales.

In connection with the IO License and Collaboration Agreement, Sanofi will make a $375.0 million non-refundable upfront payment to us. If Sanofi exercises its option to license rights to a product candidate thereunder, it will co-develop the drug candidate with us through product approval. Principal control of development of each product candidate that enters development under the IO License and Collaboration Agreement will alternate between us and Sanofi on a candidate-by-candidate basis. Sanofi will fund drug candidate development costs up front for the candidates for which it is the principal controlling party and we will reimburse half of the total development costs for all such candidates from our share of future profits to the extent they are sufficient for this purpose, subject to the same 10% reimbursement limitation described above. In addition, we and Sanofi will share equally, on an ongoing basis, the development costs for the drug candidates for which we are the principal controlling party. The party having principal control over the development of a product candidate will also lead the commercialization activities for such product candidate in the United States. For all products commercialized under the IO License and Collaboration Agreement, Sanofi will lead commercialization activities outside of the United States. Each party will have the right to co-promote licensed products in countries where it is not the lead commercialization party. The parties will share equally in any profits from worldwide sales of collaboration products. We are obligated to use commercially reasonable efforts to supply clinical requirements of each drug candidate under the IO License and Collaboration Agreement until commercial supplies of that IO drug candidate are being manufactured.

Under the terms of the IO License and Collaboration Agreement, the parties will also co-develop our antibody product candidate targeting PD-1 (REGN2810). The parties will share equally, on an ongoing basis, development expenses for REGN2810 up to a total of $650.0 million. We will have principal control over the development of REGN2810 and will lead commercialization activities in the Unites States, subject to Sanofi’s right to co-promote, while Sanofi will lead commercialization activities outside of the United States and the parties will equally share profits from worldwide sales. We will be entitled to a milestone payment of $375.0 million in the event that sales of all licensed products targeting PD-1 (including REGN2810), together with sales of any other products licensed under the IO License and Collaboration Agreement and sold for use in combination with a licensed product targeting PD-1, equal or exceed $2.0 billion in any consecutive twelve-month period.

Tarrytown, New York Lease

In April 2013, we entered into a new lease agreement for approximately 297,000 square feet of additional new laboratory and office space to be constructed in two new buildings (the Buildings), which are expected to be completed in the third quarter of 2015, at our current Tarrytown, New York location. The term of the lease, which commenced during the second half of 2014, is approximately 15 years and contains three renewal options to extend the term of the lease by five years each. The lease provides for (i) monthly payments over its term, which are expected to commence in the fourth quarter of 2015 and will be based on the landlord's costs of construction and tenant allowances, and (ii) additional charges for utilities, taxes, and operating expenses. Based upon various factors, including our involvement in the Buildings' construction and our responsibility for directly paying for a substantial portion of tenant improvements, we are deemed, in substance, to be the owner of the landlord's Buildings in accordance with the application of Financial Accounting Standards Board (FASB) authoritative guidance. Consequently, in addition to capitalizing the tenant improvements, we capitalize the landlord's costs of constructing these new facilities, offset by a corresponding facility lease obligation. In addition, we recognize, as additional facility lease obligation, reimbursements from our landlord for tenant improvement costs that we incurred since, under FASB authoritative guidance, such payments that we receive from our landlord are deemed to be a financing obligation. We will allocate a portion of our future lease payments to the Buildings and the land on which the Buildings are being constructed. The land element of the lease is treated for accounting purposes as an operating lease. As of June 30, 2015 and December 31, 2014, the Buildings' facility lease obligation balance was $200.2 million and $152.8 million, respectively.

Capital Expenditures

Our cash expenditures for property, plant, and equipment totaled $354.1 million in the first half of 2015 and $135.7 million in the first half of 2014 (as described under "*Cash Used in Investing Activities*" above). We expect to incur capital expenditures of approximately $320 million to $395 million in the second half of 2015 primarily in connection with renovating our new Limerick, Ireland facility, tenant improvements primarily related to the two new buildings under construction at our leased Tarrytown, New York facilities, and expanding and renovating a portion of our manufacturing facilities at our Rensselaer, New York facility.

Funding Requirements

We expect continued increases in our expenditures, particularly in connection with our research and development activities (including preclinical and clinical testing), capital expenditures, costs related to the preparation for potential commercialization of our late-stage antibody product candidates, and commercialization of EYLEA and Praluent. We believe that our existing capital resources, borrowing availability under our revolving credit facility, funds generated by anticipated EYLEA net product sales, and, as described above under "Collaboration Agreements", funding for reimbursement of development costs that we are entitled to receive under our collaboration agreements with Sanofi and Bayer HealthCare, will enable us to meet our projected operating needs for the foreseeable future.

Under our collaboration agreements with Sanofi and Bayer HealthCare, we and our collaborator share profits and losses in connection with commercialization of drug products. Profits or losses under each collaboration are measured by calculating net sales less cost of goods sold and shared commercialization and other expenses. If the applicable collaboration is profitable, we have contingent contractual obligations to reimburse Sanofi and, in connection with EYLEA outside the United States, Bayer HealthCare for a defined percentage (generally 50%) of agreed-upon development expenses incurred by Sanofi and Bayer HealthCare, respectively. These reimbursements would be deducted each quarter, in accordance with a formula, from our share of the collaboration profits (and, for our EYLEA collaboration with Bayer HealthCare, our percentage on product sales in Japan) otherwise payable to us, unless, in some cases, we elect to reimburse these expenses at a faster rate. In particular, as of December 31, 2014, our contingent reimbursement obligation to Bayer HealthCare for EYLEA was approximately $262 million and our contingent reimbursement obligation to Sanofi in connection with the companies' Antibody Collaboration was approximately $1,308 million. Therefore, we expect that, for the foreseeable future, a portion of our share of profits from sales of EYLEA outside the United States and a portion of our share of profits, if any, from sales of Praluent will be used to reimburse our collaborator for this obligation.

We enter into research collaboration and licensing agreements that may require us to pay amounts upon the achievement of various development and commercial milestones, which, in the aggregate, could be significant. For example, in May 2013, we acquired from Sanofi full exclusive rights to antibodies targeting the PDGF family of receptors and ligands in ophthalmology and all other indications; consequently, we are obligated to pay up to $20.0 million in potential additional development milestones as well as royalties on any future sales of PDGF antibodies. Additionally, if required by the agreement, we may be required to make royalty payments calculated based on a percentage of net product sales. The payment of these amounts, however, is contingent upon the occurrence of various future events, which have a high degree of uncertainty of occurring and for which the specific timing cannot be predicted.

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

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

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

As described above, in the first half of 2015 and 2014, we made cash payments of $35.9 million and $65.0 million, respectively, for employee tax obligations in connection with stock option exercises and vesting of restricted stock. Future cash requirements for such payments will depend on various factors, including the level of stock option grants and exercises and the sales prices of our Common Stock, and may continue to be substantial.

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

In June 2015, we received notification that an additional $2.0 million principal amount of our Notes were surrendered for conversion, and settlement is anticipated during the third quarter of 2015. We elected to settle these conversion obligations through a combination of cash and shares (total payment will be based on the average of the volume-weighted-average prices of the Common Stock during the 40 trading-day cash settlement averaging period specified in the indenture governing the Notes). In connection with these Note conversions, we exercised a proportionate amount of our Note hedges, for which we expect to receive shares of Common Stock approximately equal to the number of shares we will be required to issue to settle the non-cash portion of the related Note conversions. In future periods, other holders of these debt securities may surrender their Notes for conversion.

We may also from time to time seek to repurchase or retire our outstanding Notes, or other outstanding securities, through cash purchases or exchanges for other securities, in open market purchases, privately negotiated transactions, or otherwise.

Due primarily to the amounts of our tax credit carry-forwards available for tax purposes, which totaled approximately $143 million as of December 31, 2014, and potential excess tax benefits in connection with stock option exercises, we expect our cash income tax payments for 2015 to be significantly less than the income tax expense recorded in our financial statements in 2015, which is based on an effective tax rate. However, we expect our cash income tax payments in 2015 to be substantially higher than such payments in 2014.

Future Impact of Recently Issued Accounting Standards

In May 2014, the FASB issued a new standard related to revenue recognition, *Revenue from Contracts with Customers*, which will replace existing revenue recognition guidance. The new standard requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. To achieve that core principle, an entity must identify the contract(s) with a customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to the performance obligations in the contract, and recognize revenue when (or as) the entity satisfies the performance obligation. In July 2015, the FASB decided to delay the effective date of the new standard by one year; as a result, the new standard will be effective for interim and annual reporting periods beginning after December 15, 2017. Early adoption will be permitted, but no earlier than 2017 for calendar year-end entities. The standard allows for two transition methods - retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial adoption. We have not yet determined our method of transition and are evaluating the impact that this guidance will have on our financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our market risks, and the way we manage them, are summarized in Part II, Item 7A, "Quantitative and Qualitative Disclosures Around Market Risk" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2014 (filed February 12, 2015). There have been no material changes to our market risks or to our management of such risks as of June 30, 2015.

ITEM 4. CONTROLS AND PROCEDURES

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

There has been no change in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended June 30, 2015 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we are a party to legal proceedings in the course of our business, including those described in our Annual Report on Form 10-K for the year ended December 31, 2014 (filed February 12, 2015), our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2015 (filed May 7, 2015), and those described below. The outcome of any such proceedings, regardless of the merits, is inherently uncertain. For a description of risks relating to these and other legal proceedings we face, see Part II, Item 1A. "Risk Factors," including the discussion under the headings entitled "Risks Related to Intellectual Property and Market Exclusivity," "Regulatory and Litigation Risks," and "Risks Related to Our Common Stock."

Proceedings Relating to Praluent (alirocumab) Injection

As previously reported, we are currently parties to patent infringement proceedings initiated by Amgen Inc. against us and Sanofi relating to Praluent, the antibody to PCSK9 for LDL cholesterol reduction we are jointly developing and commercializing with Sanofi. In its April 21, 2015 Scheduling Order, the court set a trial date of March 7, 2016.

Proceedings Relating to Patents Owned by Genentech and City of Hope

On July 27, 2015, we and Sanofi-Aventis U.S. LLC filed a complaint in the United States District Court for the Central District of California (Los Angeles division) seeking a declaratory judgment of invalidity, as well as non-infringement by the manufacture, use, sale, offer of sale, or importation of Praluent (alirocumab), of U.S. Patent No. 7,923,221 jointly owned by Genentech, Inc. (Genentech) and City of Hope relating to the production of recombinant antibodies in host cells. On the same day, we and Sanofi-Aventis U.S. LLC initiated an inter partes review in the United States Patent and Trademark Office seeking a declaration of invalidity of U.S. Patent No. 6,331,415 jointly owned by Genentech and City of Hope relating to the production of recombinant antibodies in host cells.

ITEM 1A. RISK FACTORS

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

Risks Related to Commercialization of EYLEA

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

EYLEA net sales represent a substantial portion of our revenues and this concentration of our net sales in a single product makes us substantially dependent on that product. For the six months ended June 30, 2015 and 2014, EYLEA net sales in the United States represented 64% and 60% of our total revenues, respectively. If we were to experience difficulty with the commercialization of EYLEA in the United States, if Bayer HealthCare were to experience any difficulty with the commercialization of EYLEA outside the United States, or if we and Bayer HealthCare are unable to maintain current marketing approvals of EYLEA, we may experience a reduction in revenue and may not be able to sustain profitability, and our business, prospects, operating results, and financial condition would be materially harmed.

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

We are subject to significant ongoing regulatory obligations and oversight with respect to EYLEA for its currently approved indications in the United States, EU, and other countries where the product is approved. If we fail to maintain regulatory compliance for EYLEA for its currently approved indications (including for any of the reasons discussed below under "Risks Related to Maintaining Approval of Our Marketed Products and the Development and Obtaining Approval of Our Product Candidates and New Indications for Our Marketed Products - *Obtaining and maintaining regulatory approval for drug products is costly, time-consuming, and highly uncertain*"), we may lose marketing approval, which would materially harm our business, prospects, operating results, and financial condition. Failure to comply may also subject us to sanctions, product recalls, or withdrawals of previously approved marketing applications. See also "Risks Related to Manufacturing and Supply - *If we fail to meet the stringent requirements of governmental regulation in the manufacture of drug products or product candidates, we could incur substantial remedial costs, delays in the development or approval of our product candidates or new indications for our marketed products and/or in their commercial launch if they obtain regulatory approval, and a reduction in sales*" below.

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

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

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

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

The commercial success of EYLEA is subject to strong competition.

The market for eye disease products is very competitive. Novartis and Genentech are collaborating on the commercialization and further development of a VEGF antibody fragment, Lucentis® (ranibizumab), for the treatment of wet AMD, macular edema following RVO, DME, visual impairment due to mCNV, diabetic retinopathy in patients with DME, and other eye indications. Lucentis® was approved by the FDA in June 2006 for the treatment of wet AMD, in June 2010 for the treatment of macular edema following RVO (including CRVO and BRVO), in August 2012 for the treatment of DME, and in February 2015 for the treatment of diabetic retinopathy in patients with DME. Lucentis® was also approved by the EMA for wet AMD in January 2007, for DME in January 2011, for the treatment of macular edema following RVO (including CRVO and BRVO) in June 2011, and for mCNV in July 2013. Competitors are also exploring the development of a biosimilar version of Lucentis®; in particular, Pfenex Inc. is developing PF582, which is currently in a Phase 1b/2a trial in patients with wet AMD. Other competitive or potentially competitive products include Allergan's Ozurdex® (dexamethasone intravitreal implant) (approved by the FDA in June 2009 for the treatment of macular edema following RVO and in September 2014 for the treatment of DME) and Alimera Sciences' Iluvien® (fluocinolone acetonide intravitreal implant) (approved by the FDA in September 2014 for the treatment of DME in patients who have been previously treated with a course of corticosteroids and did not have a clinically significant rise in intraocular pressure), both of which are intravitreal implants of corticosteroids.

Many other companies are working on the development of product candidates and extended delivery devices for the potential treatment of wet AMD, DME, and RVO, including those that act by blocking VEGF and VEGF receptors, as well as small interfering ribonucleic acids (siRNAs) that modulate gene expression. For example, in January 2012, Genentech submitted an IND for such an extended delivery device. Novartis is developing ESBA1008 (RTH258), a humanized monoclonal single-chain FV (scFv) antibody fragment targeting VEGF-A for wet AMD, and initiated a non-inferiority Phase 3 trial comparing RTH258 (ESBA1008) and EYLEA in December 2014. Allergan is developing abicipar pegol (an anti-VEGF-A DARPin®) for wet AMD and related conditions and a Phase 2 trial has been completed. Additionally, companies are developing products (or combinations of products) to treat wet AMD that act by blocking VEGF and VEGF receptors, as well as other targets (for example, PDGF). Ophthotech Corporation is developing Fovista™, an aptamer directed against platelet-derived growth factor subunit B (PDGF-B), as a product candidate intended to be used in combination with an anti-VEGF therapy in wet AMD. In 2013, Ophthotech initiated Phase 3 trials in AMD evaluating multiple combinations of Fovista™, including Lucentis® + Fovista™, Avastin® (bevacizumab) + Fovista™, and EYLEA + Fovista™. Genentech has completed a Phase 1 trial of a bi-specific antibody targeting both VEGF and Ang2 for wet AMD.

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

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

Our sales of products in the United States may be reduced if our products are imported into the United States from lower priced markets, whether legally or illegally. Under our arrangement with Bayer HealthCare, pricing and reimbursement for EYLEA outside the United States is the responsibility of Bayer HealthCare. Prices for EYLEA in territories outside the United States will be based on local market economics and competition and are likely to differ from country to country. In the United States, prices for pharmaceuticals are generally higher than in the bordering nations of Canada and Mexico and our sales of EYLEA in the United States may be reduced if EYLEA marketed in those nations is imported into the United States (a practice known as parallel trading or reimportation). Parallel traders (who may repackage or resize the original product or sell it through alternative channels such as mail order or the Internet) take advantage of the price differentials between markets arising from factors including sales costs, market conditions (such as intermediate trading stages), tax rates, or national regulation of prices. These practices are of particular relevance to the EU, where they have been encouraged by the current regulatory framework. These types of imports of our products may exert pressure on the pricing of our products in a particular market or reduce our or our collaborators' sales, thereby adversely affecting our results of operations. In addition, there have been proposals to legalize the import of pharmaceuticals from outside the United States. If such legislation were enacted, our future revenues could be reduced.

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

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

We cannot sell or market products without regulatory approval. If we do not maintain regulatory approval for our marketed products, and obtain regulatory approval for our product candidates or new indications of our marketed products, the value of our company and our business, prospects, operating results, and financial condition will be materially harmed. If we are unable to obtain regulatory approval for our product candidates, or if we are materially delayed in doing so, our business, prospects, operating results, and financial condition may be materially harmed. In addition, a failure to maintain regulatory approval for EYLEA's and Praluent's currently approved indications (including for any of the reasons discussed below under "*Obtaining and maintaining regulatory approval for drug products is costly, time-consuming, and highly uncertain*") may result in the loss of marketing approval and the ability to generate EYLEA or Praluent product sales revenue (as applicable), which would materially and negatively impact our business, prospects, operating results, and financial condition.

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

In the United States, we must obtain and maintain approval from the FDA for each drug we intend to sell. Obtaining FDA approval is typically a lengthy and expensive process, and approval is highly uncertain. We cannot predict with certainty if or when we might submit for regulatory approval any of our product candidates currently under development. Any approvals we may obtain may not cover all of the clinical indications for which we are seeking approval. Also, an approval might contain significant limitations in the form of narrow indications, warnings, precautions, or contra-indications with respect to conditions of use. The FDA has substantial discretion in the approval process (including with respect to setting specific conditions for submission) and may either refuse to accept an application for substantive review or may form the opinion after review of an application that the application is insufficient to allow approval of a product candidate. If the FDA does not accept our application for review or approve our application, it may require that we conduct additional clinical, preclinical, or manufacturing validation studies and submit the data before it will reconsider our application. Depending on the extent of these or any other studies that might be required, approval of any applications that we submit may be delayed significantly, or we may be required to expend more resources. It is also possible that any such additional studies, if performed and completed, may not be considered sufficient by the FDA to make our applications approvable. If any of these outcomes occur, we may be forced to delay or abandon our applications for approval.

The FDA may also require us to conduct additional clinical trials after granting approval of a product. Its ability to do so has been enhanced by the Food and Drug Administration Amendments Act of 2007, pursuant to which the FDA has the explicit authority to require postmarketing studies (also referred to as post-approval or Phase 4 studies), labeling changes based on new safety information, and compliance with FDA-approved risk evaluation and mitigation strategies. Post-approval studies, whether conducted by us or by others and whether mandated by regulatory agencies or voluntary, and other data about our marketed products (or data about products similar to our marketed products that implicate an entire class of products or are perceived to do so) may result in changes in product labeling, restrictions on use, product withdrawal or recall, loss of approval, or lower sales of our products.

According to the FDA policies under the Prescription Drug User Fee Act, the FDA system of review times for new drugs includes standard review and priority review. Standard review can be accomplished in a ten-month time frame from the time the application is filed by the FDA (filing date), which typically occurs approximately 60 days following submission of the application by the applicant. The FDA has stated the goal to act on 90% of standard new molecular entity (NME) New Drug Application (NDA) and original BLA submissions within 10 months of the filing date. A priority review designation is given to drugs that treat a serious condition and offer major advances in treatment, or provide a treatment where no adequate therapy exists, and may also be afforded to a human drug application based on a priority review voucher. The FDA has stated the goal to act on 90% of priority NME NDA and original BLA submissions within 6 months of the filing date. However, the FDA's review goals are subject to change and the duration of the FDA's review depends on a number of factors, including the number and types of other applications that are submitted to the FDA around the same time period or are pending. Even if any of our applications receives a priority review designation (including based on the rare pediatric disease priority review voucher, which we and Sanofi used in connection with the BLA submission for Praluent), we may not ultimately be able to obtain approval of our application within a time frame consistent with the FDA's stated review goals or at all, and such designation may not actually lead to a faster development or regulatory review or approval process.

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

Before approving a new drug or biologic product, the FDA requires that the facilities at which the product will be manufactured or advanced through the supply chain be in compliance with current Good Manufacturing Practices, or cGMP, requirements and regulations governing the manufacture, shipment, and storage of the product. These cGMP requirements and regulations are not prescriptive instructions on how to manufacture products, but rather a series of principles that must be observed during manufacturing; as a result, their implementation may not be clearly delineated and may present a challenging task. Manufacturing product candidates in compliance with these regulatory requirements is complex, time-consuming, and expensive. To be successful, our products must be manufactured in compliance with regulatory requirements, and at competitive costs. If we or any of our product collaborators, or third-party manufacturers, product packagers, labelers, or other parties performing steps in the supply chain are unable to maintain regulatory compliance, the FDA can impose regulatory sanctions, including, among other things, refusal to approve a pending application for a new drug or biologic product, or revocation of a pre-existing approval. As a result, our business, prospects, operating results, and financial condition may be materially harmed.

In addition to the FDA and other regulatory agency regulations in the United States, we are subject to a variety of foreign regulatory requirements governing human clinical trials, manufacturing, marketing and approval of drugs, and commercial sale and distribution of drugs in foreign countries. The foreign regulatory approval process is similarly likely to be a lengthy and expensive process, the result of which is highly uncertain, and foreign regulatory requirements include all of the risks associated with FDA approval as well as country specific regulations. In addition, actions by a regulatory agency in a country or region with respect to a product candidate may have an impact on the approval process for that product candidate in another country or region. Foreign regulatory authorities often also have the authority to require post-approval studies, which involve various risks similar to those described above. Whether or not we obtain FDA approval for a product in the United States, we must obtain approval of the product by the comparable regulatory authorities in foreign countries before we can conduct clinical trials of or market that product or any other product in those countries.

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

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

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

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

Only a small minority of all research and development programs ultimately result in commercially successful drugs. Clinical trials may not demonstrate statistically sufficient effectiveness and safety to obtain the requisite regulatory approvals for these product candidates in these indications. Many companies in the biopharmaceutical industry, including our company, have suffered significant setbacks in clinical trials, even after promising results have been obtained in earlier trials. In a number of instances, we have terminated the development of product candidates due to a lack of or only modest effectiveness. For example, a randomized, double-blind Phase 3 trial (VENICE) that evaluated ZALTRAP as a first-line treatment for metastatic androgen-independent prostate cancer in combination with docetaxel/prednisone did not meet the pre-specified criterion of improvement in overall survival in April 2011. Moreover, even if we obtain positive results from preclinical testing or clinical trials, we may not achieve the same success in future trials, or the FDA and analogous foreign regulatory authorities may deem the results insufficient for an approval. For instance, based on the results of three Phase 3 studies, we submitted a supplemental BLA filing to the FDA seeking approval of ARCALYST for the prevention of gout flares in patients initiating uric acid-lowering drug therapy. In May 2012, the Arthritis Advisory Committee of the FDA voted to recommend against approval of ARCALYST for the prevention of gout flares in patients initiating uric acid-lowering drug therapy and, in July 2012, we received a Complete Response letter from the FDA requesting additional information, including clinical data, as well as additional CMC information related to a proposed new dosage form. We have discontinued development of ARCALYST for gout.

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

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

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

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

EYLEA is being studied in diseases of the eye in addition to those covered by its currently approved indications. There are many potential safety concerns associated with significant blockade of VEGF that may limit our ability to further successfully develop and/or commercialize EYLEA. These serious and potentially life-threatening risks, based on clinical and preclinical experience of VEGF inhibitors, include bleeding, intestinal perforation, hypertension, proteinuria, congestive heart failure, heart attack, and stroke. Other VEGF blockers have reported side effects that became evident only after large-scale trials or after marketing approval when large numbers of patients were treated. There are risks inherent in the intravitreal administration of drugs like EYLEA, which can cause injury to the eye and other complications. For example, in our Phase 3 trials of EYLEA in wet AMD,

the most frequent ocular adverse events were conjunctival hemorrhage, macular degeneration, eye pain, retinal hemorrhage, and vitreous floaters. These and other complications or side effects could harm the development and/or commercialization of EYLEA.

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

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

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

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

Some of our products and, if approved, product candidates may be used with drug delivery devices, which have their own regulatory and other risks.

Some of our products (such as Praluent) and, if approved, product candidates may be used in combination with a drug delivery device, including a pre-filled syringe, patch pump, auto-injector, or other delivery system. The success of our product candidates may depend to a significant extent on the performance of such devices, some of which may be novel or comprised of complex components. Given the increased complexity of the review process when approval of the product and device is sought under a single marketing application, our product candidates used with such drug delivery devices may be substantially delayed in receiving regulatory approval or may not be approved at all. In addition, some of these drug delivery devices may be provided by single-source, third-party providers or our collaborators. In any such case, we may be dependent on the sustained cooperation of those third-party providers or collaborators to supply the devices; to conduct the studies required for approval or clearance by the applicable regulatory agencies; and to continue to meet the applicable regulatory and other requirements to maintain approval or clearance once it has been received. Failure to successfully develop or supply the devices, delays in or failure of the studies conducted by us, our collaborators, or third-party providers, or failure of our company, our collaborators, or the third-party providers to obtain or maintain regulatory approval or clearance of the devices could result in increased development costs, delays in or failure to obtain regulatory approval, and associated delays in a product candidate reaching the market. Loss of regulatory approval or clearance of a device that is used with our product may also result in the removal of our product from the market. Further, failure to successfully develop or supply these devices, or to gain or maintain their approval, could adversely affect sales of the related products.

Risks Related to Intellectual Property and Market Exclusivity

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

Our business requires using sensitive and proprietary technology and other information that we protect as trade secrets. We seek to prevent improper disclosure of these trade secrets through confidentiality agreements. If our trade secrets are improperly disclosed, by our current or former employees, our collaborators, or otherwise, it would help our competitors and adversely affect our business. We will be able to protect our proprietary rights only to the extent that our proprietary technologies and other information are covered by valid and enforceable patents or are effectively maintained as trade secrets. The patent position of biotechnology companies, including our company, involves complex legal and factual questions and, therefore, enforceability cannot be predicted with certainty. Our patents may be challenged, invalidated, held to be unenforceable, or circumvented. Patent applications filed outside the United States may be challenged by other parties, for example, by filing third-party observations that argue against patentability or an opposition. Such opposition proceedings are increasingly common in the EU and are costly to defend. For example, our European Patent No. 1,360,287 has been the subject of opposition proceedings in the European Patent Office, as described in Part I, Item 3. "Legal Proceedings" of our Annual Report on Form 10-K for the year ended December 31, 2014. We have pending patent applications in the United States Patent and Trademark Office, the European Patent Office, and the patent offices of other foreign jurisdictions, and it is likely that we will need to defend patents from challenges by others from time to time in the future. Certain of our U.S. patents may also be challenged by parties who file a request for post-grant review under the America Invents Act of 2011. We expect that post-grant review proceedings will become common in the United States and will be costly to defend. Our patent rights may not provide us with a proprietary position or competitive advantages against competitors. Furthermore, even if the outcome is favorable to us, the enforcement of our intellectual property rights can be extremely expensive and time consuming.

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

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

We have been in the past, are currently, and may in the future be involved in patent litigation and other proceedings involving our patents. For example, we are currently parties to patent infringement proceedings initiated by us relating to our European Patent No. 1,360,287 and our U.S. Patent No. 8,502,018, both of which concern genetically altered mice capable of producing chimeric antibodies that are part human and part mouse, as described in Part I, Item 3. "Legal Proceedings" of our Annual Report on Form 10-K for the year ended December 31, 2014 and Part II, Item 1. "Legal Proceedings" of our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2015. In addition, we are currently parties to patent infringement proceedings initiated by Amgen against us and Sanofi relating to Praluent, the antibody to PCSK9 for LDL cholesterol reduction we are jointly developing and commercializing with Sanofi, as described in Part I, Item 3. "Legal Proceedings" of our Annual Report on Form 10-K for the year ended December 31, 2014, and Part II, Item 1. "Legal Proceedings" of this report. We are aware of additional patents and pending applications owned by others that claim antibodies to PCSK9 and methods of treating hypercholesterolemia with such antibodies. We are also aware of patents and pending applications owned by others that respectively claim antibodies to IL-6R and IL-4R and methods of treating rheumatoid arthritis and uveitis and atopic dermatitis and asthma with such antibodies. In addition to Praluent, our late-stage antibody-based pipeline includes sarilumab, an antibody to IL-6R, for the treatment of rheumatoid arthritis and non-infectious uveitis; dupilumab, an antibody to IL-4R, for the treatment of atopic dermatitis, asthma, chronic sinusitis with nasal polyposis, and eosinophilic esophagitis; REGN2222, an antibody targeting RSV-F; and fasinumab, an antibody to NGF. Although we do not believe that any of our late-stage antibody product candidates infringes any valid claim in these patents or patent applications, these other parties could initiate a lawsuit for patent infringement and assert their patents are valid and cover our late-stage antibody product candidates, similar to the patent infringement proceedings initiated by Amgen referred to above. As described in Part II, Item 1. "Legal Proceedings" of this report, we and Sanofi-Aventis U.S. LLC initiated invalidity actions against patents jointly owned by Genentech and City of Hope relating to the production of recombinant antibodies in host cells. We currently produce our antibody product and antibody product candidates using recombinant antibodies from host cells and may choose to produce additional antibody product candidates in this manner. Neither ARCALYST nor EYLEA is a recombinant antibody. Genentech has licensed these patents to several different companies under confidential license agreements. If we desire a license for any of our antibody products or product candidates as part of a settlement for these invalidity actions and are unable to obtain a license on commercially reasonable terms or at all, we may be restricted in our ability to make recombinant antibodies in, or to import them into, the United States. Further, we are aware of a number of patent applications of others that, if

granted with claims as currently drafted, may cover our current or planned activities. It could be determined that our products and/or actions in manufacturing or selling our product candidates infringe such patents.

Patent holders could assert claims against us for damages and seek to prevent us from manufacturing, selling, or developing our products or product candidates, and a court may find that we are infringing validly issued patents of others. In the event that the manufacture, use, or sale of any of our products or product candidates infringes on the patents or violates other proprietary rights of others, we may be prevented from pursuing product development, manufacturing, and commercialization of those drugs and may be required to pay costly damages. In addition, in the event that we assert our patent rights against other parties that we believe are infringing our patent rights, such parties may challenge the validity of our patents and we may become the target of litigation, which may result in an outcome that is unfavorable to us. Any of these adverse developments may materially harm our business, prospects, operating results, and financial condition. In any event, legal disputes are likely to be costly and time consuming to defend.

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

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

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

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

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

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

Risks Related to Manufacturing and Supply

We rely on limited internal and contracted manufacturing and supply chain capacity, which could result in our being unable to continue to successfully commercialize EYLEA, to commercialize Praluent and, if approved, our product candidates or other indications for our marketed products, and to advance our clinical pipeline.

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

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

We have commenced construction of additional manufacturing space at our Rensselaer, New York site to increase our manufacturing capacity. In addition, we have acquired and are renovating a 400,000 square foot facility in Limerick, Ireland to expand our manufacturing capacity to support our global supply chain. In the future, we may lease, operate, purchase, or construct additional facilities to conduct expanded manufacturing activities. Expanding our manufacturing capacity to supply commercial quantities of the active pharmaceutical ingredients for our marketed products and our late-stage product candidates if they are approved for marketing, and to supply clinical drug material to support the continued growth of our clinical programs, will require substantial additional expenditures and various regulatory approvals and permits. In addition, the Limerick, Ireland facility remains subject to securing certain permits from the local government, and there is no guarantee that we will be able to obtain the remaining required permits in the contemplated timeframe, or at all. Further, we will need to hire and train significant numbers of employees and managerial personnel to staff our expanding manufacturing and supply chain operations. Start-up costs can be large, and scale-up entails significant risks related to process development and manufacturing yields. In addition, we may face difficulties or delays in developing or acquiring the necessary production equipment and technology to manufacture sufficient quantities of our product candidates at reasonable costs and in compliance with applicable regulatory requirements. The FDA and analogous foreign regulatory authorities must determine that our existing and any expanded manufacturing facilities comply, or continue to comply, with cGMP requirements for both clinical and commercial production and license them, or continue to license them, accordingly, and such facilities must also comply with applicable environmental, safety, and other governmental permitting requirements. We may not successfully expand or establish sufficient manufacturing capabilities or manufacture our products economically or in compliance with cGMPs and other regulatory requirements, and we and our collaborators may not be able to build or procure additional capacity in the required timeframe to meet commercial demand for our late-stage product candidates if they receive regulatory approval, and to continue to meet the requirements of our clinical programs. This would interfere with our efforts to successfully commercialize EYLEA, Praluent, and ARCALYST and could also delay or require us to discontinue one or more of our clinical development programs. As a result, our business, prospects, operating results, and financial condition could be materially harmed.

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

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

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

We have large-scale manufacturing operations in Rensselaer, New York. We use our manufacturing facilities primarily to produce bulk product for commercial supply of our marketed products and clinical and preclinical candidates for ourselves and our collaborations. We also plan to use such facilities to produce bulk product for commercial supply of new indications of our marketed products and new product candidates if they are approved for marketing. If our clinical candidates are discontinued or their clinical development is delayed, if the launch of new indications for our marketed products or new product candidates is delayed or does not occur, or if such products are launched and the launch is unsuccessful or the product is subsequently recalled or marketing approval is rescinded, we may have to absorb one hundred percent of related overhead costs and inefficiencies, as well as similar costs of third-party contract manufacturers performing services for us. In addition, if we experience excess inventory, it may be necessary to write down or even write off such excess inventory, which could adversely affect our operating results.

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

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

Many of our products and product candidates are very difficult to manufacture. As our products and product candidates are biologics, they require processing steps that are more difficult than those required for most chemical pharmaceuticals. Accordingly, multiple steps are needed to control the manufacturing processes. Problems with these manufacturing processes, even minor deviations from the normal process or from the materials used in the manufacturing process (which may not be detectable by us in a timely manner), could lead to product defects or manufacturing failures, resulting in lot failures, product recalls, product liability claims, and insufficient inventory. Also, the complexity of our manufacturing process may make it difficult, time-consuming, and expensive to transfer our technology to our corporate collaborators or contract manufacturers.

Also, certain raw materials or other products necessary for the manufacture and formulation of our marketed products and product candidates, some of which are difficult to source, are provided by single-source unaffiliated third-party suppliers. In addition, we rely on certain third parties to perform filling, finishing, distribution, laboratory testing, and other services related to the manufacture of our marketed products and product candidates, and to supply various raw materials and other products. We would be unable to obtain these raw materials, other products, or services for an indeterminate period of time if any of these third parties were to cease or interrupt production or otherwise fail to supply these materials, products, or services to us for any reason, including due to regulatory requirements or actions (including recalls), adverse financial developments at or affecting the supplier, failure by the supplier to comply with cGMPs, contamination, business interruptions, or labor shortages or disputes. In any such circumstances, we may not be able to engage a backup or alternative supplier or service provider in a timely manner or at all. This, in turn, could materially and adversely affect our ability to manufacture or supply marketed products and product candidates, which could materially and adversely affect our business and future prospects.

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

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

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

Risks Related to Commercialization of Products

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

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

The commercial success of our products may also be adversely affected by guidelines or recommendations to healthcare providers, administrators, payers, and patient communities that result in decreased use of our products. Such guidelines or recommendations may be published not only by governmental agencies, but also professional societies, practice management groups, private foundations, and other interested parties.

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

Currently, we have three marketed products, EYLEA, Praluent, and ARCALYST. While we have established our own sales and marketing organization for EYLEA and Praluent in the United States for their currently approved indications, our commercialization experience is still relatively limited and we have no sales, marketing, commercial, or distribution capabilities outside the United States. In addition, EYLEA faces intense competition from Lucentis® and from off-label use of repackaged Avastin®, both of which have been on the market for a number of years and, potentially, from new competitive products currently in clinical development. We expect Praluent also to face intense competition, as described in further detail below under "*Our marketed products are subject to significant competition, and our product candidates or new indications for our marketed products, if any are approved for marketing, may face significant competition.*"

We expect that the continued commercial success of EYLEA will depend on many factors, including the following:

- effectiveness of the commercial strategy in and outside the United States for the marketing of EYLEA, including pricing strategy and the continued effectiveness of efforts to obtain, and the timing of obtaining, adequate third-party reimbursements;

- maintaining and successfully monitoring commercial manufacturing arrangements for EYLEA with third parties who perform fill/finish or other steps in the manufacture of EYLEA to ensure that they meet our standards and those of regulatory authorities, including the FDA, which extensively regulate and monitor pharmaceutical manufacturing facilities;
- our ability to meet the demand for commercial supplies of EYLEA;
- our ability to effectively communicate to the marketplace the benefits of the dosing regimen of EYLEA as compared to the dosing regimen of Lucentis®, and the willingness of retinal specialists and patients to switch from Lucentis® or off-label use of repackaged Avastin® to EYLEA;
- the ability of patients, retinal specialists, and other providers to obtain and maintain sufficient coverage and reimbursement from third-party payers, including Medicare and Medicaid in the United States and other government and private payers in the United States and foreign jurisdictions;
- our ability to maintain sales of EYLEA in the face of competitive products, including those currently in clinical development; and
- the effect of existing and new health care laws and regulations currently being implemented in the United States, including reporting and disclosure requirements of such laws and regulations and the potential impact of such requirements on physician prescription practices.

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

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

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

The market for eye disease products is very competitive, as described in greater detail above under "Risks Related to Commercialization of EYLEA - *The commercial success of EYLEA is subject to strong competition*."

There is significant actual and potential future competition for Praluent, the PCSK9 antibody we are developing and commercializing in collaboration with Sanofi. Amgen's PCSK9 program is currently the most advanced of the competitors, having already received marketing authorization from the European Commission for its PCSK9 inhibitor Repatha™ (evolocumab) and submitted a BLA for Repatha with the FDA. Amgen may obtain marketing approval for Repatha in one or more countries before Praluent is approved in those countries. Several other companies, including Pfizer and Eli Lilly, also have development programs for antibodies against PCSK9. Alnylam, in partnership with The Medicines Company, has a clinical program underway with an RNAi molecule against PCSK9. In addition, there are therapeutic products targeting PCSK9 operating through other mechanisms of action in development, including an oral product. Oral products that lower LDL-C, if approved, may also be competitive with PCSK9 inhibitors, including Praluent. Certain late-stage inhibitors of cholesterylester transfer protein (CETP), such as Merck's anacetrapib and Eli Lilly's evacetrapib, lower LDL-C and may be launched with supporting data from outcomes trials prior to the completion of our own outcomes trial for Praluent. Another oral agent that lowers LDL-C and that may potentially compete with Praluent is Esperion's ETC-1002.

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

We are aware of several pharmaceutical and biotechnology companies actively engaged in the research and development of antibody products against targets that are also the targets of our early- and late-stage product candidates. For example, Pfizer (in partnership with Eli Lilly), Johnson & Johnson, and AbbVie are developing antibody product candidates against NGF. Genentech/Roche is marketing an antibody against IL-6R (Actemra®) for the treatment of rheumatoid arthritis, and several other companies, including Johnson & Johnson (in partnership with GlaxoSmithKline), Alder Biopharmaceuticals, Ablynx (in partnership with AbbVie), R-Pharm, and Pfizer have antibodies against IL-6 or IL-6R in clinical development. A number of companies are developing antibodies that, if approved, may compete with dupilumab, our IL-4R antibody, if it is approved, including Roche (an antibody against IL-13), Teva (an antibody against IL-5), AstraZeneca (antibodies against IL-5R and IL-13), Novartis (a combination

antibody against IL-4 and IL-13), and Amgen (in partnership with AstraZeneca) (an antibody against thymic stromal lymphopoietin, or TSLP). For muscle-wasting conditions, Pfizer, Eli Lilly, Bristol-Myers Squibb, and Atara Biotherapeutics have anti-GDF8 monoclonal antibodies in development, and Novartis has a competing antibody targeting ActRIIB. For RSV, competitors have antibodies in clinical development, including AstraZeneca (in partnership with AIMM Therapeutics).

If any of these or other competitors announces a successful clinical study involving a product that may be competitive with one of our product candidates or the grant of marketing approval by a regulatory agency for a competitive product, such developments may have an adverse effect on our business or future prospects. In addition, the first product to reach the market in a therapeutic area is often at a significant competitive advantage relative to later entrants to the market. Accordingly, the relative speed with which we, or our collaborators, can develop our products candidates, complete the clinical trials and approval processes, and, if such product candidates are approved for marketing and sale, supply commercial quantities to the market is expected to continue to be an important competitive factor. Due to the uncertainties associated with developing biopharmaceutical products, we may not be the first to obtain marketing approval for a product against any particular target, which may have a material adverse effect on our business or future prospects.

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

Our future revenues and profitability will be adversely affected in a material manner if United States and foreign governmental payers, private third-party insurers and payers (such as health maintenance organizations and pharmacy benefit management companies), and other third-party payers, including Medicare and Medicaid, do not adequately defray or reimburse the cost of our products to the patients. If these entities do not provide coverage and reimbursement with respect to our products or provide an insufficient level of coverage and reimbursement, our products may be too costly for many patients to afford them, and physicians may not prescribe them. Many third-party payers cover only selected drugs, or may prefer selected drugs, making drugs that are not covered or preferred by such payers more expensive for patients. Third-party payers may also require prior authorization for reimbursement, or require failure on another type of treatment before covering a particular drug, particularly with respect to higher-priced drugs. As our currently marketed products and product candidates are biologics, bringing them to market may cost more than bringing traditional, small-molecule drugs to market due to the complexity associated with the research, development, production, supply and regulatory review of such products. Given cost sensitivities in many health care systems, our currently marketed products and product candidates are likely to be subject to continued pricing pressures, which may have an adverse impact on our business, prospects, operating results, and financial condition.

In addition, in order for private insurance and governmental payers (such as Medicare and Medicaid in the United States) to reimburse the cost of our products, we must, among other things, maintain registration of the products in the National Drug Code registry, maintain our re-labeler license, maintain formulary approval by pharmacy benefits managers, and maintain recognition by insurance companies and the Centers for Medicare and Medicaid Services of the Department of Health and Human Services (CMS). There is no certainty that we will be able to obtain or maintain the applicable requirements for reimbursement (including relevant formulary coverage) of our current and future products, which may have a material adverse effect on our business.

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

Since EYLEA and Praluent for their currently approved indications will likely continue to be too expensive for most patients to afford without health insurance coverage, if third-party payers, including Medicare and Medicaid in the United States, do not continue to provide adequate coverage and reimbursement for EYLEA or do not provide adequate coverage and reimbursement for Praluent, our ability to successfully market them would be materially adversely impacted. There is a risk that third-party payers, including Medicare and Medicaid in the United States, may not cover and/or reimburse our current and future products at levels

required for us to successfully commercialize these products. Any limitation imposed by third-party payers on the use of our products if they are approved for marketing, or any action or decision by CMS or analogous foreign agencies or authorities which for any reason denies coverage or reimbursement for our products or provides coverage or reimbursement at levels that harm our products' competitiveness or leads to lower prices for those products, will have a material negative effect on our ability to sustain profitability. In certain foreign countries, pricing, coverage, and level of reimbursement of prescription drugs are subject to governmental control, and we and our collaborators may be unable to obtain coverage, pricing, and/or reimbursement on terms that are favorable to us or necessary for us or our collaborators to successfully commercialize our products in those countries. In some foreign countries, the proposed pricing for a drug must be approved before it may be lawfully marketed. The requirements governing drug pricing and reimbursement vary widely from country to country, and may take into account the clinical effectiveness, cost, and service impact of existing, new, and emerging drugs and treatments. For example, the EU provides options for its member states to restrict the range of medicinal products for which their national health insurance systems provide reimbursement and to control the prices of medicinal products for human use. A member state may approve a specific price for the medicinal product or it may instead adopt a system of direct or indirect controls on the profitability of the company placing the medicinal product on the market. Our results of operations may suffer if we or our collaborators are unable to market our products in foreign countries or if coverage and reimbursement for our products in foreign countries is limited or delayed.

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

We sell EYLEA in the United States to several distributors and specialty pharmacies. Under this distribution model, the distributors and specialty pharmacies generally take physical delivery of product and generally sell the product directly to healthcare providers. For the six months ended June 30, 2015 and 2014, we recorded 69% and 76%, respectively, of our total gross product revenue from sales to a single distributor, Besse Medical, a subsidiary of AmerisourceBergen Corporation. We expect this significant customer concentration to continue for the foreseeable future. Our ability to generate and grow sales of EYLEA will depend, in part, on the extent to which our distributors and specialty pharmacies are able to provide adequate distribution of EYLEA to healthcare providers. Although we believe we can find additional distributors, if necessary, our revenue during any period of disruption could suffer and we might incur additional costs. In addition, these customers are responsible for a significant portion of our net trade accounts receivable balances. The loss of any large customer, a significant reduction in sales we make to them, any cancellation of orders they have made with us, or any failure to pay for the products we have shipped to them could adversely affect our results of operations.

Regulatory and Litigation Risks

If the testing or use of our products harms people, or is perceived to harm them even when such harm is unrelated to our products, we could be subject to costly and damaging product liability claims.

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

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

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

Federal false claims laws prohibit any person from knowingly presenting, or causing to be presented, a false claim for payment to the federal government, or knowingly making, or causing to be made, a false statement to get a false claim paid. Pharmaceutical companies have been prosecuted under these laws for a variety of alleged promotional and marketing activities, such as allegedly providing free product to customers with the expectation that the customers would bill federal programs for the product; reporting

to pricing services inflated average wholesale prices that were then used by federal programs to set reimbursement rates; engaging in promotion for uses that the FDA has not approved, known as off-label uses, that caused claims to be submitted to Medicaid for non-covered off-label uses, and submitting inflated best price information to the Medicaid Rebate program. The majority of states also have statutes or regulations similar to the federal anti-kickback law and false claims laws, which apply to items and services reimbursed under Medicaid and other state programs, or, in several states, apply regardless of the payer. Sanctions under these federal and state laws may include civil monetary penalties, exclusion of a manufacturer's products from reimbursement under government programs, criminal fines, and imprisonment. Even if it is determined that we have not violated these laws, government investigations into these issues typically require the expenditure of significant resources and generate negative publicity, which would harm our business, prospects, operating results, and financial condition. Because of the breadth of these laws and the narrowness of the safe harbors, it is possible that some of our business activities could be challenged under one or more of such laws.

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

Risks from the improper conduct of employees, agents, contractors, or collaborators could adversely affect our reputation and our business, prospects, operating results, and financial condition.

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

In particular, our business activities outside of the United States are subject to the Foreign Corrupt Practices Act, or FCPA, and similar anti-bribery or anti-corruption laws, regulations or rules of other countries in which we operate, including the U.K. Bribery Act. The FCPA generally prohibits offering, promising, giving, or authorizing others to give anything of value, either directly or indirectly, to a non-U.S. government official in order to influence official action, or otherwise obtain or retain business. The FCPA also requires public companies to make and keep books and records that accurately and fairly reflect the transactions of the corporation and to devise and maintain an adequate system of internal accounting controls. Our business is heavily regulated and therefore involves significant interaction with public officials, including officials of non-U.S. governments. Additionally, in many other countries, the health care providers who prescribe pharmaceuticals are employed by their government, and the purchasers of pharmaceuticals are government entities; therefore, our dealings with these prescribers and purchasers are subject to regulation under the FCPA. Recently the Securities and Exchange Commission, or SEC, and Department of Justice have increased their FCPA enforcement activities with respect to pharmaceutical companies. There is no certainty that all of our employees, agents, contractors, or collaborators, or those of our affiliates, will comply with all applicable laws and regulations, particularly given the high level of complexity of these laws. Violations of these laws and regulations could result in fines, criminal sanctions against us, our officers, or our employees, requirements to obtain export licenses, cessation of business activities in sanctioned countries, implementation of compliance programs, and prohibitions on the conduct of our business. Any such violations could include prohibitions on our ability to offer our products in one or more countries and could materially damage our reputation, our brand, our international expansion efforts, our ability to attract and retain employees, and our business, prospects, operating results, and financial condition.

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

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

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

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

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

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

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

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

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

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

- unfamiliar foreign laws or regulatory requirements or unexpected changes to those laws or requirements;
- other laws and regulatory requirements to which our business activities abroad are subject, such as the FCPA and the U.K. Bribery Act (discussed in greater detail above under "*Risks from the improper conduct of employees, agents, contractors, or collaborators could adversely affect our reputation and our business, prospects, operating results, and financial condition*");
- changes in the political or economic condition of a specific country or region;
- fluctuations in the value of foreign currency versus the U.S. dollar;
- our ability to deploy overseas funds in an efficient manner;
- tariffs, trade protection measures, import or export licensing requirements, trade embargoes, and other trade barriers;
- difficulties in attracting and retaining qualified personnel; and
- cultural differences in the conduct of business.

We may incur additional tax liabilities related to our operations.

We are subject to income tax in the United States and various foreign jurisdictions. Significant judgment is required in determining our worldwide tax liabilities, and our effective tax rate is derived from a combination of the applicable statutory rates in the various jurisdictions in which we operate. We record liabilities that involve significant management judgment for uncertain tax positions. The Internal Revenue Service or other domestic or foreign taxing authorities may disagree with our interpretation of tax law as applied to the operations of Regeneron and its subsidiaries or with the positions we may take with respect to particular tax issues on our tax returns. Consequently, our reported effective tax rate and our after-tax cash flows may be materially and adversely affected by tax assessments or judgments in excess of accrued amounts we have estimated in preparing our financial statements. Further, our effective tax rate may also be adversely affected by numerous other factors, including changes in the mix of our profitability from country to country, the availability of the U.S. research and development tax credit, and changes in tax laws and regulations.

We face potential liability related to the privacy of health information we obtain from research institutions and our collaborators.

Most health care providers, including research institutions from which we or our collaborators obtain patient information, are subject to privacy and security regulations promulgated under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as amended by the Health Information Technology for Economic and Clinical Health Act. For example, as part of our human genetics initiative, our wholly-owned subsidiary, Regeneron Genetics Center LLC, is collaborating with the Geisinger Health System, which is subject to such regulations, and may enter into collaboration arrangements with additional institutions in the future. Regeneron is not a HIPAA-covered entity and our clinical research efforts are not directly regulated by HIPAA, so we are not subject to civil penalties under HIPAA. However, any person may be prosecuted under HIPAA's criminal provisions either directly or under aiding-and-abetting or conspiracy principles. Consequently, depending on the facts and circumstances, we could face substantial criminal penalties if we knowingly receive individually identifiable health information from a HIPAA-covered health care provider or research institution that has not satisfied HIPAA's requirements for disclosure of individually identifiable health information. In addition, international data protection laws, including the EU Data Protection Directive and legislation of the EU member states implementing it, may apply to some or all of the clinical data obtained from our collaborators outside of the U.S. Failure by those collaborators to comply with the strict rules on the transfer of personal data outside of the EU into the U.S. may result in the imposition of criminal and administrative sanctions on such collaborators, which could adversely affect our business. Furthermore, certain health privacy laws, data breach notification laws, consumer protection laws, and genetic testing laws may apply directly to our operations and/or those of our collaborators and may impose restrictions on our collection, use, and dissemination of individuals' health information. Moreover, patients about whom we or our collaborators obtain information, as well as the providers who share this information with us, may have statutory or contractual rights that limit our ability to use and disclose the information. Claims that we have violated individuals' privacy rights or breached our contractual obligations, even if we are not found liable, could be expensive and time-consuming to defend and could result in adverse publicity that could harm our business.

If we or any collaborators fail to comply with applicable federal, state, or local regulatory requirements, we could be subject to a range of regulatory actions that could affect our or any collaborators' ability to commercialize our products and could harm or prevent sales of any affected products that we are able to commercialize, or could substantially increase the costs and expenses of commercializing and marketing our products. Any threatened or actual government enforcement action could also generate adverse publicity and require that we devote substantial resources that could otherwise be used in other aspects of our business.

Increasing use of social media could give rise to liability, breaches of data security, or reputational damage.

We and our employees are increasingly utilizing social media tools as a means of communication both internally and externally. Despite our efforts to monitor evolving social media communication guidelines and comply with applicable rules, there is risk that the use of social media by us or our employees to communicate about our products or business may cause us to be found in violation of applicable requirements. In addition, our employees may knowingly or inadvertently make use of social media in ways that may not comply with our social media policy or other legal or contractual requirements, which may give rise to liability, lead to the loss of trade secrets or other intellectual property, or result in public exposure of personal information of our employees, clinical trial patients, customers, and others. Furthermore, negative posts or comments about us or our products in social media could seriously damage our reputation, brand image, and goodwill. Any of these events could have a material adverse effect on our business, prospects, operating results, and financial condition and could adversely affect the price of our Common Stock.

Risks Related to Our Reliance on Third Parties

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

We rely heavily on funding from Sanofi to support our target discovery and antibody research and development programs, as well as our immuno-oncology research and development programs. Sanofi has committed to reimburse us for up to (i) $405 million of the costs of our efforts to identify and validate drug discovery targets and pre-clinically develop fully human monoclonal antibodies against such targets under our Antibody Discovery Agreement and (ii) $825 million of the costs of our efforts to identify and validate potential immuno-oncology targets and develop fully-human therapeutic antibodies against such targets under the IO Discovery and Development Agreement. Sanofi also initially funds almost all of the development expenses incurred in connection with the clinical development of product candidates (i) that Sanofi elects to co-develop with us under our Antibody Collaboration and (ii) for which Sanofi is the principal controlling party under our IO Collaboration. In addition, Sanofi initially funds half of the development expenses incurred in connection with the clinical development of product candidates for which we are the principal controlling party under our IO Collaboration. We rely on Sanofi to fund these activities. In addition, with respect to those antibodies that Sanofi elects to co-develop with us under our Antibody Collaboration (such as Praluent, sarilumab, and dupilumab) or for which Sanofi is the principal controlling party under our IO Collaboration, we rely on Sanofi to lead much of the clinical development efforts and assist with obtaining and maintaining regulatory approval. Following regulatory approval, we also rely on Sanofi to lead (i) the commercialization efforts to support all of the antibody products that are co-developed by Sanofi and us under our Antibody Collaboration and (ii) the commercialization efforts outside the Unites States to support all products that are co-developed by Sanofi and us under our IO Collaboration (as well as the commercialization efforts in the United States to support all products for which Sanofi is the principal controlling party under our IO Collaboration).

If Sanofi does not elect to co-develop the product candidates that we discover or opts out of their development under our Antibody Collaboration or our IO Collaboration, unless we enter into a collaboration agreement with another party, we would be required to fund and oversee on our own the clinical trials, any regulatory responsibilities, and the ensuing commercialization efforts to support those antibody products. For example, Sanofi has elected not to continue co-development of fasinumab, REGN2222, and REGN1033, and decided not to opt in to the REGN1154, REGN1193, REGN1500, and other programs.

If Sanofi terminates any of the collaborations with us or fails to comply with its payment obligations thereunder, our business, prospects, operating results, and financial condition would be materially harmed. We would be required to either expend substantially more resources than we have anticipated to support our research and development efforts, which could require us to seek additional funding that might not be available on favorable terms or at all, or materially cut back on such activities. If Sanofi does not perform its obligations with respect to the product candidates that it elects to co-develop, our ability to develop, manufacture, and commercialize these product candidates will be significantly adversely affected.

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

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

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

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

We and our collaborators rely on third-party service providers to support the distribution of our marketed products and for many other related activities in connection with the commercialization of these marketed products. Despite our or our collaborators' arrangements with them, these third parties may not perform adequately. If these service providers do not perform their services adequately, sales of our marketed products will suffer.

Risk Related to Employees

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

We are highly dependent on certain of our executive officers, other key members of our senior management team, and our Chairman. If we are not able to retain (or for any other reason lose the services of) any of these persons, our business may suffer. In particular, we depend on the services of P. Roy Vagelos, M.D., the Chairman of our board of directors; Leonard S. Schleifer, M.D., Ph.D., our President and Chief Executive Officer; George D. Yancopoulos, M.D., Ph.D., President, Regeneron Laboratories and our Chief Scientific Officer; and Neil Stahl, Ph.D., our Executive Vice President, Research and Development. As we continue to commercialize EYLEA and Praluent and begin to commercialize other products assuming the receipt of required regulatory approvals, we are also highly dependent on the expertise and services of members of our senior management leading these commercialization efforts. There is intense competition in the biotechnology industry for qualified scientists and managerial personnel in the development, manufacture, and commercialization of drugs. We may not be able to continue to attract and retain the qualified personnel necessary to continue to advance our business and achieve our strategic objectives.

Information Technology Risks

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

Our business is increasingly dependent on critical, complex, and interdependent information technology systems, including Internet-based systems, to support business processes as well as internal and external communications. The size and complexity of our computer systems make us potentially vulnerable to IT system breakdowns, malicious intrusion, and computer viruses, which may result in the impairment of production and key business processes. We also have outsourced significant elements of our information technology infrastructure and operations to third parties, which may provide access to our confidential information to such third parties and may also make our systems vulnerable to service interruptions or to security breaches from inadvertent or intentional actions by such third parties or others.

In addition, our systems are potentially vulnerable to data security breaches - whether by employees or others - which may expose sensitive data to unauthorized persons. Such data security breaches could lead to the loss of trade secrets or other intellectual property, or could lead to the public exposure of personal information (including sensitive personal information) of our employees, clinical trial patients, customers, and others. Such attacks are of ever-increasing levels of sophistication and are made by groups and individuals with a wide range of motives (including industrial espionage) and expertise, including by organized criminal groups, “hacktivists,” nation states, and others. As a company with an increasingly global presence, our systems are subject to frequent attacks. Due to the nature of some of these attacks, there is a risk that an attack may remain undetected for a period of time. While we have invested in the protection of data and information technology, there can be no assurance that our efforts will prevent service interruptions or security breaches.

Such disruptions and breaches of security could result in legal proceedings, liability under laws that protect the privacy of personal information, disruptions to our operations, and damage to our reputation, which could have a material adverse effect on our business, prospects, operating results, and financial condition.

Risks Related to Our Financial Results, Liquidity, and Need for Additional Financing

If we cannot sustain profitability, our business, prospects, operating results, and financial condition would be materially harmed.

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

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

We expend substantial resources for research and development, including costs associated with clinical testing of our product candidates and new indications of our marketed products, the commercialization of products, and capital expenditures. We believe our existing capital resources and borrowing availability under our revolving credit facility, together with funds generated by current and anticipated EYLEA net product sales and funding we are entitled to receive under our collaboration agreements, will enable us to meet our anticipated operating needs for the foreseeable future. However, one or more of our collaboration agreements may terminate, our revenues may fall short of our projections or be delayed, or our expenses may increase, any of which could result in our capital being consumed significantly faster than anticipated. In addition, our expenses may increase for many reasons, including expenses in connection with the commercialization of EYLEA and Praluent and the anticipated commercial launches of our late-stage product candidates and new indications for our marketed products, manufacturing scale-up, expenses related to clinical trials testing of antibody product candidates we are developing on our own (without Sanofi), and expenses related to the requirement, following receipt of the first positive Phase 3 trial results for a co-developed drug candidate, for us to fund 20% of Phase 3 clinical trial costs for any of our antibody product candidates being developed in collaboration with Sanofi.

We cannot be certain that our existing capital resources and our current and anticipated revenues will be sufficient to meet our operating needs. We may require additional financing in the future and we may not be able to raise additional funds on acceptable terms or at all. Our ability to obtain additional financing could be adversely affected if there is a significant decline in the demand for our products or other significantly unfavorable changes in economic conditions. Volatility in the financial markets could increase borrowing costs or affect our ability to raise capital. If additional financing is necessary and we are able to obtain it through the sale of equity securities, such sales will likely be dilutive to our shareholders. Debt financing arrangements may require us to pledge certain assets or enter into covenants that would restrict our business activities or our ability to incur further indebtedness and may be at interest rates and contain other terms that are not favorable to our shareholders. Should we require and be unable to raise sufficient funds (i) to complete the development of our product candidates, (ii) to successfully commercialize our late-stage product candidates or new indications for our marketed products if they obtain regulatory approval, and (iii) to continue our manufacturing and marketing of EYLEA, we may face delay, reduction, or elimination of our research and development or preclinical or clinical programs and our commercialization activities, which would significantly limit our potential to generate revenue.

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

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

Our investments are subject to risks and other external factors that may result in losses or affect the liquidity of these investments.

As of June 30, 2015, we had $390.6 million in cash and cash equivalents and $803.3 million in marketable securities (including $46.1 million in equity securities). Our investments consist primarily of fixed-income securities, including investment-grade corporate bonds. These fixed-income investments are subject to external factors that may adversely affect their market value or liquidity, such as interest rate, liquidity, market, and issuer credit risks, including actual or anticipated changes in credit ratings. The equity securities we hold may experience significant volatility and may decline in value or become worthless if the issuer experiences an adverse development. Furthermore, our equity investments could be subject to dilution (and decline in value) as a

result of the issuance of additional equity interests. If any of our investments suffer market price declines that are other than temporary, their value could be impaired, which may have an adverse effect on our financial condition and operating results.

Risks Related to Our Common Stock

Our stock price is extremely volatile.

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

- fluctuations in our operating results, in particular net product sales of EYLEA;
- if any of our product candidates or our new indications for our marketed products receive regulatory approval, net product sales of, and profits from, these product candidates and new indications;
- market acceptance of, and fluctuations in market share for, our marketed products, especially EYLEA and Praluent;
- whether our net products sales and net profits underperform, meet, or exceed the expectations of investors or analysts;
- announcement of actions by the FDA or foreign regulatory authorities or their respective advisory committees regarding our, or our collaborators', or our competitors', currently pending or future application(s) for regulatory approval of product candidate(s) or new indications for marketed products;
- announcement of submission of an application for regulatory approval of one or more of our, or our competitors', product candidates or new indications for marketed products;
- progress, delays, or results in clinical trials of our or our competitors' product candidates or new indications for marketed products;
- announcement of technological innovations or product candidates by us or competitors;
- claims by others that our products or technologies infringe their patents;
- challenges by others to our patents in the European Patent Office and in the U.S. Patent and Trademark Office;
- public concern as to the safety or effectiveness of any of our marketed products or product candidates or new indications for our marketed products;
- pricing or reimbursement actions, decisions, or recommendations by government authorities, insurers, or other organizations (such as health maintenance organizations and pharmacy benefit management companies) affecting the coverage, reimbursement, or use of any of our marketed products or competitors' products;
- our ability to raise additional capital as needed on favorable terms;
- developments in our relationships with collaborators or key customers;
- developments in the biotechnology industry or in government regulation of healthcare, including those relating to compounding;
- large sales of our Common Stock by our executive officers, directors, or significant shareholders;
- changes in tax rates, laws, or interpretation of tax laws;
- arrivals and departures of key personnel;
- general market conditions;
- other factors identified in these "Risk Factors"; and
- the perception by the investment community or our shareholders of any of the foregoing factors.

The trading price of our Common Stock has been, and could continue to be, subject to wide fluctuations in response to these and other factors, including the sale or attempted sale of a large amount of our Common Stock in the market. As discussed in greater detail under "*Future sales of our Common Stock by our significant shareholders or us may depress our stock price and impair our ability to raise funds in new share offerings*" below, a large percentage of our Common Stock is owned by a small number of our principal shareholders, and our largest shareholder, Sanofi, has been increasing its ownership of our Common Stock. As a result, the public float of our Common Stock (i.e., the portion of our Common Stock held by public investors, as opposed to the Common Stock held by our directors, officers, and principal shareholders) is low relative to many large public companies. As our Common Stock is less liquid than the stock of companies with broader public ownership, its trading price may fluctuate significantly more than the stock market as a whole. These factors may exacerbate the volatility in the trading price of our Common Stock and may negatively impact your ability to liquidate your investment in Regeneron at the time you wish at a price you consider satisfactory. Broad market fluctuations may also adversely affect the market price of our Common Stock. In the past, securities class action litigation has often been initiated against companies following periods of volatility in their stock price. This type of litigation could result in substantial costs and divert our management's attention and resources, and could also require us to make substantial payments to satisfy judgments or to settle litigation, which may harm our business, prospects, operating results, and financial condition.

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

A small number of our shareholders beneficially own a substantial amount of our Common Stock. As of June 30, 2015, our five largest shareholders plus Dr. Schleifer, our Chief Executive Officer, beneficially owned approximately 48.8% of our outstanding shares of Common Stock, assuming, in the case of our Chief Executive Officer, the conversion of his Class A Stock into Common Stock and the exercise of all options held by him which are exercisable within 60 days of June 30, 2015. As of June 30, 2015, Sanofi beneficially owned 22,859,144 shares of our Common Stock, representing approximately 22.5% of the shares of Common Stock then outstanding. Under our January 2014 amended and restated investor agreement with Sanofi, Sanofi has three demand rights to require us to use all reasonable efforts to conduct a registered underwritten offering with respect to shares of our Common Stock held by Sanofi from time to time; however, shares of our Common Stock held by Sanofi from time to time may not be sold until the later of (i) December 20, 2020 and (ii) the expiration of our Antibody Discovery Agreement with Sanofi relating to our Antibody Collaboration (as amended) if the agreement is extended beyond December 20, 2020. These restrictions on dispositions are subject to earlier termination upon the occurrence of certain events, such as the consummation of a change-of-control transaction involving us or a dissolution or liquidation of our company. In February 2013, we received from Sanofi a notification under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 that it intends to acquire additional Common Stock through open market purchases and direct purchases from shareholders. In July 2014, Sanofi disclosed in an amendment to its Schedule 13D filed with the SEC its intention to purchase additional shares of our Common Stock to progressively increase its beneficial ownership in 2014 and 2015 up to the maximum allowed under the "standstill" provisions of our amended and restated investor agreement with Sanofi, or 30% of our Class A Stock and Common Stock (taken together). If Sanofi, our other significant shareholders, or we sell substantial amounts of our Common Stock in the public market, or there is a perception that such sales may occur, the market price of our Common Stock could fall. Sales of Common Stock by our significant shareholders, including Sanofi, also might make it more difficult for us to raise funds by selling equity or equity-related securities in the future at a time and price that we deem appropriate.

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

Holders of Class A Stock, who are generally the shareholders who purchased their stock from us before our initial public offering, are entitled to ten votes per share, while holders of Common Stock are entitled to one vote per share. As of June 30, 2015, holders of Class A Stock held 16.1% of the combined voting power of all shares of Common Stock and Class A Stock then outstanding. These shareholders, if acting together, would be in a position to significantly influence the election of our directors and the vote on certain corporate transactions that require majority or supermajority approval of the combined classes, including mergers and other business combinations. This may result in our taking corporate actions that other shareholders may not consider to be in their best interest and may affect the price of our Common Stock. As of June 30, 2015:

- our current executive officers and directors beneficially owned 10.2% of our outstanding shares of Common Stock, assuming conversion of their Class A Stock into Common Stock and the exercise of all options held by such persons which are exercisable within 60 days of June 30, 2015, and 21.7% of the combined voting power of our outstanding shares of Common Stock and Class A Stock, assuming the exercise of all options held by such persons which are exercisable within 60 days of June 30, 2015; and
- our five largest shareholders plus Dr. Schleifer, our Chief Executive Officer, beneficially owned approximately 48.8% of our outstanding shares of Common Stock, assuming, in the case of our Chief Executive Officer, the conversion of his Class A Stock into Common Stock and the exercise of all options held by him which are exercisable within 60 days of June 30, 2015. In addition, these five shareholders plus our Chief Executive Officer held approximately 54.4% of the combined voting power of our outstanding shares of Common Stock and Class A Stock, assuming the exercise of all options held by our Chief Executive Officer which are exercisable within 60 days of June 30, 2015.

Pursuant to the January 2014 amended and restated investor agreement with us, Sanofi has agreed to vote its shares as recommended by our board of directors, except that it may elect to vote proportionally with the votes cast by all of our other shareholders with respect to certain change-of-control transactions and to vote in its sole discretion with respect to liquidation or dissolution of our company, stock issuances equal to or exceeding 20% of the then outstanding shares or voting rights of Common Stock and Class A Stock (taken together), and new equity compensation plans or amendments if not materially consistent with our historical equity compensation practices.

In addition, upon Sanofi reaching 20% ownership of our then outstanding shares of Class A Stock and Common Stock (taken together), we are required under the amended and restated investor agreement to appoint an individual agreed upon by us and Sanofi to our board of directors. Subject to certain exceptions, we are required to use our reasonable efforts (including recommending that our shareholders vote in favor) to cause the election of this designee at our annual shareholder meetings for so long as Sanofi maintains an equity interest in us that is the lower of (i) the highest percentage ownership Sanofi attains following its acquisition of 20% of our then outstanding shares of Class A Stock and Common Stock (taken together) and (ii) 25% of our then outstanding

shares of Class A Stock and Common Stock (taken together). This designee is required to be "independent" of our company, as determined under NASDAQ rules, and not to be a current or former officer, director, employee, or paid consultant of Sanofi. In April 2014, Sanofi notified us that it had reached the 20% ownership threshold and designated Robert A. Ingram as its designee. On April 4, 2014, following recommendation of the Corporate Governance and Compliance Committee, the board of directors elected Mr. Ingram as a director and a member of the Compensation Committee. Mr. Ingram was subsequently elected as a Class I director at our 2014 Annual Shareholder Meeting for a term expiring at the 2016 Annual Shareholder Meeting.

The convertible note hedges and warrant transactions we entered into in connection with our convertible senior notes issuance may affect the trading price of our Common Stock.

In connection with our offering of our 1.875% convertible senior notes due October 1, 2016, we entered into convertible note hedge transactions with four financial institutions (the hedge counterparties), the purpose of which was to reduce the potential dilution to our Common Stock and/or offset potential cash payments in excess of the principal amount of the notes (as applicable) upon conversion of the notes. In the event that the hedge counterparties fail to deliver shares to us or potential cash payments (as applicable) as required under the convertible note hedge documents, we would not receive the benefit of such transactions. Separately, we also entered into warrant transactions with the hedge counterparties. The warrant transactions could separately have a dilutive effect from the issuance of Common Stock pursuant to the warrants. As of June 30, 2015, an aggregate principal amount of $33.3 million of the notes and 3,122,015 warrants (subject to adjustment from time to time as provided in the applicable warrant agreements) remained outstanding.

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

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

The anti-takeover effects of provisions of our charter, by-laws, and of New York corporate law, as well as the contractual provisions in our investor and collaboration agreements and certain provisions of our compensation plans and agreements and our convertible senior notes and related warrant and hedge transactions, could deter, delay, or prevent an acquisition or other "change in control" of us and could adversely affect the price of our Common Stock.

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

- authorization to issue "blank check" preferred stock, which is preferred stock that can be created and issued by the board of directors without prior shareholder approval, with rights senior to those of our Common Stock and Class A Stock;
- a staggered board of directors, so that it would take three successive annual meetings to replace all of our directors;
- a requirement that removal of directors may only be effected for cause and only upon the affirmative vote of at least eighty percent (80%) of the outstanding shares entitled to vote for directors, as well as a requirement that any vacancy on the board of directors may be filled only by the remaining directors;
- a provision whereby any action required or permitted to be taken at any meeting of shareholders may be taken without a meeting, only if, prior to such action, all of our shareholders consent, the effect of which is to require that shareholder action may only be taken at a duly convened meeting;

- a requirement that any shareholder seeking to bring business before an annual meeting of shareholders must provide timely notice of this intention in writing and meet various other requirements; and
- under the New York Business Corporation Law, in addition to certain restrictions which may apply to "business combinations" involving our company and an "interested shareholder", a plan of merger or consolidation of our company must be approved by two-thirds of the votes of all outstanding shares entitled to vote thereon. See the risk factor above captioned "*Our existing shareholders may be able to exert significant influence over matters requiring shareholder approval and over our management.*"

Pursuant to the January 2014 amended and restated investor agreement between us and Sanofi, Sanofi is bound by certain "standstill" provisions, which contractually prohibit Sanofi from seeking to directly or indirectly exert control of our company or acquiring more than 30% of our Class A Stock and Common Stock (taken together). This prohibition will remain in place until the earliest of (i) the later of the fifth anniversaries of the expiration or earlier termination of our License and Collaboration Agreement with Sanofi relating to our Antibody Collaboration or our ZALTRAP collaboration agreement with Sanofi, each as amended; (ii) our announcement recommending acceptance by our shareholders of a tender offer or exchange offer that, if consummated, would constitute a change of control involving us; (iii) the public announcement of any definitive agreement providing for a change of control involving us; (iv) the date of any issuance of shares of Common Stock by us that would result in another party having more than 10% of the voting power of our then outstanding Class A Stock and Common Stock (taken together) unless such party enters into a standstill agreement containing certain terms substantially similar to the standstill obligations of Sanofi; or (v) other specified events, such as a liquidation or dissolution of our company.

Similarly, under our 2014 PDGFR-beta license and collaboration agreement with Bayer HealthCare, Bayer HealthCare is prohibited from seeking to influence the control of our company or acquiring more than 20% of our then outstanding Class A Stock and Common Stock (taken together). This prohibition will remain in place until the earliest of (i) the fifth anniversary of the expiration or earlier termination of the agreement; (ii) the public announcement of a tender offer, exchange offer, or other proposal that would constitute a change of control of our company; (iii) the acquisition (other than by Dr. Schleifer or his affiliates) of more than 20% of the voting power of our then outstanding Class A Stock and Common Stock (taken together); (iv) the issuance of shares of capital stock to another party (other than to an underwriter in a public offering) that would result in such party's having more than 7% of the voting power of our then outstanding Class A Stock and Common Stock (taken together) unless such third party enters into a standstill agreement containing terms substantially similar to the standstill obligations of Bayer HealthCare; or (v) other specified events, such as a liquidation or dissolution of our company.

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

In addition, our Change in Control Severance Plan and the employment agreement with our Chief Executive Officer provide for severance benefits in the event of termination as a result of a change in control of our company. Also, stock options issued under our Second Amended and Restated 2000 Long-Term Incentive Plan and our 2014 Long-Term Incentive Plan may become fully vested in connection with a "change in control" of our company, as defined in the plans. Further, under the amended and restated investor agreement between us and Sanofi, we are required under certain circumstances to appoint an individual agreed upon by us and Sanofi to our board of directors, as described above under "*Our existing shareholders may be able to exert significant influence over matters requiring shareholder approval and over our management*." These contractual provisions may also have the effect of deterring, delaying, or preventing an acquisition or other change in control.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

In the second quarter of 2015, we settled the conversion of $127.3 million principal amount of our 1.875% convertible senior notes through the payment of $127.3 million in cash (equal to the principal amount of the converted notes) and issuance of 1,252,816 shares of our Common Stock to the holders of the Notes surrendered for conversion. We issued and sold the notes in October 2011 in a private placement in reliance on the exemption from registration provided by Section 4(2) of the Securities Act of 1933, as amended. In connection with this conversion, we exercised a proportionate amount of our convertible note hedges, as a result of which we received from our hedge counterparties 1,252,808 shares of our Common Stock.

Issuer Purchases of Equity Securities

The following table reflects shares of Common Stock withheld by us for employees to satisfy their tax withholding obligations arising upon the vesting of restricted equity awards granted under the Regeneron Pharmaceuticals, Inc. Second Amended and Restated 2000 Long-Term Incentive Plan or the Regeneron Pharmaceuticals, Inc. 2014 Long-Term Incentive Plan in the second quarter of 2015.

Period	Total Number of Shares (or Units) Purchased	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
6/1/2015-6/30/2015	2,344	$ 506.12	—	—

ITEM 6. EXHIBITS

(a) Exhibits

Exhibit Number		Description
3.1		Restated Certificate of Incorporation, as amended.
10.1	(a)	Regeneron Pharmaceuticals, Inc. Cash Incentive Bonus Plan.
10.2		Tenth Amendment to Lease, by and between BMR-Landmark at Eastview LLC and the Registrant, entered into as of October 25, 2012.
10.3		Fourteenth Amendment to Lease, by and between BMR-Landmark at Eastview LLC and the Registrant, entered into as of October 25, 2013.
10.4		Fifteenth Amendment to Lease, by and between BMR-Landmark at Eastview LLC and the Registrant, entered into as of June 12, 2014.
10.5		Sixteenth Amendment to Lease, by and between BMR-Landmark at Eastview LLC and the Registrant, entered into as of June 30, 2015.
10.6		First Amendment to Mt. Pleasant Lease, by and between BMR-Landmark at Eastview LLC and the Registrant, entered into as of June 30, 2015.
31.1		Certification of Principal Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
31.2		Certification of Principal Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
32		Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350.
101		Interactive Data File
101.INS		XBRL Instance Document
101.SCH		XBRL Taxonomy Extension Schema
101.CAL		XBRL Taxonomy Extension Calculation Linkbase
101.DEF		XBRL Taxonomy Extension Definition Document
101.LAB		XBRL Taxonomy Extension Label Linkbase
101.PRE		XBRL Taxonomy Extension Presentation Linkbase

(a) Incorporated by reference to Exhibit 10.1 to the Form 8-K for Regeneron Pharmaceuticals, Inc. (the "Registrant"), filed June 17, 2015.

SIGNATURE

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

REGENERON PHARMACEUTICALS, INC.

Date: August 4, 2015

By: /s/ Robert E. Landry

Robert E. Landry
Senior Vice President, Finance and
Chief Financial Officer
(Duly Authorized Officer)

Exhibit 3.1

CERTIFICATE OF AMENDMENT
OF THE CERTIFICATE OF INCORPORATION OF
REGENERON PHARMACEUTICALS, INC.

Under Section 805 of the Business Corporation Law

The undersigned, being the Senior Vice President, General Counsel and Secretary of Regeneron Pharmaceuticals, Inc. (the "Corporation"), hereby certifies that:

1. The name of the Corporation is Regeneron Pharmaceuticals, Inc.

2. The Certificate of Incorporation of the Corporation was filed with the Department of State of the State of New York on January 11, 1988.

3. The first paragraph of Article IV of the Corporation's Certificate of Incorporation, relating to the aggregate number of shares of capital stock which the Corporation shall have the authority to issue, is amended so as to increase the number of authorized shares of all classes of capital stock of the Corporation from two hundred and thirty million (230,000,000) shares to three hundred and ninety million (390,000,000) shares and by increasing the number of authorized shares of common stock, par value $0.001 per share, from one hundred and sixty million (160,000,000) shares to three hundred and twenty million (320,000,000) shares. No changes are being made to the number of the Corporation's shares of authorized Class A Stock, par value $0.001 per share, or authorized preferred stock, par value $0.01 per share.

4. To effect the foregoing amendment, the first paragraph of Article IV of the Corporation's Certificate of Incorporation is amended to read in its entirety as follows:

"Article IV. STOCK.

The aggregate number of shares of all classes of capital stock which the Corporation shall have the authority to issue is three hundred and ninety million (390,000,000) shares, consisting of (a) 320,000,000 shares of common stock, par value $0.001 per share ("Common Stock"); (b) 40,000,000 shares of Class A Stock, par value $0.001 per share ("Class A Stock"; Common Stock and Class A Stock are referred to herein, collectively, as the "Common Shares"); and (c) 30,000,000 shares of preferred stock, par value $0.01 per share."

5. The amendment to the Certificate of Incorporation effected hereby was authorized by the vote of the Board of Directors followed by a vote of a majority of all outstanding shares entitled to vote thereon at a meeting of shareholders.

IN WITNESS WHEREOF, the undersigned has signed this Certificate this 12th day of June, 2015.

/s/ Joseph J. LaRosa

Name: Joseph J. LaRosa

Title: Senior Vice President, General Counsel and Secretary

CERTIFICATE OF CHANGE

OF

REGENERON PHARMACEUTICALS, INC.

UNDER SECTION 805-A OF THE BUSINESS CORPORATION LAW

1. The name of the corporation is REGENERON PHARMACEUTICALS, INC.

2. The Certificate of Incorporation of said corporation was filed by the Department of State on the 1/11/1988.

3. The following was authorized by the Board of Directors:

To change the post office address to which the Secretary of State shall mail a copy of process in any action or proceeding against the corporation which may be served on him to: c/o C T Corporation System, 111 Eighth Avenue, New York, N.Y. 10011.

To designate C T CORPORATION SYSTEM, 111 Eighth Avenue, New York, N.Y. 10011 as its registered agent in New York upon whom all process against the corporation may be served.

/s/ Beth F. Levine

Name: Beth F. Levine

Title: Vice President, Assoc. General Counsel &
Chief Compliance Officer

RESTATED CERTIFICATE OF INCORPORATION

OF REGENERON PHARMACEUTICALS, INC.

UNDER SECTION 807 THE BUSINESS CORPORATION LAW

The undersigned hereby certify that:

1. The name of the Corporation is Regeneron Pharmaceuticals, Inc. (the "Corporation").

2. The Certificate of Incorporation of the Corporation was filed with the Department of State of the State of New York on January 11, 1988.

3. This Restated Certificate of Incorporation restates the Certificate of Incorporation, as heretofore amended, without amendment or change to read as herein set forth in full.

4. This Restated Certificate of Incorporation has been authorized by resolution duly adopted by the Corporation's Board of Directors.

Accordingly, the Certificate of Incorporation, as heretofore amended, is hereby restated to be and read in its entirety as follows:

"ARTICLE I

NAME OF CORPORATION

The name of the corporation is Regeneron Pharmaceuticals, Inc. (the "Corporation").

ARTICLE II

CORPORATE PURPOSES

The purpose or purposes for which the Corporation is formed is as follows, to wit:

To own, operate, manage and do everything normally associated with conducting the business of chemists, druggists, manufacturers, researchers, distributors, and dealers in medical, pharmaceutical, chemical and other preparations and compounds.

To engage in any lawful act or activity for which corporations may be formed under the Business Corporation Law. The Corporation is not formed to engage in any act or activity requiring the consent or approval of any state official, department, board, agency or other body without such consent or approval first being obtained.

To own, operate, manage, acquire and deal in property, real and personal, which may be necessary to the conduct of the business.

The Corporation shall have all of the powers enumerated in Section 202 of the Business Corporation Law, subject to any limitations provided in the Business Corporation Law or any other statutes in the State of New York.

ARTICLE III

COUNTY OF OFFICE

The county in which the office of the Corporation is to be located in the State of New York is New York.

ARTICLE IV

STOCK

The aggregate number of shares of all classes of capital stock which the Corporation shall have the authority to issue is two hundred and thirty million (230,000,000) shares, consisting of (a) 160,000,000 shares of common stock, par value $.001 per share ("Common Stock"), (b) 40,000,000 shares of Class A Stock, par value $.001 per share (the "Class A Stock", and collectively, such Common Stock and Class A Stock are referred to herein as the "Common Shares"), and (c) 30,000,000 shares of preferred stock, par value $.01 per share.

1. Preferred Stock

The Board of Directors is hereby expressly authorized, by resolution or resolutions, to provide, out of the unissued and undesignated shares of preferred stock, for one or more series of preferred stock. Before any shares of any such series are issued, the Board of Directors shall fix, and hereby is expressly empowered to fix, by resolution or resolutions, the following provisions of the shares thereof:

(a) the designation of such series, the number of shares to constitute such series, and the stated value thereof if different from the par value thereof;

(b) whether the shares of such series shall have voting rights, in addition to any voting rights provided by law, and, if so, the terms of such voting rights, which may be general or limited;

(c) the dividends, if any, payable on such series, whether any such dividends shall be cumulative, and, if so, from what dates, the conditions and dates upon which such dividends shall be payable, the preference or relation which such dividends shall bear to the dividends payable on any shares of stock of any other class or any other series of this class;

(d) whether the shares of such series shall be subject to redemption by the Corporation, and, if so, the terms and conditions of such redemption, including the manner of selecting shares for redemption if less than all shares of such series are to be redeemed, the date or dates upon or after which they shall be redeemable, and the amount per share payable in case of redemption, which amount may vary under different conditions and at different redemption dates;

(e) the amount or amounts payable upon shares of such series upon, and the rights of the holders of such series in, the voluntary or involuntary liquidation, dissolution or winding up, or upon any distribution of the assets, of the Corporation, and whether such rights shall be in preference to, or in another relation to, the comparable rights of any other class or classes or series of stock;

(f) whether the shares of such series shall be subject to the operation of a retirement or sinking fund and, if so, the extent to and manner in which any such retirement or sinking fund shall be applied to the purchase or redemption of the shares of such series for retirement or other corporate purposes and the terms and provisions relative to the operation thereof;

(g) whether the shares of such series shall be convertible into, or exchangeable for, shares of stock of any other series of this class or any other securities and, if so, the price or prices or the rate or rates of conversion or exchange and the method, if any, of adjusting the same, and any other terms and conditions of conversion or exchange;

(h) the limitations and restrictions, if any, to be effective while any shares of such series are outstanding upon the payments of dividends or the making of other distributions on, and upon the purchase, redemption or other acquisition by the Corporation of, the Common Stock or shares of stock of any other class or any other series of this class;

(i) the conditions or restrictions, if any, upon the creation of indebtedness of the Corporation or upon the issue of any additional stock, including additional shares of such series or of any other series of this class or of any other class; and

(j) any other powers, preferences and relative, participating, optional and other special rights, and any qualifications, limitations and restrictions thereof.

The powers, preferences and relative, participating, optional and other special rights of each series of preferred stock, and the qualifications, limitations of restrictions thereof, if any, may differ from those of any and all other series at any time outstanding. All shares of any one series of preferred stock shall be identical in all respects with all other shares of such series, except that shares of any one series issued at different times may differ as to the dates from which dividends thereon shall accrue and/or be cumulative.

2. Common Stock and Class A Stock

(a) General. Except as hereinafter expressly set forth in Section 2, and subject to the rights of the holders of preferred stock at any time outstanding, the Class A Stock and the Common Stock, both of which are

classes of common stock, shall have the same rights and privileges and shall rank equally, share ratably and be identical in respects as to all matters, including rights in liquidation.

(b) Voting Rights. Except as otherwise expressly provided by law, and subject to any voting rights provided to holders of preferred stock by this Certificate of Incorporation the Common Shares have exclusive voting rights on all matters requiring a vote of shareholders.

The holders of Common Stock shall be entitled to one vote per share on all matters to be voted on by the shareholders of the Corporation. The holders of Class A Stock shall be entitled to ten votes per share on all matters to be voted on by the shareholders of the Corporation.

Except as otherwise provided in this Certificate of Incorporation or as required by law, the holders of shares of Class A Stock and the holders of shares of Common Stock shall vote together as one class on all matters submitted to a vote of shareholders of the Corporation.

(c) Dividends and Distributions. Subject to the rights of the holders of preferred stock, and subject to any other provisions of this Certificate of Incorporation, as it may be amended from time to time, holders of Class A Stock and Common Stock shall be entitled to receive such dividends and other distributions in cash, in property or in shares of the Corporation as may be declared thereon by the Board of Directors from time to time out of assets or funds of the Corporation legally available therefore; provided, however, that no cash, property or share dividend or distribution may be declared or paid on the outstanding shares of either the Class A Stock or the Common Stock unless an identical per share dividend or distribution is simultaneously declared and paid on the outstanding shares of the other such class of common stock; provided, further, however, that a dividend of shares may be declared and paid in Class A Stock to holders of Class A Stock and in Common Stock to holders of Common Stock if the number of shares paid per share to holders of Class A Stock and to holders of Common Stock shall be the same. If the Corporation shall in any manner subdivide, combine or reclassify the outstanding shares of Class A Stock or Common Stock, the outstanding shares of the other such class of common stock shall be subdivided, combined or reclassified proportionally in the same manner and on the same basis as the outstanding shares of Class A Stock or Common Stock, as the case may be, have been subdivided, combined or reclassified.

(d) Optional Conversion.

(1) The shares of Common Stock are not convertible into or exchangeable for shares of Class A Stock or any other shares of securities of the Corporation.

(2) Each share of Class A Stock may be converted, at any time and at the option of the holder thereof, into one fully paid and nonassessable share of Common Stock.

(e) Mandatory Conversion.

(1) Upon a Transfer by a Holder, other than to a "Permitted Transferee" of such Holder, shares of Class A Stock so Transferred shall, at midnight on the thirtieth day after delivery of written notice by the Corporation to such Holder that such Transfer has been made to a person other than a Permitted Transferee (for purposes of this paragraph (1), the "Conversion Time"), be automatically converted, without further act on anyone's part, into an equal number of shares of Common Stock, and the stock certificates formerly representing such shares of Class A Stock shall thereupon and thereafter be deemed to represent the like number of shares of Common Stock; provided, however, that such automatic conversion of Class A Stock shall not occur if such shares of Class A Stock, prior to the Conversion Time, are Transferred back to such Holder or to one or more Permitted Transferees of such Holder.

(2) For purposes of this Section 2(e): A "Permitted Transferee" of a Holder shall mean, the following:

(i) In the case of any Holder, the Corporation or any one or more of its directly or indirectly wholly owned subsidiaries;

(ii) In the case of a Holder who is a natural person:

(A) The spouse of such Holder (the "Spouse"), any lineal ancestor of such Holder or of the Spouse, and any person who is a lineal descendent of a grandparent of such Holder or of the Spouse, or a spouse of any such lineal descendent or such lineal ancestor (collectively, the "Family Members");

(B) A trust (including a voting trust) exclusively for the benefit of one or more of (x) such Holder, (y) one or more of his or her Family Members or (z) any organization to which contributions are deductible under 501(c)(3) of the Internal Revenue Code of 1986, as amended or any successor provision (the "Internal Revenue Code") or for estate or gift tax purposes (a "Charitable Organization"); provided that such trust may include a general or special power of appointment for such Holder or Family Members (a "Trust"); provided, further, that if by reason of any change in the beneficiaries of such Trust, such Trust would not have qualified, at the time of the Transfer of Class A Stock to such Trust (for purposes of this sub-paragraph (B), the "Transfer Date"), as a Permitted Transferee, all shares of Class A Stock so Transferred to such Trust shall, at midnight on the thirtieth day after delivery of written notice by the Corporation to the trustee of such Trust of such change of beneficiary (for purposes of this sub-paragraph (B), the "Conversion Time"), be automatically converted, without further act on anyone's part, into an equal number of shares of Common stock, and the stock certificates formerly representing such shares of Class A Stock shall thereupon and thereafter be deemed to represent the like number of shares of Common Stock; provided, however, that such automatic conversion of such shares of Class A Stock shall not occur if, prior to the Conversion Time, (x) by reason of additional changes in the beneficiary of such Trust, such Trust would again have qualified as a "Permitted Transferee" of such Holder on the Transfer Date, or (y) such Trust Transfers such shares of Class A Stock to one or more persons who would qualify as a Permitted Transferee of the Holder who Transferred such shares to such Trust as if such Holder did not so Transfer such shares;

(C) A Charitable Organization established solely by one or more of such Holder or a Family Member;

(D) An Individual Retirement Account, as defined in Section 408(a) of the Internal Revenue Code, of which such Holder is a participant or beneficiary, provided that such Holder has the power to direct the investment of funds deposited into such Individual Retirement Account and to control the voting of securities held by such Individual Retirement Account (an "IRA");

(E) A pension, profit sharing, stock bonus or other type of plan or trust of which such Holder is a participant or beneficiary and which satisfies the requirements for qualification under Section 401(k) of the Internal Revenue Code, provided that such Holder has the power to direct the investment of funds deposited into such plan or trust and to control the voting of securities held by such plan or trust (a "Plan");

(F) Any corporation or partnership directly or indirectly controlled, individually or as a group, only by such Holder and/or any of his Permitted Transferees as determined under this clause (ii); provided that if by reason of any change in the direct or indirect control of such corporation or partnership, such corporation or partnership would not have qualified, at the time of the Transfer of Class A Stock to such corporation or partnership, as a Permitted Transferee of such Holder, all shares of Class A Stock so Transferred to such corporation or partnership shall in the manner set forth in paragraph (d) hereof, be converted into an equal number of shares of Common Stock; and

(G) The estate, executor, executrix or other personal representative, custodian, administrator or guardian of such Holder.

(iii) In the case of a Holder holding the shares of Class A Stock in question as trustee of an IRA, a Plan or a Trust, "Permitted Transferee" means (x) the person who transferred Class A Stock to such IRA, such Plan or such Trust, (y) any Permitted Transferee of any such person determined pursuant to this Section 2(e) and (z) any successor trustee or trustees in such capacity of such IRA, such Plan or such Trust,

(iv) In the case of a Holder which is a partnership, "Permitted Transferee" means any other person, directly or indirectly controlling, controlled by or under direct or indirect common control with such partnership, provided that, if by reason of any change in the direct or indirect control of such person, such person would not have qualified, at the time of the Transfer of the Class A Stock to such person, as a Permitted Transferee of such partnership, all shares of Class A Stock so Transferred to such person shall, in the manner set forth in paragraph (4) hereof, be converted into an equal number of shares of Common Stock;

(v) In the case of a Holder which is a corporation (other than a Charitable Organization) "Permitted Transferee" means any other person directly or indirectly controlling, controlled by or under direct or indirect common control with such corporation; provided that if by reason of any change in the direct or indirect control of such person, such person would not have qualified, at the time of the Transfer of the Class A Stock to such person, as

a Permitted Transferee of such corporation, all shares of Class A Stock so Transferred to such person shall, in the manner set forth in paragraph (4) hereof, be converted into an equal number of shares of Common Stock; and

(vi) In the case of a Holder which is the estate of a deceased Holder or who is the executor, executrix or other personal representative, custodian or administrator of such Holder, or guardian of a disabled or adjudicated incompetent Holder or which is the estate of a bankrupt or insolvent Holder, which owns the shares of Class A Stock in question, "Permitted Transferee" means a Permitted Transferee of such deceased, or adjudicated incompetent, disabled, bankrupt or insolvent Holder as otherwise determined pursuant to this Section 2(e).

As used in this Section 2(e), the term "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of the controlled person or entity.

As used in this Section 2(e), the term "Holder" means any holder of Class A Stock or of the proxy to vote shares of Class A Stock.

As used in this Section 2(e), the term "person" shall mean both natural persons and legal entities, unless otherwise specified. The relationship of any person that is derived by or through legal adoption shall be considered a natural relationship.

Each joint owner of shares or owner of a community property interest in shares of Class A Stock shall be considered a "Holder" of such shares. A minor for whom shares of Class A Stock are held pursuant to a Uniform Transfer to Minors Act or similar law shall be considered a Holder of such shares.

As used in this Section 2(e), a "Transfer" shall mean any Type of transfer of shares of Class A Stock, whether by sale, exchange, gift, operation of law, pledge, or otherwise or any transfer of the power to vote such shares by proxy or by transferring any proxy, and shares of Class A Stock shall refer to either (i) such shares of Class A Stock so transferred, (ii) the power to vote such shares so transferred or (iii) shares of Class A Stock for which the power to vote was so transferred, as the case may be.

(3) Notwithstanding anything to the contrary set forth herein, any Holder may pledge the shares of Class A Stock belonging to such Holder to a pledgee pursuant to a bona fide pledge of such shares as collateral security for indebtedness due to the pledgee, provided that such pledgee does not have the power to vote such shares and such shares remain subject to the provisions of this Section. In the event of foreclosure or other similar action by the pledgee, such shares, at midnight on the thirtieth day after delivery of notice by the Corporation to the pledgor of such foreclosure or other similar action (for purposes of this paragraph (3) the "Conversion Time"), shall be automatically converted, without further act on anyone's part, into an equal number of shares of Common Stock and the stock certificates formerly representing such shares of Class A Stock shall thereupon and thereafter be deemed to represent the like number of shares of Common Stock; provided, however, that such automatic conversion of such shares of Class A Stock shall not occur if, prior to the Conversion Time, (x) such pledged shares of Class A Stock are transferred to a Permitted Transferee of the pledgor or (y) such foreclosure or other similar action is cancelled or annulled so that the pledgor retains the right to vote such shares.

(4) If by reason of any change of the direct or indirect control of a person subsequent to any Transfer to such person, such person would not have qualified, at the time of the Transfer of the Class A Stock to such person (the "Transfer Date"), as a Permitted Transferee under clause (ii)(F), clause (iv) or clause (v), as the case may be, all shares of Class A Stock Transferred pursuant to the relevant clause to such person shall, at midnight on the thirtieth day after delivery of written notice by the Corporation to such person of such change of the direct or indirect control of such person (the "Conversion Time"), be automatically converted, without further act on anyone's part, into an equal number of shares of Common Stock, and the stock certificates formerly representing such shares of Class A Stock shall thereupon and thereafter be deemed to represent the like number of shares of Common Stock; provided, however, that such automatic conversion of Class A Stock shall not occur if, prior to the Conversion Time, (x) by reason of additional changes in the direct or indirect control of such person, such person would again have qualified on the Transfer Date as a "Permitted Transferee" under clause (ii)(F), clause (iv) or clause (v), as the case may be, or (y) such person Transfers all such shares of Class A Stock owned by such person to one or more persons who would qualify as a "Permitted Transferee" of the transferor of the Class A Stock to such person as if the transferor did not Transfer such shares on the Transfer Date.

(5) A good faith determination by the Board of Directors of the Corporation (x) that a transferee of shares of Class A Stock is or is not a Permitted Transferee of the transferor of such shares to such transferee on the date of Transfer, or (y) that, by reason of any change in the direct or indirect control of such transferee subsequent to such Transfer, such person would have or have not qualified at the time of the Transfer of the Class A Stock to such person as a Permitted Transferee shall be conclusive.

(6) All notices provided for herein shall be deemed to have been delivered three days after being sent by registered or certified mail, return receipt requested, postage prepaid, to the person to whom it is directed. If notice is to a Holder, such notice should be sent to him at the address set forth at the office of the Transfer Agent of the Corporation. If notice is to any other person, such notice should be sent to him at the address known by the Corporation at the time the notice is sent.

(7) The Corporation may, as a condition to the transfer or the registration of transfer of shares of Class A Stock to a purported Permitted Transferee, require the furnishing of such affidavits or other proof as it deems necessary to establish that such transferee is a Permitted Transferee. Each certificate representing shares of Class A Stock shall be endorsed with a legend that states that shares of Class A Stock are not transferable other than to certain transferees and are subject to certain restrictions as set forth in the Certificate of Incorporation of the Corporation filed with the Secretary of the State of New York.

(8) This Section 2(e) may not be amended without the affirmative vote of holders of the majority of the shares of Class A Stock and the affirmative vote of the holders of two-thirds of the shares of Common Stock, each voting separately as a class.

(f) Conversion Procedures.

(1) Each conversion of shares pursuant to Section 2(d) hereto will be effected by the surrender of the certificate or certificates, duly endorsed, representing the shares to be converted at the principal office of the Corporation at any time during normal business hours, together with a written notice by the holder stating the number of shares that such holder desires to convert and the names or name in which he wishes the certificate or certificates for the Common Stock to be issued. Such conversion shall be deemed to have been effected as of the close of business on the date on which such certificate or certificates have been surrendered, and at such time, the rights of any such holder with respect to the converted shares of such holder will cease and the person or persons in whose name or names the certificate or certificates for shares are to be issued upon such conversion will be deemed to have become the holder or holders of record of such shares represented thereby.

Promptly after such surrender, the Corporation will issue and deliver in accordance with the surrendering holder's instructions the certificate or certificates for the Common Stock issuable upon such conversion and a certificate representing any Class A Stock which was represented by the certificate or certificates delivered to the Corporation in connection with such conversion, but which was not converted.

(2) The issuance of certificates upon conversion of shares pursuant to Section 2(d) hereto will be made without charge to the holder or holders of such shares for any issuance tax (except stock transfer tax) in respect thereof or other costs incurred by the Corporation in connection therewith.

(3) The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock or its treasury shares, solely for the purpose of issuance upon the conversion of the Class A Stock, such number of shares of Common Stock as may be issued upon conversion, of all outstanding Class A Stock.

(4) Shares of the Class A Stock surrendered for conversion as above provided or otherwise acquired by the corporation shall be cancelled according to law and shall not be reissued.

ARTICLE V

DESIGNATION OF SECRETARY OF STATE
AS AGENT FOR SERVICE OF PROCESS

The Secretary of State is designated as agent of the Corporation upon whom process against it may be served. The post office address to which the Secretary of State shall mail a copy of any process against the Corporation served upon him is:

Regeneron Pharmaceuticals, Inc.
777 Old Saw Mill River Road
Tarrytown, New York 10591

Attention: Secretary

ARTICLE VI

BOARD OF DIRECTORS

The number of Directors of the Corporation constituting the entire Board of Directors shall be not less than three or more than fifteen. The Board of Directors shall determine from time to time the number of Directors who shall constitute the entire Board of Directors. Any such determination made by the Board of Directors shall continue in effect unless and until changed by the Board of Directors, but no such change shall affect the term of any Directors then in office. Directors need not be shareholders of the Corporation.

Commencing at the Annual Meeting of Shareholders held in 1991, the terms of office of the Board of Directors shall be divided into three classes, Class I, Class II and Class III, as shall be determined by the Board of Directors. All classes shall be as nearly equal in number as possible, and no class shall include less than three nor more than nine Directors. Any vacancy on the Board of Directors that results from an increase in the number of Directors and any other vacancy on the Board may be filled only by the Board provided that a quorum is then in office and present, or only by a majority of the Directors then in office, if less than a quorum is then in office, or by a sole remaining Director. Directors elected to fill a newly created directorship or other vacancies shall be classified and hold office as provided by statute.

The terms of office of the respective classes of directors initially classified shall be as follows: (1) Class I shall expire at the Annual Meeting of Shareholders to be held in 1992; (2) Class II shall expire at the Annual Meeting of Shareholders to be held in 1993; and (3) Class III shall expire at the Annual Meeting of Shareholders to be held in 1994. At each Annual Meeting of Shareholders after the aforementioned initial classification, the successors to Directors whose terms shall then expire shall be elected to serve from the time of election and qualification until the third Annual Meeting following election and until a successor shall have been duly elected and shall have qualified.

The Directors of any class of Directors of the Corporation may not be removed prior to the expiration date of their terms of office except for cause and by an affirmative vote of at least eighty percent (80%) of the outstanding shares of all classes of capital stock of the Corporation entitled to vote for such member(s) of the Board of Directors at the Annual Meeting of Shareholders or at any Special Meeting of Shareholders called by the Board of Directors or by the Chairman of the Board or by the President for this purpose.

ARTICLE VII

LIMITATION OF DIRECTOR AND OFFICER LIABILITY

To the fullest extent now or hereafter permitted under the New York Business Corporation Law, no director or officer of the Corporation shall be personally liable to the Corporation or its shareholders for monetary damages for any breach of fiduciary duty in such capacity. No amendment or repeal of this Article 7 shall adversely affect any right or protection of any director or officer of the Corporation existing at the time of such amendment or repeal with respect to acts or omissions occurring prior to such amendment or repeal.

ARTICLE VIII

PREEMPTIVE RIGHTS

No holder of Common Shares, or preferred stock of any designation or series shall, as such holder, have any right to purchase or subscribe for (i) any stock of any class, or any warrant or warrants, option or options, or other instrument or instruments that shall confer upon the holder or holders thereof the right to subscribe for or purchase or receive from the Corporation any stock of any class or classes which the Corporation may issue or sell, whether or not such stock shall be convertible into or exchangeable for any other stock of the Corporation of any class or classes and whether or not such stock shall be unissued shares authorized by the Certificate of Incorporation or by any amendment thereto or shares of stock of the Corporation acquired by it after the issuance thereof, or (ii) any obligation which the Corporation may issue or sell that shall be convertible into or exchangeable for any shares of stock of the Corporation of any class or classes, or to which shall be attached or appurtenant to any warrant or warrants, option or options or other instrument or instruments that shall confer upon the holder or holders of such obligation the right to subscribe for or purchase or receive from the Corporation any shares of its stock of any class or classes.

Upon any issuance for money or other consideration of any stock of the Corporation that may be authorized from time to time, no holder of stock, irrespective of the kind of such stock, shall have any preemptive or other right to subscribe for, purchase or receive any proportionate or other share of the stock so issued, and the Board of Directors may dispose of all or any portion of such stock as and when it may determine free of any such rights, whether by offering the same to shareholders or by sale or other disposition as said Board may deem advisable."

IN WITNESS WHEREOF, this Restated Certificate of Incorporation has been signed as of the 25th day of January, 2008, and affirmed that the statements made herein are true under penalties of perjury.

/s/ Leonard S. Schleifer

Leonard S. Schleifer, President

/s/ Stuart A. Kolinski

Stuart A. Kolinski, Secretary

TENTH AMENDMENT TO LEASE

THIS TENTH AMENDMENT TO LEASE (this "Amendment") is entered into as of this __25__ day of October, 2012 (the "Execution Date"), by and between BMR-LANDMARK AT EASTVIEW LLC, a Delaware limited liability company ("Landlord"), and REGENERON PHARMACEUTICALS, INC., a New York corporation ("Tenant").

RECITALS

A. WHEREAS, Landlord and Tenant entered into that certain Lease dated as of December 21, 2006, as amended by that certain First Amendment to Lease dated as of October 24, 2007, that certain Second Amendment to Lease dated as of September 30, 2008, that certain Third Amendment to Lease dated as of April 29, 2009, that certain Fourth Amendment to Lease dated as of December 3, 2009, that certain Fifth Amendment to Lease dated as of February 11, 2010, that certain Sixth Amendment to Lease dated as of June 4, 2010, that certain Seventh Amendment to Lease dated as of December 22, 2010, that certain Eighth Amendment to Lease dated as of August 1, 2011 (the "Eighth Amendment") and that certain Ninth Amendment to Lease dated as of September 30, 2011 (the "Ninth Amendment") (collectively, and as the same may have been further amended, amended and restated, supplemented or modified from time to time, the "Lease"), whereby Tenant leases certain premises (the "Premises") from Landlord at 735, 745, 755, 765 and 777 Old Saw Mill River Road in Tarrytown, New York (collectively, the "Buildings" and each, a "Building");

B. WHEREAS, Tenant desires to lease approximately forty thousand four hundred ninety-five (40,495) square feet of additional Rentable Area located on the 02-Level of the Building located at 777 Old Saw Mill River Road in Tarrytown, New York, as depicted on Exhibit A attached hereto (the "777-02 Premises"), a portion of which, is currently leased by other tenants (each a "Vacating Tenant" and together, the "Vacating Tenants");

C. WHEREAS, Tenant desires to lease approximately three thousand seven hundred eighty-three (3,783) square feet of additional Rentable Area located on the S-Level of the Building located at 777 Old Saw Mill River Road in Tarrytown, New York, as depicted on Exhibit B-1 attached hereto (the "777 S-Level Corridor Premises");

D. WHEREAS, Tenant desires to lease approximately four hundred sixteen (416) square feet of additional Rentable Area located on the second (2nd) floor of the Building located at 765 Old Saw Mill River Road in Tarrytown, New York, as depicted on Exhibit B-2 attached hereto (the "765 2nd Floor Corridor Premises");

E. WHEREAS, Tenant desires to lease approximately thirty-two thousand five hundred nineteen (32,519) square feet of additional Rentable Area on the mezzanine level of the Building located at 765 Old Saw Mill River Road in Tarrytown, New York, as depicted on Exhibit C attached hereto (the "765 Mezz Premises"), a portion of which (the "Space License Premises") is currently

occupied by Tenant via that certain Space License Agreement dated as of June 4, 2012 (the "Space License");

F. WHEREAS, Tenant desires to lease approximately five hundred thirty-seven (537) square feet of additional Rentable Area located in the elevator lobby on the second (2nd) floor of the Building located at 765 Old Saw Mill River Road in Tarrytown, New York, as depicted on Exhibit D attached hereto (the "765 2nd Floor Elevator Lobby Premises");

G. WHEREAS, Tenant desires to lease approximately one thousand fifty-four (1,054) square feet of additional Rentable Area located on the first (1st) floor of the Building located at 765 Old Saw Mill River Road in Tarrytown, New York, as depicted on Exhibit E attached hereto (the "765 Expansion Premises III");

H. WHEREAS, Tenant desires to lease approximately one thousand six hundred seventy-five (1,675) square feet of additional Rentable Area in the Building located at 777 Old Saw Mill River Road in Tarrytown, New York, as depicted on Exhibit F attached hereto (the "Additional 01 Premises" and together with the 777-02 Premises, 777 S-Level Corridor Premises, 765 2nd Floor Corridor Premises, 765 Mezz Premises, 765 2nd Floor Elevator Lobby Premises and 765 Expansion Premises III, the "10th Amendment Expansion Premises"); and

I. WHEREAS, Landlord and Tenant desire to modify and amend the Lease only in the respects and on the conditions hereinafter stated.

AGREEMENT

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

1. Definitions. For purposes of this Amendment, capitalized terms shall have the meanings ascribed to them in the Lease unless otherwise defined herein. The Lease, as amended by this Amendment, is referred to herein as the "Amended Lease."

2. Additions to Premises. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the following space on the following terms:

2.1. 777-02 Premises. Conditional upon each Vacating Tenant surrendering its currently occupied portions of the 777-02 Premises to Landlord in accordance with such Vacating Tenant's lease, and subject to Tenant's termination options set forth in Section 3 hereof, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the 777-02 Premises as of the date (the "777-02 Premises Commencement Date") that Landlord tenders possession of the 777-02 Premises to Tenant in compliance with the terms of the Amended Lease and with the 777-02 Landlord Work (as defined in Section 6.1(a) hereof) substantially complete. If possession is delayed solely because of a Tenant Delay (as defined Section 6.6), then the 777-02 Premises Commencement Date shall be the date that the 777-02 Premises Commencement Date would have occurred but for such delay. From and after the 777-02 Premises Commencement Date, the term "Premises" shall include

the 777-02 Premises. The Term with respect to the 777-02 Premises shall expire on the Term Expiration Date for the New Premises, subject to (a) Tenant's option to extend the Term of the Lease as provided in Article 44 of the Lease and (b) Tenant's termination option set forth in Section 3 hereof. Tenant shall execute and deliver to Landlord written acknowledgment of the actual 777-02 Premises Commencement Date within ten (10) days after Tenant takes occupancy of the 777-02 Premises, in the form attached as Exhibit G hereto. Failure to execute and deliver such acknowledgment, however, shall not affect the 777-02 Premises Commencement Date or Landlord's or Tenant's liability hereunder. Failure by Tenant to obtain validation by any medical review board or other similar governmental licensing of the 777-02 Premises required for the Permitted Use by Tenant shall not serve to extend the 777-02 Premises Commencement Date. In the event any Vacating Tenant has not vacated all or any portion of the 777-02 Premises by June 1, 2013, Tenant may provide written notice to Landlord of its intent to terminate the Amended Lease with respect to all or any portion of the 777-02 Premises (the "777-02 Premises Termination Notice"). Upon Landlord's receipt of such notice, Landlord shall have thirty (30) days (the "Cure Period") to remove all Vacating Tenants from the 777-02 Premises. If, prior to expiration of the Cure Period, all Vacating Tenants have vacated the 777-02 Premises, then such termination notice shall be void and of no further force or effect and the Amended Lease with respect to the 777-02 Premises shall continue in full force and effect. If, prior to the expiration of the Cure Period, all Vacating Tenants have not vacated the 777-02 Premises, then the Amended Lease with respect to the portion of the 777-02 Premises identified in the 777-02 Premises Termination Notice shall terminate upon expiration of the Cure Period, except for those provisions that expressly survive the expiration or earlier termination thereof.

2.2. 777 S-Level Corridor Premises. Subject to Tenant's termination options set forth in Section 3 hereof, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the 777 S-Level Corridor Premises as of the date (the "777 S-Level Corridor Premises Commencement Date") that Landlord tenders possession of the 777 S-Level Corridor Premises to Tenant in compliance with the terms of the Amended Lease and with the 777 S-Level Corridor Landlord Work (as defined in Section 6.2 hereof) substantially complete. From and after the 777 S-Level Corridor Premises Commencement Date, the term "Premises" shall include the 777 S-Level Corridor Premises. If possession is delayed solely because of a Tenant Delay, then the 777 S-Level Corridor Premises Commencement Date shall be the date that the 777 S-Level Corridor Premises Commencement Date would have occurred but for such delay. The Term with respect to the 777 S-Level Corridor Premises shall expire on the Term Expiration Date for the New Premises, subject to (a) Tenant's option to extend the Term of the Lease as provided in Article 44 of the Lease and (b) Tenant's termination option set forth in Section 3 hereof. Tenant shall execute and deliver to Landlord written acknowledgment of the actual 777 S-Level Corridor Premises Commencement Date within ten (10) days after Tenant takes occupancy of the 777 S-Level Corridor Premises, in the form attached as Exhibit G hereto. Failure to execute and deliver such acknowledgment, however, shall not affect the 777 S-Level Corridor Premises Commencement Date or Landlord's or Tenant's liability hereunder. Failure by Tenant to obtain validation by any medical review board or other similar governmental licensing of the 777 S-Level Corridor Premises required for the Permitted Use by Tenant shall not serve to extend the 777 S-Level Corridor Premises Commencement Date.

2.3. 765 2nd Floor Corridor Premises. Subject to Tenant's termination options set forth in Section 3 hereof, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the 765 2nd Floor Corridor Premises as of the Execution Date (the "765 2nd Floor Corridor Premises Commencement Date"). From and after the 765 2nd Floor Corridor Premises Commencement Date, the term "Premises" shall include the 765 2nd Floor Corridor Premises. The Term with respect to the 765 2nd Floor Corridor Premises shall expire on the Term Expiration Date for the New Premises, subject to (a) Tenant's option to extend the Term of the Lease as provided in Article 44 of the Lease and (b) Tenant's termination option set forth in Section 3 below.

2.4. 765 Mezz Premises. Subject to Tenant's termination options set forth in Section 3 hereof, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the 765 Mezz Premises as of the Execution Date (the "765 Mezz Premises Commencement Date"). From and after the 765 Mezz Premises Commencement Date, the term "Premises" shall include the 765 Mezz Premises. The Term with respect to the 765 Mezz Premises shall expire on the Term Expiration Date for the New Premises, subject to (a) Tenant's option to extend the Term of the Lease as provided in Article 44 of the Lease and (b) Tenant's termination option set forth in Section 3 hereof.

2.5. 765 2nd Floor Elevator Lobby Premises.

(a) Subject to Tenant's termination options set forth in Section 3, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the 765 2nd Floor Elevator Lobby Premises as of the Execution Date (the "765 2nd Floor Elevator Lobby Premises Commencement Date"). From and after the 765 2nd Floor Elevator Lobby Premises Commencement Date, the term "Premises" shall include the 765 2nd Floor Elevator Lobby Premises. The Term with respect to the 765 2nd Floor Elevator Lobby Premises shall expire on the Term Expiration Date for the New Premises, subject to (a) Tenant's option to extend the Term of the Lease as provided in Article 44 of the Lease and (b) Tenant's termination option set forth in Section 3 hereof.

2.6. 765 Expansion Premises III. Subject to Tenant's termination options set forth in Section 3 hereof, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the 765 Expansion Premises III as of the date (the "765 Expansion Premises III Commencement Date") that Landlord tenders possession of the 765 Expansion Premises III to Tenant in compliance with the terms of the Amended Lease and with the 765 Expansion Premises III Landlord Work (as defined in Section 6.4(a) hereof) substantially complete. If possession is delayed solely because of a Tenant Delay, then the 765 Expansion Premises III Commencement Date shall be the date that the 765 Expansion Premises III Commencement Date would have occurred but for such delay. From and after the 765 Expansion Premises III Commencement Date, the term "Premises" shall include the 765 Expansion Premises III. The Term with respect to the 765 Expansion Premises III shall expire on the Term Expiration Date for the New Premises, subject to (a) Tenant's option to extend the Term of the Lease as provided in Article 44 of the Lease and (b) Tenant's termination option set forth in Section 3 hereof. Tenant shall execute and deliver to Landlord written acknowledgment of the actual 765 Expansion Premises III Commencement Date within ten (10) days after Tenant takes occupancy of the 765 Expansion Premises III, in the form attached as Exhibit G hereto. Failure to execute and deliver such acknowledgment, however, shall not affect the 765 Expansion Premises

III Commencement Date or Landlord's or Tenant's liability hereunder. Failure by Tenant to obtain validation by any medical review board or other similar governmental licensing of the 765 Expansion Premises III required for the Permitted Use by Tenant shall not serve to extend the 765 Expansion Premises III Commencement Date.

2.7. Additional 01 Premises. Subject to Tenant's termination options set forth in Section 3 hereof, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Additional 01 Premises as of the date (the "Additional 01 Premises Commencement Date") that Landlord tenders possession of the Additional 01 Premises to Tenant in compliance with the terms of the Amended Lease and with the Additional 01 Premises Landlord Work (as defined in Section 6.5(a) hereof) substantially complete. If possession is delayed by a Tenant Delay, then the Additional 01 Premises Commencement Date shall be the date that the Additional 01 Premises Commencement Date would have occurred but for such delay. From and after the Additional 01 Premises Commencement Date, the term "Premises" shall include the Additional 01 Premises. The Term with respect to the Additional 01 Premises shall expire on the Term Expiration Date for the New Premises, subject to (a) Tenant's option to extend the Term of the Lease as provided in Article 44 of the Lease and (b) Tenant's termination option set forth in Section 3 hereof. Tenant shall execute and deliver to Landlord written acknowledgment of the actual Additional 01 Premises Commencement Date within ten (10) days after Tenant takes occupancy of the Additional 01 Premises, in the form attached as Exhibit G hereto. Failure to execute and deliver such acknowledgment, however, shall not affect the Additional 01 Premises Commencement Date or Landlord's or Tenant's liability hereunder. Failure by Tenant to obtain validation by any medical review board or other similar governmental licensing of the Additional 01 Premises required for the Permitted Use by Tenant shall not serve to extend the Additional 01 Premises Commencement Date.

3. Termination Options. Tenant shall have the following termination options:

3.1. In addition to the termination rights set forth in Sections 2.1 and 3.8 hereof, Tenant shall be entitled to terminate the Amended Lease with respect to the 777-02 Premises as of December 31, 2015, or December 31, 2016; provided that Tenant (a) provides Landlord with no less than twelve (12) months' prior written notice and (b) pays (on or before the effective date of such termination) to Landlord a termination fee of (i) if the termination date is December 31, 2015, Seven Hundred Eighty-Six Thousand Seven Hundred Sixty Dollars ($786,760) or (ii) if the termination date is December 31, 2016, Six Hundred Ninety-Four Thousand Two Hundred Dollars ($694,200). If Tenant timely exercises its option to terminate the Amended Lease with respect to the 777-02 Premises, then Tenant shall surrender the 777-02 Premises to Landlord on the applicable surrender date in the condition required by the Amended Lease for surrendering Premises upon the expiration or earlier termination thereof and the Amended Lease (with respect to the 777-02 Premises) shall terminate and be of no further force or effect as of the termination date, except for those provisions that expressly survive the expiration or earlier termination thereof.

3.2. Tenant shall be entitled to terminate the Amended Lease with respect to the 777 S-Level Corridor Premises as of December 31, 2015, or December 31, 2016; provided that Tenant (a) provides Landlord with no less than twelve (12) months' prior written notice and (b) pays (on or

before the effective date of such termination) to Landlord a termination fee of (i) if the termination date is December 31, 2015, Thirteen Thousand Seven Hundred Thirty-One and 89/100 Dollars ($13,731.89) or (ii) if the termination date is December 31, 2016, Twelve Thousand One Hundred Sixteen and 37/100 Dollars ($12,116.37). If Tenant timely exercises its option to terminate the Amended Lease with respect to the 777 S-Level Corridor Premises, then Tenant shall surrender the 777 S-Level Corridor Premises to Landlord on the applicable surrender date in the condition required by the Amended Lease for surrendering Premises upon the expiration or earlier termination thereof and the Amended Lease (with respect to the 777 S-Level Corridor Premises) shall terminate and be of no further force or effect as of the termination date, except for those provisions that expressly survive the expiration or earlier termination thereof.

3.3. Tenant shall be entitled to terminate the Amended Lease with respect to the 765 2nd Floor Corridor Premises as of December 31, 2015, or December 31, 2016; provided that Tenant (a) provides Landlord with no less than twelve (12) months' prior written notice and (b) pays (on or before the effective date of such termination) to Landlord a termination fee of (i) if the termination date is December 31, 2015, One Thousand Five Hundred Ten and 04/100 Dollars ($1,510.04) or (ii) if the termination date is December 31, 2016, One Thousand Three Hundred Thirty-Two and 38/100 Dollars ($1,332.38). If Tenant timely exercises its option to terminate the Amended Lease with respect to the 765 2nd Floor Corridor Premises, then Tenant shall surrender the 765 2nd Floor Corridor Premises to Landlord on the applicable surrender date in the condition required by the Amended Lease for surrendering Premises upon the expiration or earlier termination thereof and the Amended Lease (with respect to the 765 2nd Floor Corridor Premises) shall terminate and be of no further force or effect as of the termination date, except for those provisions that expressly survive the expiration or earlier termination thereof.

3.4. Tenant shall be entitled to terminate the Amended Lease with respect to the 765 Mezz Premises as of January 1, 2017; provided that Tenant (a) provides Landlord with no less than twelve (12) months' prior written notice and (b) pays (on or before the effective date of such termination) to Landlord a termination fee of Five Hundred Forty-One Thousand Five Hundred Ninety-Seven and 58/100 Dollars ($541,597.58). If Tenant timely exercises its option to terminate the Amended Lease with respect to the 765 Mezz Premises, then Tenant shall surrender the 765 Mezz Premises to Landlord on the applicable surrender date in the condition required by the Amended Lease for surrendering Premises upon the expiration or earlier termination thereof and the Amended Lease (with respect to the 765 Mezz Premises) shall terminate and be of no further force or effect as of the termination date, except for those provisions that expressly survive the expiration or earlier termination thereof.

3.5. Tenant shall be entitled to terminate the Amended Lease with respect to the 765 2nd Floor Elevator Lobby Premises as of December 31, 2015, or December 31, 2016; provided that Tenant (a) provides Landlord with no less than twelve (12) months' prior written notice and (b) pays (on or before the effective date of such termination) to Landlord a termination fee of (i) if the termination date is December 31, 2015, One Thousand Nine Hundred Forty-Nine and 25/100 Dollars ($1,949.25) or (ii) if the termination date is December 31, 2016, One Thousand Seven Hundred Nineteen and 93/100 Dollars ($1,719.93). If Tenant timely exercises its option to terminate the Amended Lease with respect to the 765 2nd Floor Elevator Lobby Premises, then Tenant shall

surrender the 765 2nd Floor Elevator Lobby Premises to Landlord on the applicable surrender date in the condition required by the Amended Lease for surrendering Premises upon the expiration or earlier termination thereof and the Amended Lease (with respect to the 765 2nd Floor Elevator Lobby Premises) shall terminate and be of no further force or effect as of the termination date, except for those provisions that expressly survive the expiration or earlier termination thereof.

3.6. Tenant shall be entitled to terminate the Amended Lease with respect to the 765 Expansion Premises III as of January 1, 2017; provided that Tenant provides Landlord with no less than twelve (12) months' prior written notice and (b) pays (on or before the effective date of such termination) to Landlord a termination fee of Twenty-Four Thousand Three Hundred Five and 77/100 Dollars ($24,305.77). If Tenant timely exercises its option to terminate the Amended Lease with respect to the 765 Expansion Premises III, then Tenant shall surrender the 765 Expansion Premises III to Landlord on the applicable surrender date in the condition required by the Amended Lease for surrendering Premises upon the expiration or earlier termination thereof and the Amended Lease (with respect to the 765 Expansion Premises III) shall terminate and be of no further force or effect as of the termination date, except for those provisions that expressly survive the expiration or earlier termination thereof.

3.7. In addition to the termination right set forth in Section 3.8 hereof, Tenant shall be entitled to terminate the Amended Lease with respect to the Additional 01 Premises as of December 31, 2015, or December 31, 2016; provided that Tenant (a) provides Landlord with no less than twelve (12) months' prior written notice and (b) pays (on or before the effective date of such termination) to Landlord a termination fee of (i) if the termination date is December 31, 2015, Thirty-One Thousand Six Hundred Sixteen and 37/100 Dollars ($31,616.37) or (ii) if the termination date is December 31, 2016, Twenty-Seven Thousand Eight Hundred Ninety-Six and 80/100 Dollars ($27,896.80). If Tenant timely exercises its option to terminate the Amended Lease with respect to the Additional 01 Premises, then Tenant shall surrender the Additional 01 Premises to Landlord on the applicable surrender date in the condition required by the Amended Lease for surrendering Premises upon the expiration or earlier termination thereof and the Amended Lease (with respect to the Additional 01 Premises) shall terminate and be of no further force or effect as of the termination date, except for those provisions that expressly survive the termination or earlier expiration thereof. In the event Tenant exercises its option to terminate the Additional 01 Premises in accordance with this Section, then Tenant shall be required to simultaneously terminate the 01 Premises and surrender the 01 Premises in accordance with Section 3 of the Ninth Amendment. In the event Tenant exercises its option to terminate the 01 Premises pursuant to Section 3 of the Ninth Amendment, then Tenant shall be required to simultaneously terminate the Additional 01 Premises and surrender the Additional 01 Premises in accordance with this Section.

3.8. In addition to the termination rights set forth in Sections 3.1 and 3.7 hereof, and with respect to the 01 Premises (as defined in the Ninth Amendment), if Tenant or an affiliate of Tenant enters into a lease agreement for at least eighty thousand (80,000) square feet of additional space at the Property, then Tenant shall be entitled to terminate (with no penalty) the Amended Lease with respect to one or both of (a) the 777-02 Premises and (b) the Additional 01 Premises together with the 01 Premises (collectively, the "10th Amendment Swing Space"). Tenant shall exercise such right, if at all, by providing Landlord with at least nine (9) months' advance written notice, which

notice shall set forth the applicable space being terminated (the "Terminated Space") and the effective date of such termination (the "Termination Date"). If, in such notice, Tenant elects to terminate the Amended Lease with respect to only (a) or (b) of the 10th Amendment Swing Space, then Tenant may elect to terminate the Amended Lease with respect to the other portion (and not less than the entire other portion) of the 10th Amendment Swing Space at a later date, in accordance with this Section 3.8. On or before the applicable Termination Date, Tenant shall surrender the applicable Terminated Space in the condition required under the Amended Lease. From and after the applicable Termination Date, (x) the Lease shall terminate and be of no further force and effect with respect to the applicable Terminated Space, except for those provisions that expressly survive the expiration or earlier termination thereof, (y) the applicable Terminated Space shall be removed from the Premises and (z) Tenant's Pro Rata Shares shall be adjusted accordingly.

3.9. Time is of the essence with respect to the exercise of the termination options granted and amended in this Article.

3.10. If Tenant exercises its option to terminate the 777 License Area Premises in accordance with Section 5(a) of the Eighth Amendment, then Tenant shall simultaneously terminate and surrender, and pay the applicable termination fee with respect thereto (y) the 777 S-Level Corridor Premises in accordance with Section 3.2 hereof and (z) the 765 2nd Floor Elevator Lobby Premises in accordance with Section 3.5 hereof.

4. Lease Extension Options. From and after the Execution Date, the first paragraph of Article 44 of the Lease is hereby deleted and replaced with the following:

> 44. Option to Extend Term. Tenant shall have three (3) options (each, an "Option") to extend the Term of this Lease (and, in each case, the Term Expiration Date) by five (5) years, in each case on the same terms and conditions as this Lease, except as provided below. If Tenant desires to exercise any Option, Tenant must do so by giving Landlord written notice of such exercise at least one (1) year before the Term would otherwise expire. Tenant may exercise its Option to extend the Term only as to any one or more of the following: (a) the entire Retained Premises plus the Corridor Space and the 765 Expansion Premises III, (b) the entire New Whole Building Premises, (c) the entire New Multiple Tenant Building Premises, (d) the Modified Additional Premises, (e) the Swap Premises, 765 Elevator Lobby Premises, the 765 2nd Floor Elevator Lobby Premises and the 765 2nd Floor Corridor Premises, (f) each full floor of the 755 Premises, (g) the 765 Expansion Premises, (h) the 765 Expansion Premises II, (i) C-Level Storage Spaces, (j) the 777 License Area Premises and the 777 S-Level Corridor Premises, (k) the 01 Premises and the Additional 01 Premises, (l) the 777-02 Premises and (m) the 765 Mezz Premises. If Tenant fails to exercise an Option with respect to less than all of the Premises and the time to do so has lapsed (or if a Retained Premises Early Termination, a termination pursuant to a Swap Premises Termination Option, or any other termination of a portion of the Premises pursuant to the Amended Lease has occurred), then Tenant

shall no longer have an Option with respect to those portions of the Premises (y) for which it failed to exercise an Option, although Tenant's Options for the remaining Premises shall remain in full force and effect or (z) that have terminated.

5. Condition of 10th Amendment Expansion Premises. Tenant acknowledges that, except as expressly set forth herein, neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the condition of the 10th Amendment Expansion Premises with respect to the suitability of the same for the conduct of Tenant's business. Tenant acknowledges that it is generally familiar with the condition of the 10th Amendment Expansion Premises (except that with respect to the Space License Premises, Tenant is fully familiar with and in possession of the Space License Premises) and agrees to take the same in its condition "as is" as of the applicable delivery date, except that (a) Landlord shall deliver the 777-02 Premises in broom clean condition, (b) Landlord shall perform the work required of Landlord pursuant to Section 6 hereof and (c) Landlord shall cure any breach of its representations set forth in this Section prior to such delivery date. Tenant's taking possession of any portion of the 10th Amendment Expansion Premises, except as otherwise agreed to in writing by Landlord and Tenant, shall conclusively establish that such portion of the 10th Amendment Expansion Premises was at such time in good, sanitary and satisfactory condition and repair. Notwithstanding the foregoing, Landlord represents and warrants to Tenant that (m) with respect to the 765 2nd Floor Corridor Premises, the 765 Mezz Premises and the 765 2nd Floor Elevator Lobby Premises, as of the Execution Date and (n) with respect to the 777-02 Premises, the 777 S-Level Corridor Premises, the 765 Expansion Premises III and the Additional 01 Premises, as of Landlord's completion of the applicable Landlord Work, (y) the Building Systems serving the applicable portion of the 10th Amendment Expansion Premises shall be in good working condition and that the same shall be serviced by Utilities and other base building services and (z) to the best of Landlord's actual knowledge, any asbestos and asbestos containing materials in the applicable portion of the 10th Amendment Expansion Premises shall have been abated (except for asbestos and asbestos containing materials in the 777-02 Premises that are the subject of the Abatement Work (as defined in Section 6.1(e) hereof); provided, however, that with respect to the bathrooms servicing the 765 Mezz Premises and the Building Systems relating thereto, the foregoing representations and warranties shall be made as of Landlord's completion of the 765 Mezz Premises Landlord Work. Tenant acknowledges that certain asbestos and asbestos containing materials exist in the 777-02 Premises and Tenant shall be responsible for abating the same in accordance with the Abatement Work.

6. Improvements.

6.1. 777-02 Premises.

(b) Landlord shall perform the improvements to the 777-02 Premises set forth on Exhibit H attached hereto at Landlord's sole cost and expense (the "777-02 Landlord Work"). Landlord shall commence the 777-02 Landlord Work as soon as practicable after the Execution Date and shall continue such work until completion. If Landlord has not substantially completed the 777-02 Landlord Work and tendered possession of the 777-02 Premises to Tenant in accordance with Section 2.1 hereof by the date that is four (4) months and fifteen (15) days after the Execution

Date, subject to extension as a result of Force Majeure and Tenant Delay (such date, as may be extended, the "777-02 Landlord Work Deadline"), then the 777-02 Premises Basic Annual Rent Commencement Date (as defined below) shall be extended by one day for every day after the 777-02 Landlord Work Deadline that Landlord has not substantially completed the 777-02 Landlord Work and tendered possession of the 777-02 Premises to Tenant. If Landlord and Tenant cannot agree on whether Landlord has substantially completed the 777-02 Landlord Work or the items listed on the Punchlist generated by the parties pursuant to the protocol set forth under Section 4.3 of the Lease, then the written determination of the Neutral Architect shall govern, whose determination shall be final and binding upon the parties. For the avoidance of doubt, the Basic Annual Rent commencement extension described in this Section shall be in addition to (and not in lieu of) any Basic Annual Rent commencement extension described in Section 7 hereof.

(c) Landlord shall make available to Tenant a tenant improvement allowance of Six Hundred Seven Thousand Four Hundred Twenty Five Dollars ($607,425) (based on Fifteen Dollars ($15) per square foot of Rentable Area of the 777-02 Premises) (the "777-02 Premises Allowance") for Tenant's performance of its improvements to the 777-02 Premises (the "777-02 Tenant Work"). The 777-02 Premises Allowance shall be disbursed in the same manner as the Base TI Allowance under the applicable provisions of Article 5 of the Lease, including the Disbursement Conditions, in order to finance the aforesaid improvements to the 777-02 Premises. Tenant shall be responsible for performing and completing the 777-02 Tenant Work.

(d) Landlord shall make available to Tenant a tenant improvement allowance of Two Hundred Three Thousand Dollars ($203,000), based on Seven Thousand Dollars ($7,000) per variable air volume box (the "VAV Allowance"), for Tenant's performance of its improvements to the 777-02 Premises listed in Item 1 of Exhibit I attached hereto (the "VAV Work"). The VAV Allowance shall be disbursed in the same manner as the Base TI Allowance under the applicable provisions of Article 5 of the Lease, including the Disbursement Conditions, in order to finance the VAV Work. Tenant shall be responsible for performing and completing the VAV Work.

(e) Landlord shall make available to Tenant a tenant improvement allowance of One Hundred Forty Thousand Dollars ($140,000) (the "Fintube Allowance"), for Tenant's performance of its improvements to the 777-02 Premises listed in Item 2 of Exhibit I attached hereto (the "Fintube Work"). The Fintube Allowance shall be disbursed in the same manner as the Base TI Allowance under the applicable provisions of Article 5 of the Lease, including the Disbursement Conditions, in order to finance the Fintube Work. Tenant shall be responsible for performing and completing the Fintube Work.

(f) Landlord shall reimburse Tenant for the cost of the work to the 777-02 Premises listed as Item 3 of Exhibit I attached hereto (the "Abatement Work"). Any reimbursement for the Abatement Work shall be disbursed in the same manner as the Base TI Allowance under the applicable provisions of Article 5 of the lease, including the Disbursement Conditions. Tenant shall be responsible for performing and completing the Abatement Work.

6.2. 777 S-Level Corridor Premises. Landlord shall perform the improvements to the 777 S-Level Corridor Premises set forth on Exhibit J attached hereto at Landlord's sole cost and expense (the "777 S-Level Corridor Landlord Work"). Landlord shall commence the 777 S-Level

Corridor Landlord Work as soon as practicable after the Execution Date and shall continue such work until completion. If Landlord has not substantially completed the 777 S-Level Corridor Landlord Work and tendered possession of the 777 S-Level Corridor Premises to Tenant in accordance with Section 2.2 hereof by the date that is four (4) months and fifteen (15) days after the Execution Date, subject to extension as a result of Force Majeure and Tenant Delay (such date, as may be extended, the "777 S-Level Corridor Landlord Work Deadline"), then the 777 S-Level Corridor Premises Basic Annual Rent Commencement Date (as defined below) shall be extended by one day for every day after the 777 S-Level Corridor Landlord Work Deadline that Landlord has not substantially completed the 777 S-Level Corridor Landlord Work and tendered possession of the 777 S-Level Corridor Premises to Tenant. If Landlord and Tenant cannot agree on whether Landlord has substantially completed the 777 S-Level Corridor Landlord Work or the items listed on the Punchlist generated by the parties pursuant to the protocol set forth under Section 4.3 of the Lease, then the written determination of the Neutral Architect shall govern, whose determination shall be final and binding upon the parties.

6.3. 765 Mezz Premises.

(a) Landlord shall perform the improvements to the bathrooms adjacent to the 765 Mezz Premises set forth on Exhibit K attached hereto at Landlord's sole cost and expense (the "765 Mezz Landlord Work"). Landlord shall commence the 765 Mezz Landlord Work as soon as practicable after the Execution Date and shall continue such work until complete. If Landlord has not substantially completed the 765 Mezz Landlord Work by the date that is nine (9) months and fifteen (15) days after the Execution Date, subject to extension as a result of Force Majeure and Tenant Delay (such date, as may be extended, the "765 Mezz Landlord Work Deadline"), then the 765 Mezz Premises Basic Annual Rent Commencement Date (as defined below) shall be extended by one day for every day after the 765 Mezz Landlord Work Deadline that substantial completion of the 765 Mezz Landlord Work has not occurred. If Landlord and Tenant cannot agree on whether Landlord has substantially completed the 765 Mezz Landlord Work or the items listed on the Punchlist generated by the parties pursuant to the protocol set forth under Section 4.3 of the Lease, then the written determination of the Neutral Architect shall govern, whose determination shall be final and binding upon the parties.

(b) Landlord shall make available to Tenant a tenant improvement allowance of Four Hundred Eighty-Seven Thousand Seven Hundred Eighty-Five Dollars ($487,785) (based on Fifteen Dollars ($15) per square foot of Rentable Area of the 765 Mezz Premises) (the "765 Mezz Premises Allowance") for Tenant's performance of its improvements to the 765 Mezz Premises (the "765 Mezz Tenant Work"). The 765 Mezz Premises Allowance shall be disbursed in the same manner as the Base TI Allowance under the applicable provisions of Article 5 of the Lease, including the Disbursement Conditions, in order to finance the aforesaid improvements to the 765 Mezz Premises. Tenant shall be responsible for performing and completing the 765 Mezz Tenant Work.

6.4. 765 Expansion Premises III.

(a) Landlord shall perform the improvements to the 765 Expansion Premises III set forth on Exhibit L attached hereto at Landlord's sole cost and expense (the "765 Expansion Premises III Landlord Work"). Landlord shall commence the 765 Expansion Premises III Landlord

Work as soon as practicable after the Execution Date and shall continue such work until complete. If Landlord has not substantially completed the 765 Expansion Premises III Landlord Work and tendered possession of the 765 Expansion Premises III to Tenant in accordance with Section 2.6 hereof by the date that is two (2) months and fifteen (15) days after the Execution Date, subject to extension as a result of Force Majeure and Tenant Delay (such date, as may be extended, the "765 Expansion Premises III Landlord Work Deadline"), then the 765 Expansion Premises III Basic Annual Rent Commencement Date (as defined below) shall be extended by one day for every day after the 765 Expansion Premises III Landlord Work Deadline that Landlord has not substantially completed the 765 Expansion Premises III Landlord Work and tendered possession of the 765 Expansion Premises III to Tenant. If Landlord and Tenant cannot agree on whether Landlord has substantially completed the 765 Expansion Premises III Landlord Work or the items listed on the Punchlist generated by the parties pursuant to the protocol set forth under Section 4.3 of the Lease, then the written determination of the Neutral Architect shall govern, whose determination shall be final and binding upon the parties.

(b) Landlord shall make available to Tenant a tenant improvement allowance of Twenty-Six Thousand Three Hundred Fifty Dollars ($26,350) (based on Twenty-Five Dollars ($25) per square foot of Rentable Area of the 765 Expansion Premises III) (the "765 Expansion Premises III Allowance") for Tenant's performance of its improvements to the 765 Expansion Premises III (the "765 Expansion Premises III Tenant Work"). The 765 Expansion Premises III Allowance shall be disbursed in the same manner as the Base TI Allowance under the applicable provisions of Article 5 of the Lease, including the Disbursement Conditions, in order to finance the aforesaid improvements to the 765 Expansion Premises III. Tenant shall be responsible for performing and completing the 765 Expansion Premises III Tenant Work.

6.5. Additional 01 Premises.

(a) Landlord shall perform the improvements to the Additional 01 Premises set forth on Exhibit M attached hereto at Landlord's sole cost and expense (the "Additional 01 Landlord Work"). Landlord shall commence the Additional 01 Landlord Work as soon as practicable after the Execution Date and shall continue such work until completion. If Landlord has not substantially completed the Additional 01 Landlord Work and tendered possession of the Additional 01 Premises to Tenant in accordance with Section 2.7 hereof by the date that is four (4) weeks after the Execution Date, subject to extension as a result of Force Majeure and Tenant Delay (such date, as may be extended, the "Additional 01 Landlord Work Deadline"), then the Additional 01 Premises Basic Annual Rent Commencement Date (as defined below) shall be extended by one day for every day after the Additional 01 Landlord Work Deadline that Landlord has not substantially completed the Additional 01 Landlord Work and tendered possession of the Additional 01 Premises to Tenant. If Landlord and Tenant cannot agree on whether Landlord has substantially completed the Additional 01 Landlord Work or the items listed on the Punchlist generated by the parties pursuant to the protocol set forth under Section 4.3 of the Lease, then the written determination of the Neutral Architect shall govern, whose determination shall be final and binding upon the parties.

(b) Landlord shall make available to Tenant a tenant improvement allowance of Twenty-Five Thousand One Hundred Twenty-Five Dollars ($25,125) (based on Fifteen Dollars

($15) per square foot of Rentable Area of the Additional 01 Premises) (the "Additional 01 Premises Allowance") for Tenant's performance of its improvements to the Additional 01 Premises (the "Additional 01 Tenant Work"). The Additional 01 Premises Allowance shall be disbursed in the same manner as the Base TI Allowance under the applicable provisions of Article 5 of the Lease, including the Disbursement Conditions, in order to finance the aforesaid improvements to the Additional 01 Premises. Tenant shall be responsible for performing and completing the Additional 01 Tenant Work.

6.6. For purposes of this Amendment, "substantial completion" or "substantially complete" means that Landlord has completed all of the applicable Landlord Work, except for minor and insubstantial details of construction that do not, except in a de minimis manner, interfere with Tenant's performance of improvements to the 10th Amendment Expansion Premises in accordance with this Section 6. Notwithstanding anything in this Amended Lease to the contrary, Landlord's obligation to timely achieve substantial completion of any portion of the 10th Amendment Expansion Premises shall be subject to extension on a day-for-day basis as a result of Force Majeure and Tenant Delay. For purposes of this Amendment, "Tenant Delay" means any delays due to (a) any changes to Landlord Work requested by Tenant and (b) any other act or failure to act by Tenant, Tenant's employees, agents, architects, independent contractors, consultants and/or any other person performing or required to perform services on behalf of Tenant which, in either case, delays (but only to the extent (a) or (b) actually delays) Landlord's performance of the applicable Landlord Work or Landlord's delivery of possession of the applicable 10th Amendment Expansion Premises. No such Tenant Delay shall be deemed to have commenced unless Tenant shall have failed to cure the same within two (2) business days after Tenant's receipt of written notice thereof from Landlord.

6.7. Notwithstanding anything in Section 18.10 of the Lease to the contrary, Tenant shall pay Landlord a construction oversight fee of two and one-half percent (2.5%) of the total cost of each portion of Tenant Work (as defined below) and other improvements performed using any Allowance (as defined below), which construction oversight fee may be paid out of the applicable Allowance; provided, however, that Tenant shall not be required to pay such construction oversight fee for the VAV Work, the Fintube Work and the Abatement Work.

6.8. To the extent required by Applicable Laws, Tenant shall deliver (or cause to be delivered) to Landlord a certificate of occupancy for all portions of the 10th Amendment Expansion Premises suitable for the Permitted Use.

6.9. Collectively and individually the 777-02 Landlord Work, 777 S-Level Corridor Premises Landlord Work, 765 Mezz Landlord Work, 765 Expansion Premises III Landlord Work and the Additional 01 Landlord Work may be referred to as the "Landlord Work." Collectively and individually the 777-02 Tenant Work, VAV Work, Fintube Work, Abatement Work, 765 Mezz Tenant Work, 765 Expansion Premises III Tenant Work and the Additional 01 Tenant Work may be referred to as the "Tenant Work." Collectively and individually the 777-02 Premises Allowance, VAV Allowance, Fintube Allowance, 765 Mezz Premises Allowance, 765 Expansion Premises III Allowance and the Additional 01 Premises Allowance may be referred to as an "Allowance."

6.10. All Tenant Work shall be performed in accordance with the applicable provisions of the Lease, including the applicable provisions of Articles 5 and 18; provided, however, if there is

a conflict between the terms of the Lease and the terms of this Amendment, then the terms of this Amendment shall control. Landlord and Tenant acknowledge that the Work Letter is not applicable to the Tenant Work; provided, however, that (a) prior to commencing performance of any of the Tenant Work, Tenant shall furnish to Landlord evidence satisfactory to Landlord that insurance coverages required of Tenant under the Work Letter are in effect with respect to the Tenant Work and (b) Tenant assumes the responsibility and liability in connection with the Tenant Work in the same manner as set forth under Section 6 of the Work Letter.

6.11. Notwithstanding anything to the contrary in the Amended Lease, including this Amendment, any Allowance may be used by Tenant for Tenant improvements in any portion of the 10th Amendment Expansion Premises, regardless of whether such Allowance was made available to Tenant with respect to a specific portion of the 10th Amendment Expansion Premises. Tenant shall have until the day that is five (5) years after the Execution Date (the "Allowance Deadline"), to submit a disbursement request with all applicable documentation (in the same manner as the Base TI Allowance under the applicable provisions of Article 5 of the Lease, including the Disbursement Conditions) for the unused portion of the Allowance, after which date Landlord's obligation to fund such costs shall expire. In no event shall any unused Allowance entitle Tenant to a credit against Rent payable under the Amended Lease.

7. Early Access. Landlord shall grant Tenant, at no cost to Tenant, (a) access to all portions of the 10th Amendment Expansion Premises, except the 777-02 Premises, the 765 Expansion Premises III and the Additional 01 Premises, within thirty (30) days after the Execution Date, (b) access to the Additional 01 Premises on the Execution Date (c) access to the 765 Expansion Premises III upon substantial completion of the 765 Expansion Premises III Landlord Work and (d) access to the 777-02 Premises on the later of (i) five (5) business days after the last Vacating Tenant vacates the applicable portion of the 777-02 Premises and (ii) the date that is three (3) months after the Execution Date, in each case in order for Tenant to commence construction of the applicable Tenant Work and in each case subject to extension as a result of Force Majeure and Tenant Delay. Landlord and Tenant shall reasonably cooperate with each other so as not to impede the other's work on the Landlord Work or the Tenant Work, as applicable. In the event that Landlord does not permit Tenant such early access to the entire 777-02 Premises by April 1, 2013, subject to extension as a result of Force Majeure and Tenant Delay (the "Vacating Tenant Deadline"), then the 777-02 Premises Basic Annual Rent Commencement Date shall be extended by one day for every day after the Vacating Tenant Deadline that access has not been provided. For the avoidance of doubt, the Basic Annual Rent commencement extension described in this Section shall be in addition to (and not in lieu of) any Basic Annual Rent commencement extension described in Section 6.1(a) hereof.

8. Rent.

8.1. 777-02 Premises. Commencing as of the date that is twelve (12) months after the 777-02 Premises Commencement Date (the "777-02 Premises Basic Annual Rent Commencement Date," as such date may be extended pursuant to Sections 6.1(a) and 7 hereof) and continuing through the Term, but subject to Section 3 hereof, Tenant shall pay to Landlord Basic Annual Rent for the 777-02 Premises at an initial rate equal to Twenty-Five and 11/100 Dollars ($25.11) per square foot of Rentable Area of the 777-02 Premises per year in accordance with the terms for

payment of Basic Annual Rent set forth in the Lease. Basic Annual Rent for the 777-02 Premises shall increase annually every July 1st by two and one-half percent (2.5%) of the then-current applicable Basic Annual Rent for the 777-02 Premises, with the first such increase occurring as of July 1, 2014. In addition to Basic Annual Rent, commencing on the 777-02 Premises Commencement Date and continuing each month of the Term, Tenant shall also pay to Landlord, with respect to the 777-02 Premises, (a) Tenant's Pro Rata Share of Operating Expenses with respect to the 777-02 Premises that exceeds a calendar 2012 base year (the "Base Year") (grossed up to ninety-five percent (95%) occupancy in the same manner as the gross-up described in Section 10.1 hereof) and (b) Basic Electric charges, all as set forth in the Lease.

8.2. 777 S-Level Corridor Premises. Commencing as of the 777 S-Level Corridor Premises Commencement Date (the "777 S-Level Corridor Basic Annual Rent Commencement Date," as the 777 S-Level Corridor Basic Annual Rent Commencement Date may be extended pursuant to Section 6.2 hereof) and continuing through the Term, but subject to Section 3 hereof, Tenant shall pay to Landlord Basic Annual Rent for the 777 S-Level Corridor Premises at an initial rate equal to Five and 00/100 Dollars ($5.00) per square foot of Rentable Area of the 777 S-Level Corridor Premises per year in accordance with the terms for payment of Basic Annual Rent set forth in the Lease. Basic Annual Rent for the 777 S-Level Corridor Premises shall increase annually every July 1st by two and one-half percent (2.5%) of the then-current applicable Basic Annual Rent for the 777 S-Level Corridor Premises, with the first such increase occurring as of July 1, 2013. In addition to Basic Annual Rent, commencing on the 777 S-Level Corridor Premises Commencement Date, Tenant shall pay to Landlord as Additional Rent, at times specified in the Amended Lease, Tenant's Pro Rata Share of Operating Expenses with respect to the 777 S-Level Corridor Premises. For the avoidance of doubt, HVAC for the 777 S-Level Corridor Premises shall be calculated in the same manner as provided in the Amended Lease with respect to the Retained Premises, and the 777 S-Level Corridor Premises shall be treated as Retained Premises for the purposes of allocation of the CAM Pool Charges in accordance with Exhibit O of the Amended Lease (as of the 777 S-Level Corridor Premises Commencement Date).

8.3. 765 2nd Floor Corridor Premises. Commencing on the 765 2nd Floor Corridor Premises Commencement Date and continuing through the Term, but subject to Section 3 hereof, Tenant shall pay to Landlord Basic Annual Rent for the 765 2nd Floor Corridor Premises at an initial rate equal to Five and 00/100 Dollars ($5.00) per square foot of Rentable Area of the 765 2nd Floor Corridor Premises per year in accordance with the terms for payment of Basic Annual Rent set forth in the Lease. Basic Annual Rent for the 765 2nd Floor Corridor Premises shall increase annually every July 1st by two and one-half percent (2.5%) of the then-current applicable Basic Annual Rent for the 765 2nd Floor Corridor Premises, with the first such increase occurring as of July 1, 2013. In addition to Basic Annual Rent, commencing on the 765 2nd Floor Corridor Premises Commencement Date, Tenant shall pay to Landlord as Additional Rent, at times specified in the Amended Lease, Tenant's Pro Rata Share of Operating Expenses with respect to the 765 2nd Floor Corridor Premises. For the avoidance of doubt, HVAC for the 765 2nd Floor Corridor Premises shall be calculated in the same manner as provided in the Amended Lease with respect to the Retained Premises, and the 765 2nd Floor Corridor Premises shall be treated as Retained Premises for the purposes of allocation of the CAM Pool Charges in accordance with Exhibit O of the Amended Lease (as of the 765 2nd Floor Corridor Premises Commencement Date).

8.4. 765 Mezz Premises. Commencing as of the date that is twelve (12) months after the 765 Mezz Premises Commencement Date (the "765 Mezz Premises Basic Annual Rent Commencement Date," as such date may be extended pursuant to Section 6.3(a) hereof) and continuing through the Term, but subject to Section 3 hereof, Tenant shall pay to Landlord Basic Annual Rent for the 765 Mezz Premises at an initial rate equal to Twenty-Four and 50/100 Dollars ($24.50) per square foot of Rentable Area of the 765 Mezz Premises per year in accordance with the terms for payment of Basic Annual Rent set forth in the Lease. Basic Annual Rent for the 765 Mezz Premises shall increase annually every July 1st by two and one-half percent (2.5%) of the then-current applicable Basic Annual Rent for the 765 Mezz Premises, with the first such increase occurring as of July 1, 2013. In addition to Basic Annual Rent, commencing on the 765 Mezz Premises Commencement Date and continuing each month of the Term, Tenant shall also pay to Landlord, with respect to the 765 Mezz Premises, (a) Tenant's Pro Rata Share of Operating Expenses with respect to the 765 Mezz Premises that exceeds the Base Year (grossed up to ninety-five percent (95%) occupancy in the same manner as the gross-up described in Section 10.1 hereof) and (b) Basic Electric charges, all as set forth in the Lease.

8.5. 765 2nd Floor Elevator Lobby Premises. Commencing on the 765 2nd Floor Elevator Lobby Premises Commencement Date and continuing through the Term, but subject to Section 3 hereof, Tenant shall pay to Landlord Basic Annual Rent for the 765 2nd Floor Elevator Lobby Premises at an initial rate equal to Five and 00/100 Dollars ($5.00) per square foot of Rentable Area of the 765 2nd Floor Elevator Lobby Premises per year in accordance with the terms for payment of Basic Annual Rent set forth in the Lease. Basic Annual Rent for the 765 2nd Floor Elevator Lobby Premises shall increase annually every July 1st by two and one-half percent (2.5%) of the then-current applicable Basic Annual Rent for the 765 2nd Floor Elevator Lobby Premises, with the first such increase occurring as of July 1, 2013. In addition to Basic Annual Rent, commencing on the 765 2nd Floor Elevator Lobby Premises Commencement Date, Tenant shall pay to Landlord as Additional Rent, at times specified in the Amended Lease, Tenant's Pro Rata Share of Operating Expenses with respect to the 765 2nd Floor Elevator Lobby Premises. For the avoidance of doubt, HVAC for the 765 2nd Floor Elevator Lobby Premises shall be calculated in the same manner as provided in the Amended Lease with respect to the Retained Premises, and the 765 2nd Floor Elevator Lobby Premises shall be treated as Retained Premises for the purposes of allocation of the CAM Pool Charges in accordance with Exhibit O of the Amended Lease (as of the 765 2nd Floor Elevator Lobby Premises Commencement Date).

8.6. 765 Expansion Premises III. Commencing as of the 765 Expansion Premises III Commencement Date (the "765 Expansion Premises III Basic Annual Rent Commencement Date," as the 765 Expansion Premises III Basic Annual Rent Commencement Date may be extended pursuant to Section 6.4(a) hereof) and continuing through the Term, but subject to Section 3 hereof, Tenant shall pay to Landlord Basic Annual Rent for the 765 Expansion Premises III at an initial rate equal to Twenty-Five and 22/100 Dollars ($25.22) per square foot of Rentable Area of the 765 Expansion Premises III per year in accordance with the terms for payment of Basic Annual Rent set forth in the Lease. Basic Annual Rent for the 765 Expansion Premises III shall increase annually every July 1st by two and one-half percent (2.5%) of the then-current applicable Basic Annual Rent for the 765 Expansion Premises III, with the first such increase occurring as of July 1, 2013. In addition to Basic Annual Rent, commencing on the 765 Expansion Premises III Commencement

Date, Tenant shall pay to Landlord as Additional Rent, at times specified in the Amended Lease, Tenant's Pro Rata Share of Operating Expenses with respect to the 765 Expansion Premises III. For the avoidance of doubt, HVAC for the 765 Expansion Premises III shall be calculated in the same manner as provided in the Amended Lease with respect to the Retained Premises, and the 765 Expansion Premises III shall be treated as Retained Premises for the purposes of allocation of the CAM Pool Charges in accordance with Exhibit O of the Amended Lease (as of the 765 Expansion Premises III Commencement Date).

8.7. Additional 01 Premises. Commencing as of the later of (a) the Additional 01 Premises Commencement Date and (b) the 01 Premises Rent Commencement Date, (collectively, the applicable date is referred to herein as the "Additional 01 Premises Basic Annual Rent Commencement Date," as the Additional 01 Premises Basic Annual Rent Commencement Date may be extended pursuant to Section 6.5(a) hereof) and continuing through the Term, but subject to Section 3 hereof, Tenant shall pay to Landlord Basic Annual Rent for the Additional 01 Premises at an initial rate equal to Twenty-Four and 50/100 Dollars ($24.50) per square foot of Rentable Area of the Additional 01 Premises per year in accordance with the terms for payment of Basic Annual Rent set forth in the Lease. Basic Annual Rent for the Additional 01 Premises shall increase annually every July 1st by two and one-half percent (2.5%) of the then-current applicable Basic Annual Rent for the Additional 01 Premises, with the first such increase occurring as of July 1, 2013. In addition to Basic Annual Rent, commencing on the Additional 01 Premises Commencement Date and continuing each month of the Term, Tenant shall also pay to Landlord, with respect to the Additional 01 Premises, (a) Tenant's Pro Rata Share of Operating Expenses with respect to the Additional 01 Premises that exceeds a calendar 2012 base year (grossed up to ninety-five percent (95%) occupancy in the same manner as the gross-up described in Section 10.1 hereof) and (b) Basic Electric charges, all as set forth in the Lease.

9. Tenant's Pro Rata Shares. From and after (a) the 777-02 Premises Commencement Date, with respect to the 777-02 Premises, (b) the 777 S-Level Corridor Premises Commencement Date, with respect to the 777 S-Level Corridor Premises, (c) the 765 2nd Floor Corridor Premises Commencement Date, with respect to the 765 2nd Floor Corridor Premises, (d) the 765 Mezz Premises Commencement Date, with respect to the 765 Mezz Premises, (e) the 765 2nd Floor Elevator Lobby Premises Commencement Date, with respect to the 765 2nd Floor Elevator Lobby Premises, (f) the 765 Expansion Premises III Commencement Date, with respect to the 765 Expansion Premises III and (g) the Additional 01 Premises Commencement Date, with respect to the Additional 01 Premises, Tenant's Pro Rata Shares of the Building, Existing Project, New Project and Entire Project shall be incrementally increased by the amounts set forth in Exhibit M attached hereto. As of each such date, the defined terms in Section 2.2 of the Lease shall be automatically amended to reflect the adjustments set forth in this Section. Rentable Area and Tenant's Pro Rata Shares are all subject to adjustment under the Amended Lease, including pursuant to Section 9.2 of the Lease.

10. Operating Expenses.

10.1. With respect to the 777-02 Premises, the 765 Mezz Premises and the Additional 01 Premises, in the event that the applicable Building, the Existing Project or Entire Project is less than fully occupied, Tenant acknowledges that Landlord may gross up Operating Expenses to ninety-

five percent (95%) of the total rentable area of the applicable Building, the Existing Project or Entire Project (as applicable). Tenant shall pay Tenant's proportionate share of the amount computed in accordance with the previous sentence, subject to adjustment as reasonably determined by Landlord; provided, however, that Landlord shall not recover more than one hundred percent (100%) of Operating Expenses.

10.2. For purposes of clarity, (a) Section 9(b) of the Ninth Amendment shall be applicable only to the 01 Premises and (b) the word "Project" in Section 9(b) of the Ninth Amendment shall be deleted and replaced with the words "Existing Project or the Entire Project."

11. Parking. The parties acknowledge that, in accordance with the Amended Lease, Tenant shall be entitled to its pro rata share of unreserved parking spaces with respect to each portion of the Premises leased to Tenant.

12. Termination of Space License. Landlord and Tenant shall execute the Space License Termination Agreement attached hereto as Exhibit O as of the 765 Mezz Premises Commencement Date.

13. Risk of Damage. From and after the Execution Date, Section 22.5 of the Lease is hereby deleted in its entirety and replaced with the following:

> 22.5 Tenant assumes the risk of damage to: all of Tenant's improvements in the Premises; Tenant's leasehold improvements in the Premises and all of Tenant's personal property, including Tenant's Personal Property set forth in the attached Exhibit C. Furthermore, Landlord shall not be liable for injury to Tenant's business or any loss of income therefrom, relative to such damage, all as more particularly set forth within this Lease.

14. Broker. Tenant represents and warrants that it has not dealt with any broker or agent in the negotiation for or the obtaining of this Amendment, other than Studley Inc. ("Broker"), and agrees to indemnify, defend and hold Landlord harmless from any and all cost or liability for compensation claimed by any such broker or agent, other than Broker, employed or engaged by it or claiming to have been employed or engaged by it. Broker is entitled to a leasing commission in connection with the making of this Amendment, and Landlord shall pay such commission to Broker pursuant to a separate agreement between Landlord and Broker.

15. No Default. Tenant represents, warrants and covenants that, to the best of Tenant's knowledge, Landlord and Tenant are not in default of any of their respective obligations under the Lease and no event has occurred that, with the passage of time or the giving of notice (or both) would constitute a default by either Landlord or Tenant thereunder.

16. Notices. Tenant confirms that, notwithstanding anything in the Lease to the contrary, notices delivered to Tenant pursuant to the Amended Lease should be sent to:

Regeneron Pharmaceuticals, Inc.
777 Old Saw Mill River Road
Tarrytown, New York 10591
Attn: General Counsel

with a copy to:

Regeneron Pharmaceuticals, Inc.
777 Old Saw Mill River Road
Tarrytown, New York 10591
Attn: Vice President of Facilities

17. Effect of Amendment. Except as modified by this Amendment, the Lease and all the covenants, agreements, terms, provisions and conditions thereof shall remain in full force and effect and are hereby ratified and affirmed. The covenants, agreements, terms, provisions and conditions contained in this Amendment shall bind and inure to the benefit of the parties hereto and their respective successors and, except as otherwise provided in the Lease, their respective assigns. In the event of any conflict between the terms contained in this Amendment and the Lease, the terms herein contained shall supersede and control the obligations and liabilities of the parties. From and after the date hereof, the term "Lease" as used in the Lease shall mean the Lease, as modified by this Amendment.

18. Miscellaneous. This Amendment becomes effective only upon execution and delivery hereof by Landlord and Tenant. The captions of the paragraphs and subparagraphs in this Amendment are inserted and included solely for convenience and shall not be considered or given any effect in construing the provisions hereof. All exhibits hereto are incorporated herein by reference. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or option for a lease, and shall not be effective as a lease, lease amendment or otherwise until execution by and delivery to both Landlord and Tenant.

19. Counterparts. This Amendment may be executed in one or more counterparts, each of which, when taken together, shall constitute one and the same document.

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IN WITNESS WHEREOF, Landlord and Tenant have hereunto set their hands as of the date and year first above written, and acknowledge that they possess the requisite authority to enter into this transaction and to execute this Amendment.

LANDLORD:

BMR-LANDMARK AT EASTVIEW LLC,
a Delaware limited liability company

By:	/s/ Kevin M. Simonsen
Name:	Kevin M. Simonsen
Title:	VP, Real Estate Legal

TENANT:

REGENERON PHARMACEUTICALS, INC.,
a New York corporation

By:	/s/ Murray A. Goldberg
Name:	Murray A. Goldberg
Title:	Senior Vice President, Finance & Administration and Chief Financial Officer

EXHIBIT A

777-02 PREMISES

[IMAGE]

EXHIBIT B-1

777 S-LEVEL CORRIDOR PREMISES

[IMAGE]

EXHIBIT B-2

765 2ND FLOOR CORRIDOR PREMISES

[IMAGE]

EXHIBIT C

765 MEZZ PREMISES

[IMAGE]

EXHIBIT D

765 2ND FLOOR ELEVATOR LOBBY PREMISES

[IMAGE]

EXHIBIT E

765 EXPANSION PREMISES III

[IMAGE]

EXHIBIT F

ADDITIONAL 01 PREMISES

[IMAGE]

EXHIBIT G

ACKNOWLEDGEMENT OF TERM COMMENCEMENT DATE
AND TERM EXPIRATION DATE

THIS ACKNOWLEDGEMENT OF TERM COMMENCEMENT DATE AND TERM EXPIRATION DATE is entered into as of _____, 201__, with reference to that certain Lease dated as of December 21, 2006 (the "Original Lease"), as amended by that certain First Amendment to Lease dated as of October 24, 2007 (the "First Amendment"), that certain Second Amendment to Lease dated as of September 30, 2008 (the "Second Amendment"), that certain Third Amendment to Lease dated as of April 29, 2009 (the "Third Amendment"), that certain Fourth Amendment to Lease dated as of December 3, 2009 (the "Fourth Amendment"), that certain Fifth Amendment to Lease dated as of February 11, 2010 (the "Fifth Amendment"), that certain Sixth Amendment to Lease dated as of June 4, 2010 (the "Sixth Amendment"), that certain Seventh Amendment to Lease dated as of December 22, 2010 (the "Seventh Amendment"), that certain Eighth Amendment to Lease dated as of August 1, 2011 (the "Eighth Amendment"), that certain Ninth Amendment to Lease dated as of September 30, 2011 (the "Ninth Amendment") and that certain Tenth Amendment to Lease dated as of [_____], 2012 (the "Tenth Amendment" and, collectively with the Original Lease and the First Amendment, Second Amendment, Third Amendment, Fourth Amendment, Fifth Amendment, Sixth Amendment, Seventh Amendment, Eighth Amendment, Ninth Amendment and Tenth Amendment and as the same may have been further amended, supplemented or otherwise modified from time to time, the "Amended Lease"), by REGENERON PHARMACEUTICALS, INC., a New York corporation ("Tenant"), in favor of BMR-LANDMARK AT EASTVIEW LLC, a Delaware limited liability company ("Landlord"). All capitalized terms used herein without definition shall have the meanings ascribed to them in the Amended Lease.

Tenant hereby confirms the following:

1. Tenant accepted possession of the [INSERT APPLICABLE PREMISES] Premises on [_____], 20[__].

2. The [INSERT APPLICABLE PREMISES] Premises are in good order, condition and repair.

3. The [INSERT APPLICABLE PREMISES] Premises Landlord Work are substantially complete. [USE IF LANDLORD WORK WAS PERFORMED PURSUANT TO THE TENTH AMENDMENT]

4. All conditions of the Amended Lease with respect to the [INSERT APPLICABLE PREMISES] Premises to be performed by Landlord as a condition to the full effectiveness of the Amended Lease have been satisfied.

5. In accordance with the provisions of Section 2 of the Tenth Amendment, the [INSERT APPLICABLE PREMISES] Premises Commencement Date is [_____], 20[__], and, unless the

Amended Lease is terminated prior to the Term Expiration Date pursuant to its terms, the Term Expiration Date shall be June 30, 2024.

6. Tenant commenced occupancy of the [INSERT APPLICABLE PREMISES] Premises for the Permitted Use on [_____], 20[__].

7. Subject to any rent abatement rights set forth in the Amended Lease, the obligation to pay Rent is presently in effect and all Rent obligations on the part of Tenant under the Amended Lease with respect to the [INSERT APPLICABLE PREMISES] Premises commenced to accrue on [_____], 20[__], with Basic Annual Rent for the [INSERT APPLICABLE PREMISES] Premises payable on the dates and in amounts set forth in the Tenth Amendment.

8. The Amended Lease is in full force and effect, and the same represents the entire agreement between Landlord and Tenant concerning the Premises[, except [_____]].

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IN WITNESS WHEREOF, Tenant has executed this Acknowledgment of Term Commencement Date and Term Expiration Date as of the date first written above.

TENANT:

REGENERON PHARMACEUTICALS, INC.
a New York Corporation

By: _____
Name: _____
Title: _____

EXHIBIT H

777-02 LANDLORD WORK

Landlord will develop engineered design documents ready for permit for all the 777-02 Landlord Work described below, which drawings and specifications shall meet the requirements of the New York State building codes. Unless otherwise expressly specified, the 777-02 Landlord Work described below applies only to the 777-02 Premises.

1. Landlord shall build a demising wall at the north end of the 777-02 Premises.

2. All existing supply fans serving the 777-02 Premises shall have variable frequency drives ("VFDs") to modulate supply fan speed (provided that, Tenant, at its sole cost, shall be responsible for the final balancing of the supply fan VFDs such that they align with Tenant's variable air volume ("VAV") system serving the 777-02 Premises).

3. VFDs shall be provided for each return fan and controlled to interlock with the matched supply fan (provided that, Tenant, at its sole cost, shall be responsible for the final balancing of the return fan VFDs such that they align with Tenant's VAV system serving the 777-02 Premises).

4. Design and install any additional controls required to keep the existing constant volume systems operating at constant air volume to serve the other spaces served by the air handling units (the "AHUs") as required (i.e., duct dampers, airflow sensors, etc.).

5. Landlord shall provide a minimum of 1.5 cubic feet per minute ("CFM") per rentable square feet HVAC capacity with adequate static pressure (approximately 60,000 CFM) from air handlers that are new or recently refurbished. Refurbishment includes new coils, if needed, control valves and coil trim, drain pans and condensate piping and filter racks. The unit casing will be scraped and painted with epoxy paint and any severe damage will be repaired with supplemental sheet metal. The entire case will be lined with perforated double wall acoustical lining.

    a. Heating, cooling and airflow capacity of any refurbished unit shall be equal to or more than 1.5 CFM per rentable square foot.

    b. The existing supply fan wheel on AHU units serving the 777-02 Premises will be inspected and replaced if necessary.

    c. The supply fan motor on all AHU units serving the 777-02 Premises will be inspected and replaced if necessary.

d. For purposes of clarity, Tenant (not Landlord) shall provide control points on AHUs and VAVs serving the 777-02 Premises that are JCI compatible and connected to the tenant BMS system and Tenant shall ensure that Landlord has control capabilities into the tenant BMS system.

6. Landlord will provide a base building hot water system for the 777-02 Premises.

7. Landlord shall remove any existing duct mounted humidifiers and reheat coils located in the penthouse serving the 777-02 Premises (reheat coils in other spaces shall remain in place).

8. Landlord shall identify a location from which Tenant shall extend electric service to the 777-02 Premises.

9. The electric service to the 777-02 Premises shall be metered by the base building management system. Electric meters will be used to separate the power usage dedicated to the 777-02 Premises only and will be installed by Landlord.

10. Landlord shall fill the existing floor air distribution holes with an acceptable floor fill material and detail, and modify the existing conditions to adequately close and fire rate all perimeter slab penetrations.

11. Provide overhead duct connections including fire smoke detectors in ductwork at the demising wall for the 777-02 Premises. This work will be coordinated with Tenant as existing tenants vacate the 777-02 Premises. All work in the ceiling areas of the 01 Premises and the Additional 01 Premises will be coordinated with Tenant in an effort to prevent damage to the newly renovated spaces.

12. Landlord will confirm the heating, cooling and airflow capacity of each AHU unit via a baseline balancing report and forward the information to Tenant for its use.

13. Landlord shall provide two and one-half inch (2-1/2”) chilled water risers with isolation valves and capped outlets for Tenant’s point of connection beyond the demising wall of the 777-02 Premises. Tenant shall review Landlord’s infrastructure changes to ensure that they meet Tenant’s requirements. If supplemental air conditioning systems are required, they shall be provided by Tenant at its sole cost. Landlord shall provide a system that allows for year-round cooling capability for the 777-02 Premises.

14. Landlord will provide a hot water riser to extend down from the heat exchanger in the penthouse to heat the space via perimeter fintube and terminal reheat coils from the building hot water system. Landlord shall confirm or provide heat exchanger(s) that can support tenant additional capacity.

15. Landlord shall design, permit and construct fire sprinkler service main, including all controls and valves from the street or building riser to the 777-02 Premises. The main line shall be capped inside the 777-02 Premises and be sized to accommodate ordinary fire hazard coverage as required by the City of Greenburgh and/or Town of Mount Pleasant for office occupancy.

EXHIBIT I

VAV WORK AND FINTUBE WORK AND ABATEMENT WORK

1. Tenant shall incorporate a VAV HVAC system into the 777-02 Premises. Tenant shall provide all new ductwork from the existing main duct to the new VAV box and from the VAV box to the diffusers. Tenant shall purchase and install VAV boxes at a quantity of one (1) every one thousand two hundred (1,200) usable square feet (which equals twenty-five (25) VAV boxes for the floor zones) plus two (2) for the conference rooms, one (1) for the IDF (the closet for the fiber/phone/data terminations) and one (1) for the pantry, for a total of twenty-nine (29) VAV boxes. Any VAV boxes over such amount shall be at Tenant's sole cost and expense.

2. Tenant shall install the perimeter hot water fintube loop including elements and control valves to be controlled by Tenant. The building management system will be installed by Tenant.

3. Tenant shall perform a survey of the 777-02 Premises to locate any asbestos, vermiculite and other asbestos containing materials located in the 777-02 Premises. Tenant shall abate any asbestos, vermiculite and other asbestos containing materials found in the 777-02 Premises. Tenant shall perform the required air monitoring for any asbestos, vermiculite and other asbestos containing materials found in the 777-02 Premises.

EXHIBIT J

777 S-LEVEL CORRIDOR LANDLORD WORK

- Provide system for year-round conditioned air for exterior stairwell. Final HVAC design and plans to be determined pending engineering review. Landlord shall permit Tenant to reasonably review such plans; provided, any delay (beyond five (5) business days after Tenant's receipt of the initial HVAC design and plans) as a result of such review shall be considered a Tenant Delay.
- Landlord shall build a demising wall with an entrance and exit door at the east end of the 777 S-Level Corridor Premises in compliance with Applicable Laws.

EXHIBIT K

765 MEZZ LANDLORD WORK

Landlord shall renovate the bathrooms adjacent to the 765 Mezz Premises to be consistent with Tenant's other restrooms in the New Premises.

EXHIBIT L

765 EXPANSION PREMISES III LANDLORD WORK

Landlord shall demolish any existing improvements, including walls, duct work, casework and hoods and abate any known (if any) asbestos or asbestos containing materials in the 765 Expansion Premises III.

EXHIBIT M

ADDITIONAL 01 PREMISES LANDLORD WORK

- Landlord shall fill the existing floor air distribution holes with an acceptable floor fill material and detail, and modify the existing conditions to adequately close and fire rate all perimeter slab penetrations.
- Landlord shall provide overhead duct connections including fire smoke dampers and detectors in ductwork in the demised area for the Additional 01 Premises. All work in the ceiling areas of the Additional 01 Premises will be coordinated with Tenant in an effort to prevent damage to newly renovated spaces.

EXHIBIT N

TENANT'S PRO RATA SHARES

Definition or Provision	Means the Following:	Square Feet of Rentable Area	Tenant's Pro Rata Share of Applicable Building	Tenant's Pro Rata Share of Existing Project (827,790)	Tenant's Pro Rata Share of the Entire Project (1,188,310)
Portion of added "Premises" and corresponding Rentable Area	777-02 Premises	40,495	11.07%	4.89%	3.41%
	777 S-Level Corridor Premises	3,783	1.03%	.46%	.32%
	765 2nd Floor Corridor Premises	416	.20%	.05%	.04%
	765 Mezz Premises	32,519	15.65%	3.93%	2.74%
	765 2nd Floor Elevator Lobby Premises	537	.26%	.06%	.05%
	765 Expansion Premises III	1,054	.51%	.13%	.09%
	Additional 01 Premises	1,675	.46%	.20%	.14%

EXHIBIT O

SPACE LICENSE TERMINATION AGREEMENT

SPACE LICENSE TERMINATION AGREEMENT

THIS SPACE LICENSE TERMINATION AGREEMENT (this "Agreement") is entered into as of this 25 day of October, 2012 ("Execution Date"), by and between BMR-LANDMARK AT EASTVIEW LLC, a Delaware limited liability company ("Owner"), and REGENERON PHARMACEUTICALS, INC., a New York corporation ("User").

RECITALS

J. WHEREAS, Owner and User entered into that certain Space License Agreement ("Space License") dated as of the June 4, 2012 whereby User licenses from Owner approximately seven thousand one hundred ten (7,110) square feet of rentable area on the mezzanine level of the building located at 765 Old Saw Mill River Road in Tarrytown, New York (the "License Area");

K. WHEREAS, the Term of the Space License continues on a month-to-month basis through May 31, 2013;

L. WHEREAS, User desires to lease the License Area pursuant to an amendment to the Lease (as defined in the Space License); and

M. WHEREAS, Owner and User desire to terminate the Space License in accordance with the following provisions.

AGREEMENT

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

1. Termination of Space License Agreement. The parties hereby terminate the Space License as of the Execution Date, and on the Execution Date the Space License shall be terminated and shall no longer be of any force or effect, except for those provisions that, by their express terms, survive the expiration or earlier termination thereof.

2. Representation of Parties. Each party represents that it has not made any assignment, sublease, transfer, conveyance or other disposition of the Space License or any interest therein, nor made or entered into any agreement that would result in any mechanic's lien or other claim, demand, obligation, liability, action or cause of action arising from or with respect to the Space License or the License Area.

3. Miscellaneous.

a. Voluntary Agreement. The parties have read this Agreement and have freely and voluntarily entered into this Agreement.

b. Attorneys' Fees. If either party commences an action against the other party arising out of or in connection with this Agreement, then the substantially prevailing party shall be

reimbursed by the other party for all reasonable costs and expenses, including reasonable attorneys' fees and expenses, incurred by the substantially prevailing party in such action or proceeding and in any appeal in connection therewith.

c. Successors. This Agreement shall be binding on and inure to the benefit of the parties and their successors and assigns.

d. Counterparts. This Agreement may be executed in one or more counterparts that, when taken together, shall constitute one original.

e. Defined Terms. Capitalized terms not otherwise defined herein shall have the meanings given them in the Space License.

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IN WITNESS WHEREOF, the parties have executed this Agreement as of the day hereinabove first written.

OWNER:

BMR-LANDMARK AT EASTVIEW LLC,
a Delaware limited liability company

By:	/s/ Kevin M. Simonsen
Name:	Kevin M. Simonsen
Title:	VP, Real Estate Legal

USER:

REGENERON PHARMACEUTICALS, INC.,
a New York corporation

By:	/s/ Murray A. Goldberg
Name:	Murray A. Goldberg
Title:	Senior Vice President, Finance & Administration and Chief Financial Officer

FOURTEENTH AMENDMENT TO LEASE

THIS FOURTEENTH AMENDMENT TO LEASE (this "Amendment") is entered into as of this 25th day of October, 2013 (the "Execution Date"), by and between BMR-LANDMARK AT EASTVIEW LLC, a Delaware limited liability company ("Landlord"), and REGENERON PHARMACEUTICALS, INC., a New York corporation ("Tenant").

RECITALS

A. WHEREAS, Landlord and Tenant entered into that certain Lease dated as of December 21, 2006, as amended by that certain First Amendment to Lease dated as of October 24, 2007, that certain Second Amendment to Lease dated as of September 30, 2008, that certain Third Amendment to Lease dated as of April 29, 2009, that certain Fourth Amendment to Lease dated as of December 3, 2009, that certain Fifth Amendment to Lease dated as of February 11, 2010, that certain Sixth Amendment to Lease dated as of June 4, 2010, that certain Seventh Amendment to Lease dated as of December 22, 2010, that certain Eighth Amendment to Lease dated as of August 1, 2011, that certain Ninth Amendment to Lease dated as of September 30, 2011 (the "Ninth Amendment"), that certain Tenth Amendment to Lease dated as of October 25, 2012 (the "Tenth Amendment"), that certain Eleventh Amendment to Lease dated as of April 3, 2013, that certain Twelfth Amendment to Lease dated as of May 31, 2013 and that certain Thirteenth Amendment to Lease dated as of May 31, 2013 (collectively, and as the same may have been further amended, amended and restated, supplemented or modified from time to time, the "Lease"), whereby Tenant leases certain premises (the "Premises") from Landlord at 735, 745, 755, 765 and 777 Old Saw Mill River Road in Tarrytown, New York (collectively, the "Buildings" and each, a "Building");

B. WHEREAS, Landlord has completed the 777-02 Landlord Work (as defined in the Tenth Amendment) and, therefore, the Term with respect to the 777-02 Premises (as defined in the Tenth Amendment) has commenced;

C. WHEREAS, Tenant desires Landlord to complete additional work in the 777-02 Premises;

D. WHEREAS, Landlord and Tenant desire to modify Tenant's termination rights with respect to the 10th Amendment Swing Space (as defined in the Tenth Amendment); and

E. WHEREAS, Landlord and Tenant desire to modify and amend the Lease only in the respects and on the conditions hereinafter stated.

AGREEMENT

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

1. Definitions. For purposes of this Amendment, capitalized terms shall have the meanings ascribed to them in the Lease unless otherwise defined herein. The Lease, as amended by this Amendment, is referred to herein as the "Amended Lease."

2. 777-02 Premises. Landlord and Tenant acknowledge and agree that (a) Landlord has tendered possession of the 777-02 Premises to Tenant in compliance with all of the terms and conditions of the Amended Lease and with the 777-02 Landlord Work substantially complete and (b) the 777-02 Premises Commencement Date is March 12, 2013.

3. Additional 777-02 Landlord Work.

(a) Landlord shall, at Landlord's sole cost and expense, cause the work described on attached Exhibit A (the "Additional 777-02 Landlord Work") to be completed in the 777-02 Premises. Landlord shall commence the Additional 777-02 Landlord Work as soon as reasonably practicable after the Execution Date and shall diligently continue such work until completion (subject to Tenant's rights pursuant to Section 3(b) below). Tenant acknowledges that Landlord will be constructing the Additional 777-02 Landlord Work in the 777-02 Premises during Tenant's occupancy thereof. Tenant shall permit Landlord to enter the 777-02 Premises at all times (including during business hours) to construct the Additional 777-02 Landlord Work, and Tenant shall otherwise reasonably cooperate with Landlord throughout the construction process to enable Landlord to complete the Additional 777-02 Landlord Work in a timely and efficient manner. In accessing the 777-02 Premises and constructing the Additional 777-02 Landlord Work, Landlord shall reasonably cooperate with Tenant so as to cause as little interference to Tenant as is reasonably possible; provided, however, that in no event shall Landlord's construction of the Additional 777-02 Landlord Work in the 777-02 Premises (a) cause Rent to abate under the Amended Lease or (b) constitute a forcible or unlawful entry, a detainer or an eviction of Tenant. In the event that Tenant fails to comply with any of its obligations under this Section and such failure causes Landlord to incur additional costs with respect to the Additional 777-02 Landlord Work, Tenant shall pay to Landlord as Additional Rent the amount of any such additional costs within thirty (30) days of receiving an invoice from Landlord.

(b) If Landlord has not completed the Additional 777-02 Landlord Work on or before February 14, 2014, then Tenant may (but is not obligated to) notify Landlord that Tenant intends to complete such Additional 777-02 Landlord Work, which notice shall contain a reference to this Section 3(b) (a "777-02 Self-Help Warning Notice"). If, five (5) business days after receiving the 777-02 Self-Help Warning Notice, Landlord has still not completed the Additional 777-02 Landlord Work, then notwithstanding anything to the contrary in the Lease (including this Amendment), Tenant may complete such Additional 777-02 Landlord Work (the "777-02 Self-Help Work") and shall have reasonable access to all portions of the 777 Building necessary to complete such work, provided that: (a) the 777-02 Self-Help Work shall not adversely affect (even in a de-minimis manner) any other tenant or any Utilities, except to the extent set forth in the plans and drawings for the Additional 777-02 Landlord Work; (b) Tenant shall act in a commercially reasonable manner and diligently endeavor to minimize the cost of the 777-02 Self-Help Work; and (c) Tenant shall complete the 777-02 Self-Help Work (i) in a good and workmanlike manner, (ii) in compliance with Applicable Laws and (iii) in accordance with the plans attached to this Amendment as Exhibit

A. Notwithstanding the foregoing, Tenant shall not engage in 777-02 Self-Help Work involving building systems that serve both Tenant and any other tenant, except to the extent set forth in the plans and drawings for the Additional 777-02 Landlord Work. Landlord shall promptly reimburse Tenant (or allow Tenant a credit against Basic Annual Rent) for Tenant's actual, reasonable, necessary, and reasonably documented cost of any 777-02 Self-Help Work.

4. Termination Option (10th Amendment Swing Space). Section 3.8 of the Tenth Amendment is hereby deleted in its entirety and replaced with the following:

"3.8 Subject to all of the terms and conditions of this Section 3.8, Tenant shall be entitled to terminate (with no penalty) the Amended Lease with respect to one or both of (a) the 777-02 Premises and (b) the Additional 01 Premises together with the 01 Premises ((a) and (b), collectively, the "10th Amendment Swing Space"); provided, however, that in no event shall any such termination be effective prior to December 31, 2018. Tenant shall exercise such right, if at all, by providing Landlord with at least nine (9) months' advance written notice, which notice shall set forth the applicable space being terminated (the "Terminated Space") and the effective date of such termination (the "Termination Date"). If, in such notice, Tenant elects to terminate the Amended Lease with respect to only (a) or (b) of the 10th Amendment Swing Space, then Tenant may elect to terminate the Amended Lease with respect to the other portion (and not less than the entire other portion) of the 10th Amendment Swing Space at a later date, in accordance with this Section 3.8. On or before the applicable Termination Date, Tenant shall surrender the applicable Terminated Space in the condition required under the Amended Lease. From and after the applicable Termination Date, (x) the Lease shall terminate and be of no further force and effect with respect to the applicable Terminated Space, except for those provisions that expressly survive the expiration or earlier termination thereof, (y) the applicable Terminated Space shall be removed from the Premises and (z) Tenant's Pro Rata Shares shall be adjusted accordingly."

5. Deletion of Termination Options. Notwithstanding anything to the contrary in the Amended Lease, Section 3 of the Ninth Amendment, Section 3.1 of the Tenth Amendment and Section 3.7 of the Tenth Amendment are hereby deleted in their entirety and shall no longer be of any further force or effect.

6. Broker. Tenant represents and warrants that it has not dealt with any broker or agent in the negotiation for or the obtaining of this Amendment, other than Studley Inc. ("Broker"); provided, however, Broker is not entitled to a leasing commission in connection with this Amendment. Tenant agrees to indemnify, defend and hold Landlord harmless from any and all cost or liability for compensation claimed by any such broker or agent (including Broker) employed or engaged by it or claiming to have been employed or engaged by it in connection with this Amendment.

7. No Default. Tenant represents, warrants and covenants that, to the best of Tenant's knowledge, Landlord and Tenant are not in default of any of their respective obligations under the Lease and no event has occurred that, with the passage of time or the giving of notice (or both) would constitute a default by either Landlord or Tenant thereunder.

8. Notices. Tenant confirms that, notwithstanding anything in the Lease to the contrary, notices delivered to Tenant pursuant to the Amended Lease should be sent to:

Regeneron Pharmaceuticals, Inc.
777 Old Saw Mill River Road
Tarrytown, New York 10591
Attn: General Counsel;

with a copy to:

Regeneron Pharmaceuticals, Inc.
777 Old Saw Mill River Road
Tarrytown, New York 10591
Attn: Vice President of Facilities.

9. Effect of Amendment. Except as modified by this Amendment, the Lease and all the covenants, agreements, terms, provisions and conditions thereof shall remain in full force and effect and are hereby ratified and affirmed. The covenants, agreements, terms, provisions and conditions contained in this Amendment shall bind and inure to the benefit of the parties hereto and their respective successors and, except as otherwise provided in the Lease, their respective assigns. In the event of any conflict between the terms contained in this Amendment and the Lease, the terms herein contained shall supersede and control the obligations and liabilities of the parties. From and after the date hereof, the term "Lease" as used in the Lease shall mean the Lease, as modified by this Amendment.

10. Miscellaneous. This Amendment becomes effective only upon execution and delivery hereof by Landlord and Tenant. The captions of the paragraphs and subparagraphs in this Amendment are inserted and included solely for convenience and shall not be considered or given any effect in construing the provisions hereof. All exhibits hereto are incorporated herein by reference. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or option for a lease, and shall not be effective as a lease, lease amendment or otherwise until execution by and delivery to both Landlord and Tenant.

11. Counterparts. This Amendment may be executed in one or more counterparts, each of which, when taken together, shall constitute one and the same document.

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IN WITNESS WHEREOF, Landlord and Tenant have hereunto set their hands as of the date and year first above written, and acknowledge that they possess the requisite authority to enter into this transaction and to execute this Amendment.

LANDLORD:

BMR-LANDMARK AT EASTVIEW LLC,
a Delaware limited liability company

By:	/s/ Jonathan P. Klassen
Name:	Jonathan P. Klassen
Title:	Senior Vice President

TENANT:

REGENERON PHARMACEUTICALS, INC.,
a New York corporation

By:	/s/ Murray A. Goldberg
Name:	Murray A. Goldberg
Title:	Senior Vice President

EXHIBIT A

ADDITIONAL 777-02 LANDLORD WORK

SECTION 23 09 00

BUILDING AUTOMATION AND AUTOMATIC TEMPERATURE CONTROL SYSTEMS

PART 1 -GENERAL

1.1 GENERAL REQUIREMENTS

A. This Section is coordinated with and complementary to the General Conditions and Supplementary General Conditions of the Work, wherever applicable to Mechanical Work.

B. Section 23 05 02- Basic Mechanical Requirements shall apply.

1.2 DESCRIPTION

A. The work described under this division is for all labor, materials, and equipment required for the construction of the Building Management System (BMS or BAS/Automatic Temperature Control/(ATC) system.

B. The system shall be complete in all respects, tested and ready for operation.

C. All materials, equipment and apparatus shall be new and of first-class quality.

D. Electrical Standards: Provide electrical products which have been tested, listed and labeled by Underwriters' Laboratories and comply with NEMA standards, The Building Code of the City of New York, and the National Electric Code.

E. "Operator" is defined as the Owner's representative designated to operate the BMS/ATC system after Owner acceptance.

F. The work includes the providing of all labor, materials, equipment, accessories, services and tests necessary to complete and make ready for operation by the Owner, a building automatic system as shown on the drawings and hereinafter specified.

G. The Building Automation System shall be provided by the same manufacturer as the automatic temperature controls.

H. The Automation System subcontractor shall furnish and install all equipment, accessories, wiring and instrument piping required for a complete and functioning system.

I. All materials and equipment used shall be standard components, regularly manufactured for this and/or other systems and not custom designed especially for this project. All systems and components shall have been thoroughly tested and proven in actual use.

J. The automation system shall be of a fully modular architecture permitting expansion by adding computer memory, application software, operator peripherals and field hardware.

K. If expansion of the automation system necessitates greater computer processing power, it shall be possible to transfer all existing software and data base, both vendor supplied and user defined, to a new more powerful computer. This shall be accomplished by using removable, compatible disk cartridges.

L. Systems which require the existing user-defined data base to be reentered through the operator's terminal shall not be acceptable.

M. Although fire alarm and security points will not be installed or monitored, initially the system shall be installed completely ready to receive or accept these points at a later date without additional central hardware or software.

N. The system as specified shall monitor, control, and calculate all of the points and functions as listed in the Building Automation Schedule.

O. The system as installed shall have sufficient computer memory and application software for 100% point expansion above those points required and as listed in the Building Automation Schedule.

P. The Work includes the providing of all labor, materials, equipment, accessories, services and tests necessary to complete the place into satisfactory operation a complete system of automatic temperature controls as shown on the Drawings and hereinafter specified.

Q. The control system shall be of the electronic fully modulating type unless otherwise indicated, or as hereinafter specified. Control equipment shall be as manufactured by Andover, Siemens, Johnson Controls, Inc., or Honeywell, Inc. All controls shall be the product of one manufacturer. The temperature control manufacturer shall be responsible for the quality and satisfactory operation of material provided even if not actually manufactured by him.

R. The control system shall include all necessary temperature sensors, damper motors, relays, sensors valves, etc., and all necessary equipment for a complete control system, regardless of whether or not specifically mentioned.

S. The control system shall include all control and interlock wiring. The control wiring shall include all wiring, including power wiring for sensors, controls, control devices, relays, freezestats, firestats and all other necessary equipment to provide a complete control system, regardless of whether or not specifically mentioned, unless otherwise shown on the electrical drawings, including electric relays and contactors required for control interlocking. Interlock wiring shall include interlocks between fan starters between pump starters between starters and remote condensing units, between pumps, chillers and cooling towers and wherever else called for in these specifications. Unless otherwise noted; all control circuits shall be 120 volts or less.

T. Provide nameplates on all devices, whether or not mounted on the face of local control panels. In occupied areas, nameplates shall be concealed beneath covers of room type instruments, to describe functions.

1.3 GENERAL INSTRUCTIONS

A. The BMS/ATC systems as specified herein shall be provided in their entirety by the BMS/ATC Contractor. The BMS/ATC Contractor shall base his Bid on the systems as specified.

B. The general provision of the contract (Division 1 and sections 23 05 01, 23 05 02, and 23 05 03) apply to work specified in this section.

C. PRELIMINARY SUBMITTAL: Prospective BMS/ATC Contractors shall submit for review by the Owner's authorized representatives a preliminary written description of his proposed BMS/ATC systems, including block diagrams showing all major components and panels, printers and other processing devices and required cabling between each. Include environmental and space requirements for panels, CPU's and other major devices.

1. Include manufacturer's literature for each type of panel, controller or device that may be shown on the block Diagram.

2. Block Diagram shall show, schematically, the entire building system with all major components identified.
3. Include a points list for all input and output devices which shall be provided by the proposed systems.
4. Include information about proposed communications buss and data transmission.
5. Provide a written explanation of any characteristics, items of equipment or control intent, which differs from the requirements of this Division. Explain what, if any, alternative characteristics, items of equipment or control intent will be provided.
6. Alternate systems, characteristics, items of equipment or control intent, which do not comply with these specifications, may be rejected if not acceptable to the Engineer. Any rejected alternate system, characteristics, items of equipment or control intent shall be replaced by the specified system, characteristics, items of equipment or control intent at no extra cost to the project.

1.4 QUALITY ASSURANCE

A. Only firms regularly engaged in manufacture and installation of this equipment with characteristics and capacities required, whose products have been in satisfactory use in similar service for not less than 10 years shall be acceptable.

B. The entire building automation system shall be installed by skilled electricians and mechanics, all of whom are properly trained and qualified for this work. All wiring shall be installed in accordance with the Project Electrical Specifications.

C. Supervision and checkout of the system shall be by factory-trained engineers and technicians directly employed by the automation Contractor.

D. Provide system produced and installed by the manufacturers, which are listed in Section "Approved Manufacturer's List".

E. Provide equipment which performance, under specified conditions, is certified by the manufacturer.

1.5 SCOPE

A. The proposal shall be based on an electronic system. Provide electronic sensors and transmitters with full DDC capabilities.

B. The engineering, installation, calibration, hardware, software programming and checkout necessary for complete and fully operational BMS/ATC systems, as specified hereafter, shall be provided under this division by the BMS/ATC Installer.

C. The BMS Contractor shall guarantee that the installed system is capable of maintaining the following comfort goals in conditioned areas served by the BMS.

1. Space Design Temperature +/- 1°F.
2. Relative Humidity 50% +/- 5%.
3. The BMS Contractor is not responsible for improper installation by other Divisions, however the BMS Contractor is responsible for informing the Construction Manager and Engineer of any requirements of this specification or any installation problem which prevents these goals from being maintained.

D. The contractor shall be responsible for all power and control wiring for BMS equipment including BMS panels, actuators, dampers, controllers, control power transformers, relays, etc. work shall be sub-contracted to a licensed electrical contractor by the BMS contractor if the BMS

contractor is not suitably licensed. All work shall be completed in accordance with the electrical specification sections of this specification

1.6 ITEMS REQUIRED TO BE COORDINATED WITH OTHER DIVISIONS

A. Be responsible for coordinating the following:
   1. Power requirements (voltage, amps, location) for all BMS equipment requiring power. See Section 23 05 01.

B. Installation and connection of all power wiring. Power wiring shall be defined as follows:

   1. Wiring of power feeds through all disconnect starters and variable speed controllers to electric motors.
   2. 120 VAC Emergency and 120V Normal power feeds to all BAS temperature control panels and equipment.
   3. Wiring of any remote start/stop switches and manual or automatic motor speed control devices not furnished by the BAS/ATC Contractor.

C. Note that 120V to 24V surge protected transformers for low voltage wiring by this Division shall be furnished, set in place and wired (from designated circuit in electrical panel) by this Division, and all low voltage control wiring shall be installed under this Division.

1.7 WORK BY OTHERS

A. The following work shall be provided under separate divisions of the specifications:

   1. Installation of all line size and non-line size automatic valves and separable wells. However, these devices shall be furnished under this division.
   2. Provision of all necessary piping connections, taps and direct-contact wells required for flow, pressure or temperature devices specified under other divisions.
   3. Provision of manual balancing dampers as specified under other divisions of Divisions 21 through 23.
   4. Installation of all automatic control dampers shall be by HVAC Contractor. All control dampers shall be furnished under this division.

1.8 AGENCY LISTINGS

A. UL 916 PAZX Energy Management Systems.

B. FCC-Part 15 Subparagraph J. Class A. Emissions requirements.

C. UL-864/UUKL Smoke Removal.

1.9 RELATED SECTIONS

A. 23 05 01 -Mechanical and Electrical Coordination.

B. 23 05 02 - Basic Mechanical Requirements.

C. 23 05 03 - Basic Mechanical Materials and Methods.

1.10 BMS/ATC CONTRACTOR

A. The BMS/ATC Contractor shall have a local office within a 50 mile radius of the job site, staffed with factory trained engineers fully capable of providing instruction, routine maintenance and 24-

hour emergency maintenance service on all system components. The BMS/ATC Contractor shall have a ten year experience record in the design and installation of computerized building systems similar in scope and performance to that specified herein, and shall be prepared to provide evidence of this history prior to Contract Award should the Owner request it.

B. The BMS/ATC Contractor shall be prepared to make a personal presentation of his systems to the Owner or his designated representatives prior to award of Contract should the Owner request it.

C. The engineering, installation, calibration, hardware, software programming and checkout necessary for complete and fully operational BMS/ATC systems, shall be provided under this division by the BMS/ATC Installer.

D. Control components shall be mounted and wired by the BAS/ATC Contractor except as noted. Controllers may be mounted on terminal units at the factory.

1.11 SUBMITTALS AFTER CONTRACT AWARD

A. The following data/information shall be submitted for approval:

1. Complete sequence of operation.
2. Control system CAD generated drawings including all pertinent data to provide a functional operating system.
3. Valve, and damper schedules showing size, configuration, capacity and location of all equipment.
4. Data sheets for all hardware and software control components.
5. A description of the installation materials including conduit, wire, flex, etc.
6. Building Management System panel locations.
7. Schematic and flow diagrams indicating sensor and device locations.

B. The Controls Contractor shall provide submittal drawings for the entire control system for review and approval before work shall begin. Included in the submittal drawings shall be a diagram depicting the system architecture complete with a communications riser. Drawings shall include point-to-point wiring diagrams and must show all temperature controls, start-stop arrangement for each piece of equipment, equipment interlocks, wiring terminal numbers and any special connection information required for properly controlling the mechanical equipment. The submittal shall include a bill of material reference list as well as equipment sequences of operation.

C. The submittals shall include a specification compliance analysis for review and approval before work shall begin. The compliance document shall address each paragraph of this specification by indicating COMPLY, EXCEED, or EXCEPTION. Do not indicate COMPLY unless the proposed system exactly meets the paragraph requirement. If EXCEED or EXCEPTION is indicated, then provide a clear and concise explanation of the variance from the specifications and the net effect this would have on the specified system performance.

D. Wiring diagrams shall include internal wiring of all electrical control devices.

E. Submit completed computer graphics for all the equipment and building floor plans and equipment prior to scheduled completion of the project for approval.

PART 2- PRODUCTS

2.1 GENERAL

A. The Building Management System (BMS) shall provide an easy to use interface for monitoring and managing the building. The Building Management System shall provide the necessary Hardware, Software, and Network Communication abilities to provide Scheduling, Monitoring, Trending, Historical Storage, and Alarm Functions for the HVAC equipment and systems as described in this specification. Control capabilities shall include: Time of Day scheduling, Direct Digital Control, Custom Control, Boolean Logic, Optimum Start/Stop, Duty Cycling, Electrical Demand Control, Temperature Control, After Hours Override, Reports and Logs, Trend Prints, Remote Communications, Alarm Logging, Run Time and Maintenance, and Expanded Informational Messages.

B. The Building Management system shall be designed to allow full Operator operation with a minimum of training. It shall have an on-screen "Help" Operator tutorial.

C. Specified application programs shall be engineered, programmed and pre-tested prior to site installation. This shall be verified by standard format programming worksheets or flow diagrams included with the submittals.

2.2 BUILDING MANAGEMENT SYSTEM

A. Each panel memory shall be protected for a minimum of 48 hours in the event of power failure.
Internal clock shall continue to run during a power failure so that the system makes the appropriate adjustment to all connected points when power is restored.

B. When specified or indicated on the point list or where required by the sequence of operation, outputs shall have three position manual override switch (On/Off/Auto), a status light, and shall be selectable for either normally open or closed operation.

2.3 MANUFACTURERS

A. Acceptable Manufacturers Are:

1. Johnson Controls as installed by local factory office.

Any other manufacturer shall be considered a substitution and may submit for approval after the bid.

2.4 OPERATOR INTERFACE

A. Local Interface. Extend new controls from the existing base building PC based workstation(s). All graphics based workstation(s) shall be able to access all information in the system.

B. Workstation Software

1. Multiple Users: The system shall accommodate simultaneous multiple user operation. Access to the system data should be limited only by operator password. Multiple users shall have access to all valid system data. An operator shall be able to log onto any workstation on the system and have access to all valid data.
2. Operating System: Furnish a concurrent multi-tasking operating system. The operating system shall also support the use of other common software applications that operate under Microsoft Windows. Examples include Lotus 123, Microsoft Excel, Word, and Paradox.
3. System Graphics: The Operator Workstation software shall be graphically oriented. The system shall allow display of up to multiple graphic screens at once for comparison and monitoring of system status. Provide a method for the operator to easily move between graphic displays and change the size and location of graphic displays on the screen. The system graphics shall be able to be modified while on line. An operator with the proper password level shall be able to add, delete, or change dynamic points on a graphic.

Dynamic points shall include analog and binary values, dynamic text, static text, and animation files. Graphics shall have the ability to show animation by shifting image files based on the status of the point.

a. Standard Graphics. Provide graphics for each major piece of equipment in the building. This includes but not limited to, each Chiller, Air Handler, VAV Terminal, & heat exchanger. These standard graphics shall show all points as specified in the points list.
b. Custom Graphics. The system shall have custom graphics provided for all air handling systems and hydronic systems. Graphics shall also include actual floor plans showing equipment, and sensors. Custom graphic files shall be created with the use of a PC Paint package furnished with the system. The PC Paint package shall be a graphically based system that uses the mouse to create and modify graphics that are saved in industry standard formats such as PCX, TIFF, and GEM. The PC Paint package shall also provide the capability of capturing or converting graphics from other programs such as Designer, or AutoCad.
c. Graphics Library. Furnish a complete library of common HVAC equipment such as chillers, boilers, air handlers, terminals, fan coils, and unit ventilators. This library shall also include symbols for other equipment including fans, pumps, valves, piping, and ductwork. The library shall be furnished in a file format compatible with the PC Paint Program.
d. Photo Quality Input. The system shall be able to accommodate high resolution digitized photographs. The owner shall be able to edit the photo quality graphics using the furnished PC Paint Program.

4. Workstation Applications. The workstation shall serve as the primary area of the system for operator interface and off-line storage of system information. The workstation shall also serve as the bridge to other building systems. Provide the following applications at the workstation.

a. Manual Database Save and Restore. A system operator with the proper password clearance shall be able to save the database from any system panel. The operator shall also be able to clear a panel database and manually initiate a download of a specified database to any panel in the system.
b. System Configuration. The workstation software shall provide a simple to use graphical method of configuring the system. As elements are located on the site they shall be displayed on a graphical representation of the system. This shall be flexible to allow for future system changes or additions.
c. On Line Help. Provide a context sensitive, on line help system to assist the operator in operation and editing of the system. On line help shall be available for all applications and shall provide the relevant data for that particular screen. Additional help information shall be available through the use of hypertext.
d. Security. Each operator shall be required to log on to the system with a user name and a password in order to view, edit, add, or delete data. System security shall be selectable for each operator. The system supervisor shall have the ability to set passwords and security levels for all other operators. Each operator password shall be able to restrict the functions accessible to viewing and/or changing each system application, editor, and object (i.e. Operator One can view and change all airside data but only view chiller plant data, operator two can only acknowledge alarms and not view or change system data etc.) Each operator shall automatically be logged off of the system if no keyboard or mouse activity is detected. This auto logoff time shall be set per operator password. All system security data shall be stored in an encrypted format in the building management panels.
e. System Diagnostics. The system shall automatically monitor the operation of all workstations, printers, modems, LAN connections, building management panels and controllers. The failure of any device shall be annunciated to the operator.

f. Trend Logs. Each object in the system shall automatically be trend logged. This trend shall be stored for a minimum of 24 hours. The operator shall be able to view this trend on demand.

g. Event Log. The operator shall be able to view all systems alarms and change of states. Events shall be listed chronologically. An operator with the proper security level may acknowledge and clear alarms. All that have not been cleared by the operator shall be archived to the hard disk on the workstation.

h. Point Status and Control. Provide a method for the operator to view, and edit if applicable, the status of any object and property in the system. These statuses shall be available by menu on graphics or through custom programs.

i. Clock Synchronization. The real time clocks in all building control panels and workstations shall be synchronized on command of an operator. The system shall also be able to automatically sequence all system clocks, daily from any operator designated device in the system. The system shall automatically adjust for daylight savings and standard time if applicable.

5. Alarm Processing. Any object in the system shall be configurable to alarm in and out of normal state. The operator shall be able to configure the alarm limits, states and reactions for each object in the system.

   a. Binary Alarms. Each binary object shall be set to alarm based on the operator specified state. Provide the capability to automatically and manually disable alarming.

   b. Analog Alarms. Each analog object shall have both high and low alarm limits a well as high and low "early warning" limits. Provide separate sets of limits for both occupied and unoccupied (on/off) conditions. Alarming must be able to be automatically or manually disabled.

   c. Alarm Reactions. The operator shall be able to determine what action if any are to be taken, by object, during an alarm. Actions shall include logging, printing, starting programs, displaying messages, providing audible annunciation or displaying specific system graphics. Each of these actions shall be configurable by workstation and time of day. The system shall provide multiple levels of alarm priority.

6. Workstation Applications Editors. Each PC workstation shall support editing of all system applications. Provide graphically based editors for each application at the PC workstation. The applications shall be downloaded and executed at one or more of the building management panels.

   a. Application Specific Controller. Provide a full page editor for each application specific controller. This shall allow the operator to view and change the configuration, name, control parameters and set points for each device.

   b. Scheduling.

      1) A complete graphically based editor for the scheduling application shall be provided at each workstation. Provide an easy to use method of selecting the desired schedule and month.

      2) This shall consist of graphically represented daily schedules and holidays.

      3) Provide the capability for seasonal schedules that will be automatically executed during user defined periods. This shall enable the operator to have a group of equipment in discrete "Summer" and "Winter" schedules. Each seasonal schedule shall only be active during the operator specified time periods. The schedule shall be available for viewing and editing even when not active. The operator viewing a schedule shall be able to see graphically whether the schedule is active or inactive for up to a year in advance.

      4) An operator with proper password level shall be able to modify the schedule. Schedules shall be able to be easily copied between objects and/or dates.

7. Custom Programming Language. Provide the capability to perform custom applications. The custom programming editor shall be accessible from all workstations. The operator shall be able to create, edit, and download custom programs at the same time that all

other system applications are operating. The system shall be fully operable while custom routines are edited, compiled, and downloaded. Systems that require the operator interface be shut down to edit and compile programs shall include and additional Custom Programming Workstation. This workstation shall be identical to the operators workstation in section 2.04.B.2.A.

The Program editor shall allow for creation, editing, troubleshooting, and simulation of custom programs. The editor shall check for proper programming context, use, spelling, and format. The custom programming editor shall also compile the program and be able to upload and download to the building management panel. All custom routines shall be executed at the building management panel.

8. Alarm Annunciation.
   a. Upon the incidence of an alarm, an alarm window shall be displayed showing the point in alarm, the time and date of the alarm and a user-selected predefined alarm message (and optionally printed to a user defined printer, printers and/or VT-100 or dumb terminal devices). Alarms shall be displayed regardless of the application in use including any non-ddc system DOS or Windows applications. The program shall display the current unacknowledged and acknowledged alarms. The user shall be able to selectively enable or disable a reminder in the event there are unacknowledged alarms. This reminder shall be both visual and audible. The user shall be able to record their own reminder messages and select the frequency at which they will play.
   b. Acknowledgement of alarms shall be from the alarm "pop-up" and/or from a separate alarm summary. Acknowledgment shall be by a specific event, date range, class, or specific alarm definition and condition. Upon acknowledging the alarm, the name of the operator acknowledging the alarm and the time and date will be associated with the acknowledgement, this data will be stored to the alarm history file and printed to the chosen printers or terminal devices.
   c. The system shall allow automatic or manual display of associated dynamic graphic screens and trend charts shall be provided for each alarm.
   d. Upon exiting the alarm handling mode the user shall be placed back to the application in use at the time of alarm/exception occurrence.
   e. A current alarm screen shall be provided which will dynamically display only alarms that are currently in alarm. As alarms are return-to-normal from their respective alarm states the current alarm screen shall be dynamically updated to reflect the change.
9. Trend Management
   a. The program shall automatically perform time based periodic collection of real time point data and subsequently store it to the systems hard disk. There shall be local and remote modes of operation. Local collection shall allow the program to directly query the controllers for individual point samples. Remote collection shall mean the controllers collect and store trend data on individual points and then release the entire trend table(s) upon a request from the computer work station.
   b. Storage and manipulation of sample points shall only be limited by disk space.
      Sampling rates shall be user selectable from instantaneous (once a second or less) to once a week. Collection of data shall be user selectable to start and stop on specific times and dates.
   c. Charting of the trend data shall be an integral part of the trend management program. Third party graphing packages such as Excel shall not be required to implement this program. Multiple points shall be chartable. Multiple XIV charts may be run simultaneously displaying either real time data (instantaneous) or historical. Y scaling shall be either automatic or user selectable for any chart displayed, each chart may have different scaling. X scales shall be user selectable allowing for display of data over the wide range of times and dates. Multiple years of data shall be allowed. The chart display shall be capable of displaying a window

of time as short as 15 seconds. Average, high and low values shall be displayed for selected point.

10. Reporting
    a. The report section shall be the gateway to the database for all data collected and shall provide an easy means of reporting and information management.
    b. The report generator shall be an integral part of the system. Offline third party packages (such as Excel) for report manipulation shall not be required to implement this program.
    c. Reports on historical trend data shall allow for daily, weekly, monthly and yearly reporting. These reports shall be completely flexible on the data items to be reported on. The user shall be able to select from a list of predefined reports or selected data items on-the-fly. The selection of data item shall not be restricted by panel source. Reports shall have multiple columns and be infinite in length. Reports must be capable of reporting on data that has been collected at varying time intervals. Report generator shall allow an operator to easily and quickly define the contents of a report as well as define a print time and date if so desired. Information contained in the reports shall be derived from alarm history, system database, trend data and timed overrides.
    d. The operator shall be able to compile reports by user, department, time and data period, point or points.
11. Multi-tasking
    a. The system shall be capable of true multi-tasking capabilities. The user shall be able to use other non-related programs in the system while still running all ddc system application with no interruptions. This shall include the use of real time data in other applications. This feature shall allow spread sheet programs to gather data from the system dynamically while running a dynamically updated graphic screen. The system shall have the ability to allow the passing of data freely to MS Windows application, which incorporate the use of Dynamic Data Exchange.

2.5 SYSTEM PERFORMANCE

A. The system shall consist of Operator Workstation, Building Management Panels, and Application Specific Controllers. All elements of the system shall be designed for standalone operation. Control shall always occur at the lowest level of the system. Communication between the building management panels and workstations shall be over a high speed communications buss. All nodes on this LAN shall be peers. The operator shall not have to know the panel identifier or location to view or control an object. Application Specific Controllers shall be constantly scanned by the building management panels to update point information and alarm information.

2.6 SYSTEM APPLICATION CONTROLLER SOFTWARE

A. System Security: User access shall be secured using individual security passwords and user names.

B. Passwords shall restrict the user to only the object, applications and system functions as assigned by the system manager.

2.7 SYSTEM SOFTWARE

A. Furnish the following applications for building and energy management. All software applications shall reside and run in the system controllers. Editing of applications shall occur at the operator workstation.

1. Scheduling: Provide the capability to schedule each object or group of objects in the system. Each scheduler shall consist of the following:
    a. Weekly Schedule: Provide separate schedules for each day of the week. Each of these schedules should include the capability for start, stop, optimal start, optimal stop, and night economizer. Each scheduler may consist of up to 10 events. When a group of objects are scheduled together, provide the capability to adjust the start and stop times for each number.
    b. Exception Schedules: Provide the ability for the operator to designate any day of the year as an exception schedule. Exception schedules may be defined up to one year in advance. Once an exception schedule is executed, it will be discarded and replaced by the standard schedule for that day of the week.
    c. Holiday Schedules: Provide the capability for the operator to define up to 30 special or holiday schedules. These schedules may be placed on the scheduling calendar and will be repeated each year. The operator shall be able to define the length of each holiday period.
2. Optimal Start/Stop: The scheduling application outlined above shall support an optimal start/stop algorithm. This shall calculate the thermal characteristics of a zone and start the equipment prior to occupancy to achieve the desired space temperature at the specified occupancy time. Provide an early start limit in minutes to prevent the system from starting too early.
3. System Coordination: Provide a standard application for the proper coordination of equipment.
4. Alarm Reporting.
5. Trending.
6. Diagnostics.
7. Power Fail Recovery.
8. Reports and Logs.

2.8 NETWORK CONTROLLERS

A. General. Provide an adequate number of Building Management Panels to provide the performance specified above. Each of these panels shall meet the following requirements.

1. The Building Automation System shall be composed of one or more independent stand alone, microprocessor based Network Controllers to manage the global strategies describes in Application software section.
2. The Master Controller shall have substantial memory to support its operating system, database, and programming requirements.
3. The multi-tasking operating system of the Controller shall manage the input and output communications signals to allow distributed controllers to share real and virtual point information and allow central monitoring and alarms.
4. Data shall automatically be shared between Master Controllers when they are networked together.
5. The database and custom programming routines of remote Network Controllers shall be editable from a single operator station.
6. The Master Controller shall continually check the status of all processor and memory circuits. If a failure is detected, the controller shall:
    a. Assume a predetermined failure mode.
    b. Emit an alarm.
    c. Display card failure identification.

B. Communications. Each Master Controller and Operator Workstation shall communicate using 10/100/1000 Ethernet (IEEE802.3). This LAN shall be self-configuring and shall automatically reconfigure as nodes are added or removed.

1. Hard Wired Connections. Provide a twisted pair copper (CAT.5E or higher) cable between all nodes on the system LAN. Provide all necessary network switches to complete the network.

C. All controllers shall allow communication over open protocol such as LonTalk or BACNET. Open protocol; shall be appropriate to the signal being transmitted and shall selected to best communicate with the domains open protocol for systems that have been previously installed at the facility.

D. Serviceability. The Network Controller should be designed in a modular fashion so that the enclosure may be roughed in prior to the installation of the electronics. Provide diagnostic LEOs for power, communications, and alarms. The controller shall have provisions for expansion and future controller architecture. All wiring connections shall be made to field serviceable terminal strips or to a termination card connected by a ribbon cable.

E. Memory. The Network Controller shall maintain all BIOS and programming information in EEPROM. The system BIOS shall be easily upgradable for the PC workstation without the need for going out to the panel. System manufacturer shall provide current version software and firmware at the end of the warranty period.

2.9 APPLICATION SPECIFIC CONTROLLERS

A. Application Specific Controllers shall be stand-alone, microprocessor based Direct Digital Controllers with sufficient EEPROM memory to handle its operating system, database and programming requirements.

The controllers shall be clearly labeled as to controller type, where it is to be installed, and software address (if applicable). The controller shall be fully tested upon installation to ensure that it is properly matched to the equipment it is controlling.

B. The controller shall communicate with other devices on the communication network and be fully integrated with the other system components.

C. The hardware shall be suitable for the anticipated ambient conditions.

1. Controllers used outdoors and/or in wet ambient shall be mounted within waterproof enclosures, and shall be rated for operation at --40°F to 155°F.
2. Controller used in conditioned ambient shall be mounted in dust-proof enclosures, and shall be rated for operation at 32°F to 120°F.

D. Terminal Unit Controllers

1. Terminal Box Diagnostics:
    a. If zone temperature sensor input fails above its high range, unit shall control at its maximum CFM setpoint. If sensor input fails below its low range, units shall control to its minimum CFM setpoint.
    b. In both cases, all heat outputs shall be disabled. A diagnostic message shall be displayed upon operator inquiry.
    c. If flow measuring system fails, unit shall automatically convert to a pressure dependent, damper position based algorithm. Diagnostic message shall be displayed upon operator inquiry.
    d. If zone temperature setpoint potentiometer on zone sensor fails, unit shall automatically control to programmed occupied setpoints. Diagnostic message shall be displayed upon operator inquiry.
    e. If communications are not lost, controller shall continue to operate in current mode of operation. All setpoints shall be retained in nonvolatile memory. If communications are not restored within 15 minutes, unit shall automatically initiate a reset-recalibrate.

2.10 CUSTOM APPLICATION CONTROLLERS

A. The Custom Application Controllers shall provide stand-alone control and require no additional system components for complete operation. It shall have sufficient EEPROM memory to support its operation system, database, and programming requirements. Custom application controllers shall meet the requirements of 2.06 Master Control Panels except they shall reside on a communications network operating at a minimum of 38,400 KBPS.

B. All programming required for operation shall be memory resident and shall be retained in permanent memory.

C. The Custom Application Controller shall be configured such that the Portable Operators Terminal can be plugged directly into it or within sight for programming, editing, and other operator functions. Custom application controllers shall also be programmable from the operator workstation.

D. Controller hardware shall be suitable for the anticipated ambient conditions.

E. Controllers used outdoors and/or in wet ambient shall be mounted within waterproof enclosures and shall be rated for operation at -40°F to 155°F.

F. Controller used in conditioned ambient shall be mounted in dust-proof enclosures, and shall be rated for operation at 32°F to 120°F.

2.11 INPUT/OUTPUT INTERFACE

A. Hardwired inputs and outputs may tie into the system through Master Control Panel, Custom Application, or Application Specific Controllers. Any critical points requiring immediate reaction shall be tied directly in to the controller hosting the control software algorithm for the critical function.

B. Binary inputs shall allow the monitoring of on/off signals from remote devices. The binary inputs shall provide a sufficient wetting current to be compatible with commonly available control devices.

All status points shown on the point list shall be positive proof differential pressure or current sensing binary switches.

C. Analog inputs shall allow the monitoring of low voltage, current, or resistance signals and shall have a minimum resolution of 0.1% of the sensing range. Analog inputs shall be compatible with, and field configurable to commonly available sensing devices.

D. Binary outputs shall provide a continuous low voltage signal for on/off control of remote devices.
Where specified in the sequence of operations or indicated on the points list, binary outputs shall have 3-position (on/off/auto) override switches, status lights, and shall be selectable for either normally open or normally closed position.

E. Analog outputs shall provide a modulating signal for the control of end devices. Outputs shall provide either a 0 to 10 VDC, 0 to 20 VDC or a 4 to 20 milliampere signal as required to provide proper control of the output device. Systems that utilize a pulse width modulating output (PWM) shall include a position feedback AI for each output.

F. System architecture shall allow for point expansion in one of the following ways:

1. The addition of input/output cards to an existing System Application Controller.
2. An additional panel and/or controller may be used to expand point capacity.
3. Ten (10) percent expansion capacity for all point types in all DDC panels.

2.12 IDENTIFICATION

A. Engraved Labels

1. Material: Melamine plastic laminate.
2. Thickness: 1/16".
3. Color
   a. Surface: White.
   b. Core: Black (letter color).
4. Fastenings: Any of the following:
   a. Screws.
   b. Rivets.
   c. Permanent adhesive.
5. Lettering: Coordinate with shop drawings.

2.13 DUCT SMOKE DETECTORS

A. Duct smoke detectors shall be provided and wired in accordance with manufacturer's requirements.

2.14 BMS/ATC CONTROL WIRING

A. General: 18 AWG Twisted pair cable shield wire shall be provided if required by system manufacturer.

B. Provide for all input and all analog output wiring.

C. Tinned copper conductors.

D. Do not run input/output wires together in the same conduit or wire bundle with 120V power wiring.

E. All control wiring shall be run in metal conduit as follows:

1. EMT in Mechanical/Electrical Rooms.
2. Rigid at exterior.
3. Plenum rated for concealed spaces/hung ceiling.

2.15 DAMPERS

A. The Building Automation System supplier shall provide all automatic control dampers not specified to be supplied integral to the HVAC equipment.

B. Dampers shall be low leakage or high velocity low leakage air foil as specified in the sequence of operation or in the equipment specifications and schedules. All proportional dampers shall be opposed blade type, except mixing dampers shall be parallel type. Two position dampers may be opposed or parallel blade type.

C. Damper frames and blades shall be galvanized steel and a minimum of 16 gauge. Blade width shall not exceed 8 inches. Dampers and seals shall be suitable for temperature ranges of -50°F to 250°F.

D. Blades: 14-gauge, or 16-gauge air foil shaped, double, galvanized steel or extruded aluminum.

E. Bearings: Nylon or oil impregnated.

F. Axles: Welded, hexagonal or pin lock, or with other approved method to prevent blade rotating on axle.

G. Hardware: Zinc plated steel or aluminum.

H. Standard Low Leakage Dampers:

1. Standard low leakage dampers shall be provided to conserve energy. Dampers shall be equipped with neoprene edge seals and compressible metal jamb seals. Leakage shall not exceed 10 CFM/Sq. Ft. at 4" W.G. differential and 3 CFM/Sq. Ft. at 1" W.G. differential.
2. Standard Low Leakage dampers shall be Ruskin, Model CD36 or equivalent.

I. High Velocity Low Leakage Dampers:

1. Where specifically called out as "LOW LEAKAGE", provide the following:
2. Field replaceable edge and end seals with be installed along the top, bottom, and side of the frame and each blade. Seals and bearings shall be suitable for temperature ranges from -40°F to 200°F. Leakage shall not exceed 6 CFM/Sq. Ft. at 4" W.G. differential and 3 CFM/Sq. Ft. at 1" W.G. differential.
   a. High Velocity Low Leakage dampers shall be Ruskin, Model CD60 or equivalent.

J. Provide low leakage dampers in the following locations:
1. Outside air dampers.
2. Motorized backdraft dampers.
3. Motorized intake dampers.

2.16 CONTROL VALVES

A. Provide control valves of the type, body material and pressure class as determined by manufacturer, based on operating requirements and maximum pressure and temperature in the piping system.

B. Equip control valves with actuators of proper close-off rating.

C. Modulating control valves shall have equal percentage or linear flow characteristics.

D. Valve bodies shall be 2-way normally open or closed, or 3-way mixing as specified or as required. Valve bodies 2" and smaller shall be bronze, screwed type and 2 ½ " and larger shall be iron, flanged and rated at 240°F 125 psig except where otherwise noted.

E. Valves shall have stainless steel stems and allow for servicing including packing, stem, and disk replacement, or offer a 5 year warranty on parts and labor.

F. Size valves for 50% coil pressure drop (minimum 3', maximum 12' pressure drop).

G. Two-position, two-way control valves shall have quick opening characteristics.

H. Three-way valves shown in mixing application shall have a single, double faced disk.

I. Three-way valves shown in diverting application shall have two separate disks on a common shaft.

J. All steam control valves shall be single seated. No single valve shall be lager than 2-½ ". Wherever the flow rate is such as to require a valve larger than 2-½", then multiple valves in parallel shall be used, with one no larger than 2-½ ". The valves shall operate sequentially. Trim shall be stainless steel for inlet pressures above 15 psig steam.

2.17 VALVE ACTUATORS: (ELECTRIC)

A. Valve actuators shall be electronic low voltage (24VAC), and properly selected for the valve body and service. Belimo or equivalent.

B. Actuators shall be fully proportioning (if modulating) and be spring return for normally open or normally closed operation as called out in the sequence of operations.

C. Provide a handwheel or manual positioner mounted adjacent to valve to allow manual positioning of valve in the absence of power.

D. Tri-state floating control non-spring return actuators are acceptable for terminal reheat applications for sizes less than one inch.

E. Actuators that rely on heating a medium are not acceptable.

2.18 BUTTERFLY VALVES

A. Butterfly valves used for automatic control shall be lug type rated for 125 psi non-shock water service to 180°F. Valve body shall be ductile iron with B-Nitrite (BUNA N) or EPDM molded seat and seals.

B. Disc material shall be cast bronze of aluminum-bronze with ASTM A-492 Type 416SS stainless steel stem and fittings.

C. Valves shall be tight close off suitable for end of the line service.

D. Butterfly valves used for two position control shall be line size. Valves used for modulating control shall be sized for a minimum 5 psig differential pressure at full flow. Butterfly valves shall not be used for modulating control without specific approval from the engineer.

E. Three way valve mixing or diverting configurations shall have factory provided linkage kits specifically manufactured for the piping arrangement and actuator used. Keystone or approved equivalent.

2.19 TEMPERATURE SENSORS

A. Temperature sensors shall be Resistance Temperature Detector (RTD) or Thermistor as dictated by the requirements of this specification.

B. Duct sensors shall be rigid or averaging as specified in the sequence of operations. Averaging sensors shall be a minimum of 5 feet in length.

C. Immersion sensors shall be provided with a separable stainless steel or brass well to match pipe material.

D. Space sensors shall be equipped with setpoint adjustment and/or override switch as specified on the plans or in the sequence of operations. Space sensor shall have a portable service tool jack.

E. Accuracies shall be +/-1oF for standard applications. Where high accuracy is required, accuracies shall be+/- .2°F.

F. Duct mounted averaging sensors shall utilize a sensing element incorporated in a copper capillary with a minimum length of 20 feet. The sensor shall be installed according to manufacturers recommendation and looped and fastened at a minimum of every 36 inches.

G. Sunshields shall be provided for outside air sensors.

2.20 DIFFERENTIAL PRESSURE & CURRENT SWITCHES

A. Differential Pressure Switches shall be furnished as indicated for status purposes in air and water applications. Provide single pole double throw switch with fully adjustable differential pressure settings.

B. Sensing range shall be suitable for the application with accuracy of +1-2% of range and repeatability of +/-.5 % of range. Sensor shall be capable of withstanding up to 150% of rate pressure without damage.

C. Current switches shall be provided for status indications on variable air flow fans and variable pump speed applications. These switches shall be capable of installation and replacement without removing power wiring.

2.21 STATIC PRESSURE SENSORS

A. Static pressure sensors shall be differential pressure type. The sensor range shall be closely matched to the system static pressure,-.5 to .5 inches, -1 to 1 inches, 0 to 2.5 inches.

B. Sensor accuracy shall be plus or minus 5% of the sensing range, and repeatability of 2% of sensor range.

2.22 FREEZE PROTECTION DUCTSTATS

A. An electric freeze protection ductstat with 20 feet low temperature sensing capillary, and with manual reset, shall be located across the entering face of each cooling coil or bank of coils in the air conditioning unit or in the discharge of each heating coil in the heating and ventilating units, which shall on a fall in temperature below 35°F., shut down its respective supply fan and close the outdoor air damper. Case of instrument shall be located outside of supply unit, within 10 feet of supply fan motor.

B. For systems with return air fans, on fan shut down, the return fan shall continue running or shall start, if not running.

2.23 PRESSURE SENSORS

A. Differential air pressure, static pressure and velocity pressure sensors shall be furnished by Modus, Air Monitor or equivalent.

B. Liquid, water or steam pressure sensing shall be furnished by Rosemount, Robinson Halpern or equivalent.

C. Pressure switches shall be furnished by United Electric, Dwyer or equivalent.

2.24 FLOW SENSORS

A. Differential pressure flow meters shall be furnished by Annubar or equivalent.

B. Vortex flow meters shall be furnished by EMCO or equivalent.

2.25 DIGITAL SENSORS

A. All digital inputs will be provided by dry contacts. The contacts will be wired normally open or normally closed as required.

B. Motor status (pumps, fans, etc.) by current sensing switch shall use Neilsen-Kuljian current-operated switch.

C. Pump flow status by differential water pressure shall use Penn P74 or equivalent.

D. Fan status by differential pressure shall be Dwyer or equivalent.

2.26 POWER SENSORS (CURRENT, KW, KWH)

A. Chiller amps shall be sensed by current transducers. The range of operation shall be from zero to a value not more than 50% of FLA. Use Ohio Semitronics CT-E series or equivalent.

B. Utility metered or submetered KWH or KW shall be sensed by a pulse producing transducer.

2.27 KW/KWH TRANSDUCER

A. The transducer shall be capable of measuring true power demand (kW) and consumption (kWH).

B. The demand output shall be 4-20 ma proportional to the true power of the monitored load.

C. The transducer shall be capable of providing a field selectable pulse rate output of 1, 0.5, 0.1, or 0.05 pulses per (kWH).

D. The transducer shall receive its current inputs from safe current transformers that provide a 0-1V output proportional to the primary current flowing in the sensed load.

E. The current transformers shall be accurate to +I- 0.5% from 1% to 100% of the rated current.

F. The voltage range shall be field selectable from 120 to 600 VAC.

G. The transducer shall be accurate to +/-0.5% of the reading over a -15° to 40° C range.

H. The transducer shall detect phase loss, or a low voltage situation, and provide an N.C., optically isolated FET (100 ma@ 24 VAC/DC) alarm output.

I. The transducer shall have an adjustable low voltage threshold trip point from 75-95% of the rated power of the monitored load.

J. The transducer shall be mounted inside a Nema 1 enclosure.

K. The transducer shall have an LCD meter mounted in the Nema 1 enclosure to display demand (kW) and consumption (kWH).

L. The transducer shall be Veris Industries model H6004.

PART 3- EXECUTION

3.1 FUNCTIONS

A. Provide all components necessary to achieve the Sequences of Operation listed in Part IV and any additional industry standard functions normally required of a first class BMS/ATC installation.

B. This division shall provide a project manager who shall, as a part of his duties, be responsible for the following activities:

1. Coordination between this Contractor and all other trades, Owner, local authorities and the design team.
2. Scheduling of manpower, material delivery, equipment installation and checkout.
3. Maintenance of construction records such as project scheduling, manpower planning, and as-built drawings for project coordination and as-built drawings.

3.2 INSTALLATION METHODS

A. Install systems and materials in accordance with manufacturer's instructions, rough-in drawings and equipment details. Install electrical components and use electrical products complying with requirements of applicable Electrical sections of these specifications.

B. The term "control wiring" is defined to include providing of wire, conduit, and miscellaneous materials as required for mounting and connecting electric or electronic control devices.

C. Control Wiring:

1. Number-code or color-code conductors appropriately for future identification and servicing of control system.
2. All line voltage power wiring required because of substitution of low voltage power wiring equipment specified in this division, shall be provided by this division.
3. Comply with the applicable requirements of Division 26 for the installation of electrical wiring incidental to the temperature control system.
4. Comply with the applicable requirements of National Electrical, New York City Building Code, and Building Code for the installation of electrical wiring incidental to the temperature control system.
5. Control wiring shall be run in conduit in accordance with the electrical sections of this specification.
6. Conduit shall be run parallel to building lines properly supported and sized at a maximum of 40% fill. In no cases shall field installed conduit smaller than%" trade size be allowed. Where conductors are not in conduit, cable rated for use in return air plenums shall be used.
7. BMS/ATC division shall provide all control transformers and all control wiring (including low voltage actuator power wiring). This division shall also provide power wiring from the control circuits to the transformer locations and all other temperature control devices requiring power wiring. Electrical Contractor shall furnish appropriate control circuits (both normal and emergency) in suitable panelboards located throughout the project.
8. BMS/ATC division shall provide UL listed surge protectors for all control circuits upstream of control transformers.

D. Equipment installed under other divisions of the specifications:

1. Furnish dampers, valves, temperature sensor wells, flow switches and other equipment to Installers at proper time.
2. Provide installation instructions.

E. Adjust low-leakage dampers so all gaskets and seals are properly compressed.

F. Provide outside air and relative humidity sensors at each outside air intake louvers for air handlers.

G. Unless specifically indicated on plans, do not install wall mounted thermostat or temperature sensor on exterior wall. For thermostats or temperature sensors located on an exterior wall, provide insulated base behind device.

3.3 IDENTIFICATION

A. Devices Inside Panels: Either of the following:
1. Engraved labels.
2. Lettered in permanent ink with felt tip marker.

B. Exposed Devices: Engraved labels.

C. Location: On the body of the device or on the surface to which it is mounted.
1. Do not put identification on removable covers.

D. Label each remotely mounted control panel as to the device it controls.

3.4OPERATING AMBIENT CONDITIONS

A. Electronic controls mounted in unconditioned space shall be rated for ambient operating conditions from -40°F to 155°F. Controls not meeting these limits shall be mounted in an accessible location within conditioned space.

3.5 OWNER TRAINING

A. The BAS/ATC contractor shall provide 4 copies of an operator's manual describing all operating and routine maintenance service procedures to be used with the temperature control and Building Automation System supplied. This contractor shall instruct the owner's designated representatives in these procedures during the startup and test period. The owner training shall consist of a minimum of three (3) 8 hour instruction periods scheduled by the owner over the first 12 months of system operation. The training shall be scheduled during normal working hours.

B. Follow up training shall be provided under this Division for two (2) eight hour instruction periods at six months and twelve months after building acceptance.

C. Provide minimum 40 classroom hours of factory training in programming and use of the BMS/ATC system for each of two people (designated by Owner). Provide room and board for trainees class during this period if factory is located more than 30 miles from the project. Provide this training no more than eighteen months after building acceptance.

3.6 CALIBRATION AND ADJUSTMENTS

A. After completion of the installation, perform final calibrations and adjustments of the equipment provided under this contract and supply services incidental to the proper performance of the ATC and BAS system under warranty below.

3.7 OPERATION BY OWNER

A. Owner may require operation of part of the system prior to final acceptance. Operation is not to be construed as acceptance of work.

3.8 ACCEPTANCE PROCEDURE

A. General: The system installation shall be complete and tested for proper operation prior to acceptance testing for the Owner's authorized representative.

B. Upon completion of the calibration, Contractor shall startup the system and perform all necessary testing and run diagnostic tests to ensure proper operation. Installer shall be responsible for generating all software and entering all database necessary to perform the sequence of control and specified software routines. An acceptance test in the presence of the Owner's representative or Architect shall be performed.

1. If more than two of the first 10 devices tested, or more than 10%of the first 20 or more devices tested, fail to operate properly, the test shall be discontinued.
2. Additional testing, after corrections are made, shall be done at the Installer's expense.

C. A letter shall be submitted to the Architect requesting system acceptance. This letter shall certify all controls are installed and the software programs have been completely exercised for proper equipment operation. Acceptance testing will commence at a mutually agreeable time within ten (10) calendar days of request. When the field test procedures have been demonstrated to the Owner's representative, the system will be accepted. The warranty period will start at this time.

D. Field Equipment Test Procedures: DOC Zone and Local Controllers shall be demonstrated via a functional end-to-end test as follows:

1. All output channels shall be commanded (on/off, stop/start, adjust, etc.) and their operations verified. (Point -to- Point Checkout)
2. All analog input channels shall be verified for proper operation.
3. All digital input channels shall be verified by changing the state of the field device and observing the appropriate change of displayed value.
4. If a point should fail testing, perform necessary repair action and retest failed point and all interlocked points.
5. Automatic control operation shall be verified by introducing an error into the system and observing the proper corrective system response.
6. Selected time and setpoint schedules shall be verified by changing the schedule and observing the correct response on the controlled outputs.

E. Workstation Test Procedures: The System Workstation test procedures shall be as follows:

1. Communication with each DOC Zone and Local Controller shall be demonstrated.
2. Operator commands will be explained and demonstrated.
3. Control sequences shall be demonstrated for proper operation.
4. All available system reports and logs shall be demonstrated at the System Workstation.
5. Correct system start-up and shutdown procedures shall be demonstrated.
6. All controllers shall be demonstrated to operate in standalone mode.

F. Acceptance Test of Mechanical Systems

1. Perform at least two (2) operational tests of the entire mechanical system as described in the specifications.

2. Give each element of the system an operating test of not less than 48 hours' duration to demonstrate to the satisfaction of the Architect that the control system is functioning properly and that the system is capable of producing the required environmental conditions. During this test, operate the system entirely on automatic control and take periodic readings of the inside and outside wet and dry bulb temperatures. Obtain wet and dry bulb temperatures with a recording thermometer-hygrometer. Conduct tests with outside temperature and humidity conditions as near design conditions as practical.
3. Winter acceptance test shall be conducted when outside temperatures are at or near 10°F, summer acceptance test shall be conducted when outside temperatures are at or near 90°F db.
4. Conduct tests during summer and winter outdoor temperature extremes as specified above. Notify Owner seven (7) days in advance of proposed tests.
5. Record temperature and humidity at an exterior and interior location for each system as designated by the Engineer at least once every hour for 48 hours during tests.
6. Submit a report detailing the following:

a. Instrument used:
    1) Most recent calibration date.
b. Date of tests.
c. Description of test apparatus locations and methods.
d. Results of tests.
e. Any abnormal usage of the building or abnormal system characteristics observed during the course of the test.

3.9 RECORD DOCUMENTS

A. Electronic Media As-Built Documentation: After a successful acceptance demonstration, the Contractor shall submit as-built drawings of the completed project for final approval. After receiving final approval, supply complete 11X17 hard copy as-built drawing sets, together with CO's to the owner. Provide (3) copies of 0 & M Manuals.

B. Operation and Maintenance Manuals: Submit Operation and Maintenance manuals. Include the following in each manual:

1. BMS/ATC information for insertion into the Manufacturer's catalog data and specifications on all sensors, transmitters, controllers, control valves, damper actuators, gauges, indicators, terminals, and any miscellaneous components used in the system.
2. An Operator's Manual which will include detailed instructions for all operations of the system.
3. An Operator's Reference Table listing the addresses of all connected input points and output points. Settings shall be shown where applicable.
4. A Programmer's Manual which will include all information necessary to perform programming functions.
5. A language manual which will include a detailed description of the language used and all routines used by the system.
6. Flow charts of the control software programs utilized in the Temperature Control System.
7. Flow charts of the custom software programs utilized in the Temperature Control System.
8. Complete program listing file and parameter listing file for all programs.
9. A copy of the warranty.
10. Operating and maintenance cautions and instructions.
11. Recommended spare parts list.
12. Twenty-four (24) hour service phone number and point of contact.

3.10 WARRANTY

A. All BAS/ATC devices and installation shall be warranted to be free from defects in workmanship and material for a period of one year from the date of job acceptance by the owner. Any

equipment, software, or labor found to be defective during this period shall be repaired or replaced without expense to the owner. Factory authorized warranty service shall be available within 50 miles of jobsite.

3.11 INSPECTION

A. Examine location where controls and equipment are to be installed and determine space conditions and notify architect in writing of conditions detrimental to proper and timely completion of the work.

1. Do not proceed with the work until unsatisfactory conditions have been corrected.

3.12 INSTALLATION

A. Install in accordance with manufacturer's written instructions, and with recognized industry practices, to ensure that equipment comply with requirements and serve intended purposes.

B. Coordinate with the work as necessary to interface installation of equipment with other components of systems.

3.13 FIELD QUALITY CONTROL

A. Upon completion of installation of the automatic temperature control system and after motors have been energized with normal power source, test system to demonstrate compliance with requirement. When possible, field correct malfunctioning controls then retest to demonstrate compliance. Replace controls which cannot be satisfactorily corrected. Refer to Testing and Balancing Section of this specification.

3.14 SERVICE

A. After completion of the control system installation, the control manufacturer shall regulate and adjust all temperature sensors, control valves, damper motors, etc., and place in complete operating condition, subject to the approval of the Architect. The control contractor shall provide two complete instruction manuals, in addition to any other manuals called for in this specification, to the Owner's operating personnel. The manual shall include the function and operation of all control components on this project. Complete instructions shall be given to the operating personnel. There shall be two day's instruction given for Winter cycle and two day's instruction for Summer cycle operation.

PART4- SEQUENCE OF OPERATION

4.1 GENERAL

A. BMS/ATC Contractor shall design, install, program, test, commission and demonstrate a complete and fully functional system capable of meeting the Sequences of Operation detailed below. Provide additional control points and functions as required, even if not specifically called for, if normally considered necessary for a BMS/ATC installation of the size and complexity of this project or if required to implement control sequence.

B. Listed items of equipment shall be individually controlled by standalone controller. Each controller shall serve only one individual unit. The unit controller shall be supplied by the BMS Contractor and may be furnished to the equipment supplier for factory mounting. The cost to mount, calibrate, program and test the controller and actuator shall be coordinated prior to bid day and included in the BMS price.

1. Air Handling Unit.
2. Existing AHU Cooling Coil.

C. Multiple units may be controlled by individual standalone controllers for all other control points.

D. Sensor and transducer installation, control power and wiring and communications wiring shall be provided under this division by BMS/ATC Contractor.

E. Refer to the Systems Points List at the end of this division and equipment schedules on the drawings for required control inputs and outputs for each item of equipment listed in the Sequence of Operation.

4.2 DEFINITIONS

A. Primary or Production: Part of the circulation loop which directly flows through a chiller.

B. Secondary or Distribution: Part of the circulation loop which directly flows through terminal units.

4.3 VARIABLE VOLUME AIR HANDLER - AHS-2 & AHS-3

A. If communication with the BAS is lost, the air handler controllers shall use their default setpoints and operate in the Occupied mode.

B. Interlocks: Each AHU's return fan

C. Supply and return fans shall modulate to maintain dust static pressure as measured at the duct pressure sensor, located in the occupied zone.

D. Occupied Mode:

1. When the AHU is in the Occupied Mode, the Supply Fan shall operate continuously. The 2- way Cooling Valves, and 2-way heating valves shall modulate in sequence to maintain Discharge Air Temperature.

E. Unoccupied Mode:

1. When the AHU is in the Unoccupied Mode, the Supply and Exhaust Fans shall be OFF. The Outside Air, and Cooling Valves shall be closed.

F. Night Setback Mode:

1. Supply fan to operate at minimum air flow, maintain set-back space temperature setpoint or lowest associated zone T-stat.
2. Outside air damper to be closed.
3. Maintain a 6°F (adj.) offset to setpoint:
   a. Energize heat fully and energize fan at offset. Run until setpoint is reached, then deenergize fan and electric heat.

G. Morning Warm-Up Mode:

1. Supply fan shall run continuously and be energized one hour (adj.) prior to scheduled occupied mode start. Energize heating to warm-up occupied space to occupied setpoint of all associated space stats.
2. O.A. dampers shall be closed.
3. Cooling shall be locked out.

4. Energize electric heat fully until setpoint(s) are satisfied, maintain a 95°F (adj.) discharge air temperature.
5. Revert to occupied mode when all space stats have reached occupied heating setpoint.

H. Fan Safety Controls:

1. De-energize the Supply Fans whenever the Stop/Auto interlock is open, the Discharge Air Low Limit is tripped, the fire or smoke stat has tripped, or the Supply Fan Status indicates a failure (after a two minute delay). The Fire-stat, Low Limit and the Fan Failures require a manual reset.
2. Alarm the BMS with an appropriate alarm message.

I. Freeze Protection:

1. A manual reset Mixed Air Low Limit shall turn the Fans OFF if any 12 inches of its sensing element is below its setpoint (35 F, adj.).
2. The Outside Air Dampers shall also be closed.

J. Discharge Air Temperature:

1. Monitor valve position and maintain a D.A.T. which:
   a. Re-sets D.A.T. setpoint up if all heating valves are more than 10% (adj.) open.
   b. Re-sets D.A.T. setpoint down if a given zone's heating valve is fully closed and zone temperature is 2°F (adj.) or more above setpoint.
2. If D.A.T. drops below 40°F (adj.), de-energize all fans and close the outside air damper.

K. Hot Water Coil Control:

1. **2**-way valves shall modulate to maintain the discharge air temperature.

L. Cooling Valve Control:

1. The **2**-way Cooling Valves shall modulate to maintain the Discharge Air Temperature at the Discharge Cooling Setpoint (55 F, adj.). The Cooling Valves shall be closed if the air handlers are in the Heating mode, the Fans are OFF, or the Discharge Air Sensors have failed.
2. Relief Fan Control: (Fan may or may not be part of the AHU.)
3. Relief fan inlet vanes shall modulate to maintain building static pressure.

4.4 VAV AIR HANDLER- AHU-02-1

A. If communication with the BAS is lost, the air handler controllers shall use their default setpoints and operate in the Occupied mode.

B. Configuration per schedule

C. Operating Mode:

1. When the AHU is in the Occupied Mode, the Supply Fan shall operate continuously. Any associated Relief Fan shall also operate. The Supply Fan VFD shall modulate to maintain the Duct Static Pressure. The Relief Fan VFD shall modulate to maintain space static pressure. The Cooling Valves, Heating Valves, and Economizer Dampers shall modulate in sequence to maintain Discharge Air Temperature of 55°F (adj.).

D. Unoccupied Mode:

1. When the AHU is in the Unoccupied Mode, the Supply and Exhaust Fans shall be OFF. The Outside Air, Relief Air Dampers and Cooling Valves shall be closed, and the Heating Valves shall be closed, unless the freeze stat overrides the valve position.

E. Setback Mode:

1. Cycle supply fan to maintain set-back space temperature setpoint on lowest associated zone stat.
2. Relief Air and O.A. Dampers shall be closed. Exhaust/Relief fans shall be de-energized.
3. Cooling shall be locked out.
4. Maintain a 6°F (adj.) offset to setpoint:
   a.Heating valve fully and energize fan at offset. Run until setpoint is reached, then deenergize fan.

F. Morning Warm-up Mode:

1. Supply fan shall run continuously and be energized one hour (adj.) prior to scheduled occupied mode start. Energize heating to warm-up occupied space to occupied setpoint of all associated space stats.
2. O.A. dampers shall be closed. Exhaust/relief fans shall be de-energized.
3. Cooling shall be locked out.
4. Terminal units shall operate in the heating mode until all setpoints are satisfied.
5. Revert to occupied mode when all space stats have reached occupied heating setpoint.

G. Fan Safety Controls:

1. De-energize the Supply Fans whenever the Stop/Auto interlock is open, the Mixed Air or Discharge Air Low Limit is tripped, the fire or smoke stat has tripped, or the Supply Fan Status indicates a failure (after a two minute delay). The Fire-stat, and the Mixed Air Low limit require a manual reset.
2. Alarm the BMS with an appropriate alarm message.

H. VFD Control

1. When the Fans are on, the VFD shall slowly ramp up to setpoint and modulate to maintain the proper Duct Static Pressure or Space Static Pressure. The Static Pressure Sensors shall be located by this Division.
2. Submit sensor locations to engineer for review.
3. Sensing device shall be multiple point, non-pulsating static pressure sensing section with self averaging manifold.

I. Economizer Control:

1. When the Outside Air Temperature is less than the Return Air Temperature, and Cooling is required, the Economizer control shall be enabled. The Outside Air Dampers shall modulate between the adjustable minimum position and full open to maintain the Discharge Air Temperature (55°F adj.) at the Economizer Setpoint (55°F adj.). Cooling via the Chilled Water coil shall be allowed to run with the Outside Air Dampers fully open as long as Outside Air Temperature is less than Return Air Temperature. Heating shall be locked out until Outside Air Damper has returned to the minimum ventilation position. When Outside Air Temperature exceeds Return Air Temperature, Economizer control shall be disabled.

J. Freeze Protection:

1. A manual reset Mixed Air Low Limit shall tum the Fans OFF if any 12 inches of its sensing element is below its setpoint (35°F, adj.).

2. The Outside Air and Relief Air Dampers shall also be closed, and the heating valve shall open. Energize the HW freeze protection pump and open all automatic valves in the HW system fully.

K. Outside Air Control:

1. Indoor air quality shall be maintained by an indoor air quality (C02) sensor mounted in the return air. The sensor shall modulate the outside air and return air dampers to maintain indoor air quality (less than 1000 ppm C02). The controller shall monitor the mixed air temperature and discharge temperature and not allow the mixed air to drop below 45°F {adj.) or the discharge to exceed 60°F (adj.). The outside air damper shall have a preset minimum of 10% (adjustable) and preset maximum of 25% (adjustable).

L. Discharge Air Temperature:

1. Monitor valve position and maintain a D.A.T. which:
   a. Re-sets D.A.T. setpoint up if all heating valves are more than 10% (adj.) open.
   b. Re-sets D.A.T. setpoint down if a given zone's heating valve is fully closed and zone temperature is 2oF (adj.) or more above setpoint.
2. If D.A.T. drops below 40°F (adj.), de-energize all fans close the outside air damper to minimum, and open heating valve.

M. Heating Valve Control:

1. The Heating Valves shall modulate to maintain the Discharge Air Temperature at the Discharge Heating Setpoint (55°F, adj.). The Heating Valves shall be fully closed if the Fans are OFF.
2. Utilize **2**-way valve control on all units.

N. Cooling Valve Control:

1. The **2**-way Cooling Valves shall modulate to maintain the Discharge Air Temperature at the Discharge Cooling Setpoint (55°F. adj.). The Cooling Valves shall be closed if the air handlers are in the Heating mode, the Fans are OFF, or the Discharge Air Sensors have failed.
2. Utilize **2**-way valve control on all units.

4.5 CONTROL OF SMOKE DAMPERS

A. Provide a normally closed automatic damper in each duct crossing a smoke barrier, and as indicated on the Drawings, at the point where the duct crosses the barriers and at supply fan discharge. Whenever supply fan stops, smoke damper at the fan discharge shall close. Provide one minute time delay to prevent fan start-up until all smoke dampers have opened and 20 second time delay to prevent dampers from closing until fan has stopped. All smoke detectors located at the supply, return and exhaust ductwork of same system shall be one zone. Any smoke detector actuated on the zone shall:

1. Stop supply fan. (Interlocked fans shall be shut down by means of interlocking).
2. Start return air fan.
3. Close return air damper and open relief air damper.
4. Open all smoke dampers on return air duct of that system. Whenever return air fan is off, smoke dampers on return air duct shall close. (Provide time delay as described above).
5. Close smoke dampers in supply ductwork. This can be done either by using E-p switch at supply fan starter or by using an E-p switch at each floor wired from same zone.

4.6 DOC SYSTEM POINTS LIST

A. General: Provide individual inputs or output for each point listed in the points list (See Appendix). Provide any additional points not listed in the points list, but required to meet the sequences of operation, at no additional cost to the owner. All analog outputs shall be 4-20mA, 0-1OVDC, or 0-20VDC unless otherwise indicated. AO =Analog Output; AI =Analog Input; DO = Digital (binary) Output; Dl =Digital (binary) Input.

AHU-02-1	Supply Fan Start/Stop	DO
	Supply Fan VFD	AO
	Return Fan Start/Stop	DO
	Return Fan VFD	AO
	Cooling Coil Control Valve	AO
	Hot Water Preheat Coil Control Valve	AO
	Hot Water Freeze Protection Circ Pump	DO
	Outdoor Air Damper	AO
	Freezestat	DI
	Leaving Air Temp	AI
	Entering Air Temp	AI
	Supply Duct Pressure Transducer	AI
	Return Duct Pressure Transducer	AI
	Supply Fan Status (CT)	DI
	Return Fan Status (CT)	DI
	Smoke Detector(s)	DI
	Fire Stat	DI
	Filter Pressure Drop	AI
	Air Flow (CFM)	AI
AHS-2 (Provide all new sensor & CHW ACV, reuse existing HW control valves)	Supply Fan Start/Stop	DO
	Supply Fan VFD	AO
	Cooling Coil Control Valve	AO
	Hot Water Reheat Coil Control Valve	AO
	Outdoor Air Damper	AO
	Freezestat	DI
	Leaving Air Temp	AI
	Entering Air Temp	AI
	Supply Duct Pressure Transducer	AI
	Supply Fan Status (CT)	DI
	Smoke Detector(s	DI
	Fire Stat	DI
	Filter Pressure Drop	AI
	Air Flow (CFM)	AI

AHS-4	Supply Fan Start/Stop	DO
	Cooling Coil Control Valve	AO
	Hot Water Reheat Coil Control Valve	AO
	Freezestat	DI
	Leaving Air Temp	AI
	Supply Duct Pressure Transducer	AI
	Supply Fan Status (CT)	DI
	Smoke Detector(s	DI
	Fire Stat	DI
	Air Flow (CFM)	AI
Heat Exchanger	Chilled Water Control Valve (Modulate)	AO
	Entering CHW Temp	AI
	Leaving CHW Temp	AI
	CHW Differential Pressure Transducer	DI
	CHW Flow (Meter)	AI
	Entering GCHW Temp	AI
	Leaving GCHW Temp	AI
	GCHW Differential Pressure Transducer	AI
	GCHW Automatic valve Open/Close	DO
GCHW Pumps (Each Pump)	Pump Start/Stop	DO
	Pump Status (CT)	DI
	Pump VFD	AO
	Pump Failure Alarm	DI
RFS-2	Return Fan Start/Stop	DO
	Return Fan Status (CT)	DI
	Return Fan VFD	AO
Each BTU Meter	Instantaneous Water Flow	AI
	Supply Water Temperature	AI
	Return Water Temperature	AI
	Cumulative BTUs (report once per day)	AI

END OF SECTION

SECTION 23 21 23

HVAC PUMPS

PART 1 -GENERAL

1.1 MOTOR HORSEPOWER

A. Do not increase or decrease motor horsepower from that specified without written approval from Architect/Engineer. See Section 23 05 01.

B. Select pumps so that for single pump application at a minimum, brake horsepower does not exceed motor horsepower at rating point, and does not exceed motor horsepower plus service factor on impeller curve at 125% rated flow. For parallel pump application motor horsepower shall be selected such that pump can operate at any point on the pump curve without overloading.

1.2 SUBMITTALS

A. Manufacturers Product Data: Submit manufacturer's product data on pumps.

1. Include pump curve and mark rating point. Also include single pump operating point for a parallel pump application.
2. Show maximum allowable operating temperature and pressure.
3. Note in red any deviations from specified construction.
4. Show impeller diameter indicate maximum impeller diameter for pump volute provided, and indicate if impeller is machined down.

PART 2- PRODUCTS

2.1 IN-LINE CIRCULATOR FOR HEATING (Small- Horizontal Motor)

A. Manufacturers:

1. Design Basis: Bell & Gossett
2. Other Acceptable Manufacturers:
   a. Taco
   b. Armstrong
   c. Aurora

B. Design Conditions:

1. Pressure: 125 psig
2. Temperature: 225°F

C. Construction:

1. Motor Mount: Resilient.
2. Bearings: Sleeve, bronze, oil lubricated.
3. Casing: Cast iron.
4. Impeller: Steel, cadmium plated, cast iron, or bronze.
5. Shaft: Steel with copper sleeve or stainless steel.

6. Seal: Mechanical.
7. Coupler: Spring or flexible sleeve.
8. Motor: Open, Drip Proof

D. The pumps shall be of the horizontal, oil-lubricated type, specifically designed and guaranteed for quiet operation. Suitable for 125# working pressure.

E. The pumps shall have a ground and polished steel shaft with a hardened integral thrust collar. The shaft shall be supported by two horizontal sleeve bearings designed to circulate oil. The pumps are to be equipped with a watertight seal to prevent leakage. The motor shall be nonoverloading at any point on pump curve. Impellers shall be of bronze construction.

2.2 CLOSE COUPLED END SUCTION

A. Manufacturers:

1. Design Basis: Bell & Gossett
2. Other Acceptable Manufacturers:
   a. Armstrong
   b. Aurora
   c. Pacific
   d. Taco
   e. Peerless

B. Design Conditions:

1. Pressure: 150 psig
2. Temperature: 225°F

C. Model: 1531

D. Construction:

1. Casing: Cast iron.
2. Impeller: Bronze, statically and dynamically balanced.
3. Wear Ring: Bronze.
4. Shaft: Steel with bronze sleeve or stainless steel.
5. Shaft Seal: Mechanical.
6. Maintenance Access: Back pull-out without disturbing piping.

2.3 BASE MOUNTED END SUCTION

A. Manufacturers:

1. Design Basis: Bell & Gossett
2. Other Acceptable Manufacturers:
   a. Allis-Chalmers
   b. Taco
   c. Armstrong
   d. Peerless
   e. Aurora

B. Design Conditions:

1. Pressure: 150 psig
2. Temperature: 225°F

C. Construction:

1. Casing: Cast iron, with integral pedestal support.
2. Impeller: Bronze, statically and dynamically balanced.
3. Wear Ring: Bronze, Replaceable
4. Shaft: Steel with bronze sleeve or stainless steel.
5. Shaft Seal: Mechanical, carbon-ceramic, internally flushed.
6. Base Plate: Steel or cast iron. Integral drip pan on chilled water and waterside economizer service.
7. Drive: Flexible couple.
8. Bearings: Grease lubricated ball bearings. Bearing housing supported from base plate.

D. The casing and suction head of the pump shall be of cast iron material and end suction, vertical split type. Casing and suction head shall be equipped with 125# ANSI flanges. Pumps shall be assembled on heavy duty fabricated structural steel base plates, which bases must include drip rim with tapped drain connections, which shall be piped to nearest floor drain. The impeller shall be of the enclosed type and shall be bronze. The impeller shall be statically and hydraulically balanced and keyed to the shaft. Efficiency and unit maximum BHP shall be quoted and guaranteed. Maximum head shall occur at and only at the no flow condition. The shaft shall be of steel material and removable shaft and shall be stainless steel. Bearings shall be single row, ball type and lubricated.

E. Stuffing box housing shall be deep enough to allow for a single John Crane type (1) mechanical seal. Each pump shall be flexibly coupled to a motor, Class B, DP enclosure. A flexible coupling with coupling guard shall be used. Except where otherwise noted, bearings shall be grease lubricated. Seals to be capable to withstand system condition for water temperature chemical treatment content as hereinafter specified. Provide John Crane cyclone separator to insure clear water flushing of the seal faces.

F. Pumps shall have capacities as scheduled on the Drawings. Pumps shall be selected to operate at or near their point of peak efficiency thus allowing for operation at capacities of approximately 25% beyond design capacity. In addition, the design impeller diameter shall be selected so that the design capacity of each pump (GPM and TDH) shall not exceed 90% of the capacity obtainable with maximum impeller diameter at the design speed for that model or as approved.

G. Casings shall be provided with suitable steel lifting lugs.

H. Pump shall be drawn down slightly on the foundation bolt nuts. Provide a form or dam around the contour of the bed plate. Pour grout through holes, provided for this purpose, in sufficient quantity to reach a level of 3/4" to 1" above the bottom of the bed plate. Allow grouting to set thoroughly, then proceed with pipe connections.

PART 3- EXECUTION

3.1 INSTALLATION

A. General:

1. Install pumps to allow complete removal without dismantling connecting piping.
2. Provide air cock and drain connection on pump casing.
3. Decrease from line size with long radius reducing elbows or concentric reducers, or suction diffusers.
4. Support piping adjacent to pump so that no weight is carried on pump casings.
5. Comply with manufacturers recommendations for support of inline pumps. Provide support for motors when mounted horizontally. Verify Manufacturer's allowable motor position and install accordingly.

6. Provide supports under elbows on pump suction and discharge line.
7. Provide pressure gauge with piping and gauge cock to measure pressure of strainer inlet, pump suction, and pump discharge.
8. Manufacturer's representative shall verify proper pump operation.
9. Provide gate valves to allow isolation of pump from system.
10. Provide check valve as pump discharge.

B. Motor Mount- Inline Pumps:

1. Verify motor position (vertical or horizontal) with manufacturer's installation instructions.
2. Provide proper pump support in accordance with manufacturer's installation instructions. Do not support pump from equipment.
3. Provide adequate clearance around pump for motor and shaft removal.

C. Level and Alignment- Base Mounted Pumps:

1. Before any piping or electrical connections are made, level and align pumps and motors on bases and foundation pads using an indicating micrometer.
2. After connections have been made and just prior to placing each pump in operation, recheck levels and alignments.
   a. Make adjustments to assure that shaft rotates freely when turned by hand and that pump is quiet in operation.
   b. When adjustments are completed, tightly bolt and grout motor and pump.

D. Lubrication: After completion of the system and before start-up, lubricate the pumps.

E. Impeller Trim: Remove impeller and machine down if more than 25% of the total pump head must be throttled by the pump discharge valve.

F. Pipe drip pan base to floor drain.

G. Fully grout base mounted pumps to housekeeping pads or inertia base per manufacturers recommendations.

H. All pump casings shall be hydrostatically tested at 1-1/2" times design working pressure. The pump manufacturer shall be responsible for his service department aligning in the field prior to start-up of all flexibly coupled units. Alignment shall be with dial indicator with accuracy of plus or minus .002 inches. The pump manufacturer must submit a written report certifying that the alignment work had been performed by his personnel and that the pumps are ready for operation.

END OF SECTION

SECTION 23 57 00

HEAT EXCHANGERS

PART 1 -GENERAL

1.1 QUALITY ASSURANCE

A. ASME construction:

1. Provide exchanger with ASME "U" stamp.
2. Provide inspection certificate.

B. Submittals: Submit manufacturer's product data.

1. Include the following:
   a. Materials.
   b. Design working pressure and temperature.
   c. Entering and leaving conditions…
   d. Fouling factors.
   e. Flow rates.
   f. Pressure drops.

PART 2- PRODUCTS

2.1 PLATE TYPE HEAT EXCHANGERS

A. Manufacturers:

1. Plat Concepts, Inc
2. Bell & Gossett
3. Normark.
4. Baltimore Air Coil
5. Graham

B. Construction:

1. Plates: Stainless steel.
2. Frames: Carbon steel.
   a. Finish: Baked enamel.
3. Gaskets: Nitrile rubber.
4. Nozzles: 150 lb. Steel flanged.

C. Certifications:
1. AHRI

D. WARRANTY
1. The warranty period shall be 3 years from date of shipment.

E. FRAME COMPONENTS
1. Preference will be given to single pass designs with all connections on the fixed cover.

2. The fixed and movable covers shall be of sufficient thickness for the design pressure and code requirements and shall have no welded reinforcements or stiffeners.
3. The movable cover shall be provided with a steel roller bearing for units greater than 50" in height (from bottom of feet). This allows the movable cover to be moved without additional rigging or handling equipment.
4. The carrying and guide bars shall be designed to allow for expansion of at least 15%.
5. The carrying and guide bars guiding system shall be precision manufactured of stainless steel to prohibit corrosion and facilitate movement of the plates. Painted or plated surfaces are not permitted.
6. Entire frame shall be bolted together to allow unit to be field assembled to permit rigging into place. Welding of the frame components is not permitted.
7. Plate and carrying bar design shall permit the removal or access to any plate in the plate pack without the need to remove any other plates.
8. Provide lifting lugs designed to allow lifting of the entire units flooded weight.
9. All steel surfaces shall be thoroughly cleaned and prepared for painting. Painting over mill scale is not acceptable. All steel components shall be Aliphatic Acrylic Polyurethane coated.

F. CONNECTIONS
1. Connections shall be ANSI flanged type.
2. To avoid leakage on port area, studded port design should be provided on heat exchangers with connections greater than 2". Flanged nozzle connections are not acceptable.

G. COMPRESSION BOLTS
1. Compression bolts shall not require special tools and shall be equipped with lock washers at the movable cover to facilitate opening and closing of the unit from the fixed cover.
2. Compression bolts shall be equipped with captive nuts at the fixed cover and threaded nuts at the movable cover. Welding of the nut to the closure bolt is prohibited.
3. Bolts shall be provided with rolled threads to reduce galling and double width hex nuts to adequately distribute the load, plus ball bearing box washers at all critical closing bolts on all units greater than 50" in height.
4. Bolts shall be liberally coated with lubricant and rust prevention caoting, and covered with a plastic protective sleeving for protection. Zinc plating is prohibited.
5. The bolting system shall be designed so that only (4) compression bolts are required opening and closing of the unit.

H. PLATES
1. The plate and frame heat exchanger shall consist of pressed type ALLOY 304 to provide the required heat transfer area to meet the operating conditions specified.
2. Individual plates shall be pressed from a homogeneous single metal- sheet in one step.
   No multi-stage pressing of one sheet is allowed.
3. Each heat transfer plate to be with herringbone corrugations to optimize heat transfer with nominal pressure loses. Corrugations to be designed to provide support to adjacent plates at evenly distributed support points to allow pressurization of each circuit to a full differential of 1.3 times the design pressure for one hour without buckling or deformation of the heat transfer plates.
4. All plates and gaskets shall be permanently marked to identify quality and material.
5. Each heat transfer plate shall have a built-in self-aligning system to accurately locate the plates in the frame assembly and prevent lateral plate movement and maintain maximum gasket contact under pressure.
6. Plates shall be reinforced on the upper and lower mounting slots to avoid bending hangers on the plates.
7. The plate and frame heat exchanger shall be designed to perform the capacities and pressure drops as shown on the schedule. Plates to be ALLOY 304 with 28 finish and tapered gasket grooves.
8. The plate pack shall be covered with an aluminum shroud in accordance with OSHA.

I. GASKETS
   1. Gaskets shall have relieving grooves to prevent intermixing of fluids and cause leak to flow to outside of unit.
   2. One piece molded CLIP-ON NBR gaskets are required and shall fit around both the heat transfer area and the port holes.
   3. Gaskets shall not contain adhesives.

J. INSULATION
   1. Provide manufacturer specified insulation kit with vapor barrier and sufficient insulation thickness to prevent condensation
   2. Insulation kit shall be easily removable for inspection and maintenance of the heat exchanger.

PART 3 ·EXECUTION

3.1 INSTALLATION OF PLATE TYPE HEAT EXCHANGERS

A. Coordinate with piping arrangement so that plates may be removed.

END OF SECTION


[IMAGE]


[IMAGE]

FIFTEENTH AMENDMENT TO LEASE

THIS FIFTEENTH AMENDMENT TO LEASE (this "Amendment") is entered into as of this 12th day of June, 2014 (the "Execution Date"), by and between BMR-LANDMARK AT EASTVIEW LLC, a Delaware limited liability company ("Landlord"), and REGENERON PHARMACEUTICALS, INC., a New York corporation ("Tenant").

RECITALS

A. WHEREAS, Landlord and Tenant entered into that certain Lease dated as of December 21, 2006, as amended by that certain First Amendment to Lease dated as of October 24, 2007, that certain Second Amendment to Lease dated as of September 30, 2008, that certain Third Amendment to Lease dated as of April 29, 2009, that certain Fourth Amendment to Lease dated as of December 3, 2009, that certain Fifth Amendment to Lease dated as of February 11, 2010, that certain Sixth Amendment to Lease dated as of June 4, 2010, that certain Seventh Amendment to Lease dated as of December 22, 2010, that certain Eighth Amendment to Lease dated as of August 1, 2011, that certain Ninth Amendment to Lease dated as of September 30, 2011, that certain Tenth Amendment to Lease dated as of October 25, 2012, that certain Eleventh Amendment to Lease dated as of April 3, 2013, that certain Twelfth Amendment to Lease dated as of May 31, 2013, that certain Thirteenth Amendment to Lease dated as of May 31, 2013 and that certain Fourteenth Amendment to Lease dated as of October 25, 2013 (collectively, and as the same may have been heretofore further amended, amended and restated, supplemented or modified from time to time, the "Existing Lease"), whereby Tenant leases certain premises (the "Premises") from Landlord at 735, 745, 755, 765 and 777 Old Saw Mill River Road in Tarrytown, New York (collectively, the "Buildings" and each, a "Building");

B. WHEREAS, Tenant desires to lease approximately one thousand six hundred forty-eight (1,648) square feet of additional Rentable Area located on the G-Level of the Building located at 777 Old Saw Mill River Road in Tarrytown, New York, as depicted on Exhibit A attached hereto (the "777 G-Level Expansion Premises"); and

C. WHEREAS, Landlord and Tenant desire to modify and amend the Existing Lease only in the respects and on the conditions hereinafter stated.

AGREEMENT

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

1. Definitions. For purposes of this Amendment, capitalized terms shall have the meanings ascribed to them in the Existing Lease unless otherwise defined herein. The Existing Lease, as amended by this Amendment, is referred to collectively herein as the "Lease."

2. Additional Premises.

2.1. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the 777 G-Level Expansion Premises as of the date (the "777 G-Level Expansion Premises Commencement Date") that Landlord tenders possession of the 777 G-Level Expansion Premises to Tenant in compliance with the terms of this Amendment and with the improvements to the 777 G-Level Expansion Premises set forth on Exhibit D attached hereto (the "777 G-Level Landlord Work") substantially complete. From and after the 777 G-Level Expansion Premises Commencement Date, the term "Premises" shall include the 777 G-Level Expansion Premises. The Term with respect to the 777 G-Level Expansion Premises shall expire on the Expiration Premises Term Expiration Date, subject to Tenant's option to extend the Term of the Lease as provided in Article 44 of the Lease. Tenant shall execute and deliver to Landlord written acknowledgment of the actual 777 G-Level Expansion Premises Commencement Date within ten (10) days after Tenant takes occupancy of the 777 G-Level Expansion Premises, in the form attached as Exhibit C hereto. Failure to execute and deliver such acknowledgment, however, shall not affect the 777 G-Level Expansion Premises Commencement Date or Landlord's or Tenant's liability hereunder. Failure by Tenant to obtain validation by any medical review board or other similar governmental licensing of the 777 G-Level Expansion Premises required for the Permitted Use by Tenant shall not serve to extend the 777 G-Level Expansion Premises Commencement Date.

2.2. Landlord shall perform the 777 G-Level Landlord Work at Landlord's sole cost and expense and in accordance with Applicable Laws. Landlord shall commence the 777 G-Level Landlord Work as soon as practicable after the Execution Date and shall continue such work until completion. If the 777 G-Level Expansion Premises Commencement Date has not occurred (or is not deemed to have occurred pursuant to Section 2.3) by June 27, 2014, subject to extension on a day-for-day basis as a result of any Force Majeure and/or any action or inaction of Tenant that, in either case, actually delays (but only to the extent of such delay) Landlord's performance of the 777 G-Level Landlord Work or Landlord's delivery of possession of the 777 G-Level Expansion Premises (such date, as may be extended, the "777 G-Level Landlord Work Deadline"), then, the Lease shall not be void or voidable and Landlord shall not be liable to Tenant for any loss or damage resulting therefrom, but Basic Annual Rent for the 777 G-Level Expansion Premises only (as set forth in Section 5) shall abate one day for every day after the 777 G-Level Landlord Work Deadline that the 777 G-Level Expansion Premises Commencement Date has not occurred (or is not deemed to have occurred pursuant to Section 2.3). If Landlord and Tenant cannot agree on whether Landlord has substantially completed the 777 G-Level Landlord Work, then the written determination of the Neutral Architect shall govern, whose determination shall be final and binding upon the parties. For purposes of this Amendment, "substantial completion" or "substantially complete" means that Landlord has completed the 777 G-Level Landlord Work, except for minor punch list items.

2.3. Landlord shall permit Tenant to enter upon the 777 G-Level Expansion Premises at any time (during business hours and upon reasonable prior written notice to Landlord) prior to the 777 G-Level Expansion Premises Commencement Date for the purpose of performing Alterations or the placement of personal property; provided, however, that, prior to any such entry, Tenant shall furnish to Landlord evidence satisfactory to Landlord that insurance coverages required of Tenant under the provisions of Article 22 of the Existing Lease are in effect, and such entry (including the

approval and performance of any Alterations) shall be subject to all the terms and conditions of the Existing Lease, except that prior to the 777 G-Level Expansion Premises Commencement Date Tenant shall not be obligated to pay Basic Annual Rent or Tenant's Pro Rata Share of Operating Expenses; and provided, further, that if the 777 G-Level Expansion Premises Commencement Date is delayed due to such early access by Tenant or its employees, contractors, representatives or agents, then the 777 G-Level Expansion Premises Commencement Date shall be the date that the 777 G-Level Expansion Premises Commencement Date would have occurred but for such delay. Subject to the immediately foregoing sentence, Landlord and Tenant shall reasonably cooperate with each other so as not to impede the other's work in the 777 G-Level Expansion Premises.

3. Lease Extension Options. From and after the 777 G-Level Expansion Premises Commencement Date, the first paragraph of Article 44 of the Lease is hereby deleted and replaced with the following:

> 44. Option to Extend Term. Tenant shall have three (3) options (each, an "Option") to extend the Term of this Lease (and, in each case, the Expiration Premises Term Expiration Date and/or the Extension Premises Term Expiration Date, as applicable), with respect to the applicable portion of the Premises extended by an Option, by five (5) years, in each case on the same terms and conditions as this Lease, except as provided below. If Tenant desires to exercise any Option, Tenant must do so by giving Landlord written notice of such exercise at least one (1) year before the Term would otherwise expire. Tenant may exercise its Option to extend the Term only as to any one or more of the following: (a) the entire Retained Premises plus the Corridor Space and the 765 Expansion Premises III, (b) the entire New Whole Building Premises, (c) the entire New Multiple Tenant Building Premises, (d) the Modified Additional Premises, (e) the Swap Premises, 765 Elevator Lobby Premises, the 765 2nd Floor Elevator Lobby Premises and the 765 2nd Floor Corridor Premises, (f) each full floor of the 755 Premises, (g) the 765 Expansion Premises, (h) the 765 Expansion Premises II, (i) C-Level Storage Spaces, (j) the 777 License Area Premises and the 777 S-Level Corridor Premises, (k) the 01 Premises and the Additional 01 Premises, (l) the 777-02 Premises, (m) the 765 Mezz Premises, (n) from and after the High Bay Premises Commencement Date, the High Bay Premises, (o) from and after the 777 North Spine Level Premises Commencement Date, the 777 North Spine Level Premises, (p) from and after the 777 Northwest Lobby Level Premises Commencement Date, the 777 Northwest Lobby Level Premises and (q) the 777 G-Level Expansion Premises. If Tenant fails to exercise an Option with respect to less than all of the Premises and the time to do so has lapsed (or if a Retained Premises Early Termination, a termination pursuant to a Swap Premises Termination Option, or any other termination of a portion of the Premises pursuant to the Lease has occurred), then Tenant shall no longer have an Option with respect to those portions of the Premises (y) for which it failed to exercise an Option, although Tenant's Options for the remaining Premises shall remain in full force and effect or (z) that have terminated.

4. Condition of Premises. Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the condition of the 777 G-Level Expansion Premises, or with respect to the suitability of the 777 G-Level Expansion Premises for the conduct of Tenant's business. Subject to the immediately following sentence, Tenant acknowledges that (a) it is generally familiar with the condition of the 777 G-Level Expansion Premises and agrees to take the same in its condition "as is" as of the 777 G-Level Expansion Premises Commencement Date and (b) Landlord shall have no obligation to alter, repair or otherwise prepare the 777 G-Level Expansion Premises for Tenant's occupancy or to pay for or construct any improvements to the 777 G-Level Expansion Premises, except for the 777 G-Level Landlord Work. Notwithstanding the immediately preceding sentence, Landlord shall deliver the 777 G-Level Expansion Premises to Tenant in the same or substantially similar condition as it was on the Execution Date, except (x) for any condition created by Tenant during, or arising from Tenant's, early access period pursuant to Section 2.3, (y) that upon delivery, such space shall be in broom clean condition (save for any condition created by Tenant during, or arising from Tenant's, early access period pursuant to Section 2.3) and (z) that the 777 G-Level Landlord Work shall be substantially completed in accordance with all Applicable Laws. Tenant's taking of possession of the 777 G-Level Expansion Premises shall, except as otherwise agreed to in writing by Landlord and Tenant, conclusively establish that the 777 G-Level Expansion Premises were at such time in good, sanitary and satisfactory condition and repair.

5. Rent. Commencing on the 777 G-Level Expansion Premises Commencement Date and continuing through the Expiration Premises Term Expiration Date (as may be extended in accordance with the Lease), Tenant shall pay to Landlord Basic Annual Rent for the 777 G-Level Expansion Premises at an initial rate equal to Nine and 00/100 Dollars ($9.00) per square foot of Rentable Area of the 777 G-Level Expansion Premises per year in accordance with the terms for payment of Basic Annual Rent set forth in the Lease. Basic Annual Rent for the 777 G-Level Expansion Premises shall increase annually every July 1st by two and one-half percent (2.5%) of the then-current applicable Basic Annual Rent for the 777 G-Level Expansion Premises, with the first such increase occurring as of July 1, 2015. In addition to Basic Annual Rent, commencing on the 777 G-Level Expansion Premises Commencement Date, Tenant shall pay to Landlord as Additional Rent, at times specified in the Lease, Tenant's Pro Rata Share of Operating Expenses with respect to the 777 G-Level Expansion Premises. For the avoidance of doubt, HVAC for the 777 G-Level Expansion Premises shall be calculated in the same manner as provided in the Lease with respect to the Retained Premises, and the 777 G-Level Expansion Premises shall be treated as Retained Premises for the purposes of allocation of the CAM Pool Charges in accordance with Exhibit O of the Lease (as of the 777 G-Level Expansion Premises Commencement Date).

6. Tenant's Pro Rata Shares. From and after the 777 G-Level Expansion Premises Commencement Date, Tenant's Pro Rata Shares of the 777 Building, the Existing Project and the Entire Project shall be incrementally increased by the amounts set forth in Exhibit B attached hereto. As of the 777 G-Level Expansion Premises Commencement Date, the defined terms in Section 2.2 of the Existing Lease shall be automatically amended to reflect the adjustments set forth in this Section. Rentable Area and Tenant's Pro Rata Shares are all subject to adjustment under the Lease, including pursuant to Section 9.2 of the Lease.

7. Parking. The parties acknowledge that, in accordance with the Lease, Tenant shall be entitled to its pro rata share of unreserved parking spaces with respect to each portion of the Premises leased to Tenant.

8. Broker. Tenant represents and warrants that it has not dealt with any broker or agent in the negotiation for or the obtaining of this Amendment, other than Studley, Inc. ("Broker"), and agrees to reimburse, indemnify, save, defend and hold harmless Landlord for, from and against any and all cost or liability for compensation claimed by any such broker or agent, other than Broker, employed or engaged by it or claiming to have been employed or engaged by it. Broker is entitled to a leasing commission in connection with the making of this Amendment, and Landlord shall pay such commission to Broker pursuant to a separate agreement between Landlord and Broker.

9. No Default. Tenant represents, warrants and covenants that, to the best of Tenant's knowledge, Landlord and Tenant are not in default of any of their respective obligations under the Lease and no event has occurred that, with the passage of time or the giving of notice (or both) would constitute a default by either Landlord or Tenant thereunder.

10. Notices. Tenant confirms that, notwithstanding anything in the Lease to the contrary, notices delivered to Tenant pursuant to the Lease should be sent to:

Regeneron Pharmaceuticals, Inc.
777 Old Saw Mill River Road
Tarrytown, New York 10591
Attn: General Counsel;

with a copy to:

Regeneron Pharmaceuticals, Inc.
777 Old Saw Mill River Road
Tarrytown, New York 10591
Attn: Vice President of Facilities.

11. Effect of Amendment. Except as modified by this Amendment, the Existing Lease and all the covenants, agreements, terms, provisions and conditions thereof shall remain in full force and effect and are hereby ratified and affirmed. In the event of any conflict between the terms contained in this Amendment and the Existing Lease, the terms herein contained shall supersede and control the obligations and liabilities of the parties. From and after the date hereof, the term "Lease" as used in the Lease shall mean the Existing Lease, as modified by this Amendment.

12. Successors and Assigns. Each of the covenants, conditions and agreements contained in this Amendment shall inure to the benefit of and shall apply to and be binding upon the parties hereto and their respective permitted successors and assigns. Nothing in this section shall in any way alter the provisions of the Lease restricting assignment or subletting.

13. Miscellaneous. This Amendment becomes effective only upon execution and delivery hereof by Landlord and Tenant. The captions of the paragraphs and subparagraphs in this

Amendment are inserted and included solely for convenience and shall not be considered or given any effect in construing the provisions hereof. All exhibits hereto are incorporated herein by reference. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or option for a lease, and shall not be effective as a lease, lease amendment or otherwise until execution by and delivery to both Landlord and Tenant.

14. Authority. Tenant represents, warrants and covenants to Landlord that the individual signing this Amendment on behalf of Tenant has the power, authority and legal capacity to sign this Amendment on behalf of and to bind Tenant. Landlord represents, warrants and covenants to Tenant that the individual signing this Amendment on behalf of Landlord has the power, authority and legal capacity to sign this Amendment on behalf of and to bind Landlord.

15. Counterparts; Facsimile and PDF Signatures. This Amendment may be executed in one or more counterparts, each of which, when taken together, shall constitute one and the same document. A facsimile or portable document format (PDF) signature on this Amendment shall be equivalent to, and have the same force and effect as, an original signature.

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IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the date and year first above written.

LANDLORD:

BMR-LANDMARK AT EASTVIEW LLC,
a Delaware limited liability company

By:	/s/ Kevin M. Simonsen
Name:	Kevin M. Simonsen
Title:	VP, Real Estate Legal

TENANT:

REGENERON PHARMACEUTICALS, INC.,
a New York corporation

By:	/s/ Murray A. Goldberg
Name:	Murray A. Goldberg
Title:	Senior Vice President

EXHIBIT A

777 G-LEVEL EXPANSION PREMISES

[IMAGE]

EXHIBIT B

TENANT'S PRO RATA SHARES

Definition or Provision	Means the Following:	Square Feet of Rentable Area	Tenant's Pro Rata Share of the 777 Building	Tenant's Pro Rata Share of Existing Project (827,790)	Tenant's Pro Rata Share of the Entire Project (1,188,310)
Portion of added "Premises" and corresponding Rentable Area	777 G-Level Expansion Premises	1,648	0.45%	0.20%	0.14%

EXHIBIT C

ACKNOWLEDGEMENT OF 777 G-LEVEL EXPANSION PREMISES COMMENCEMENT DATE

THIS ACKNOWLEDGEMENT OF 777 G-LEVEL EXPANSION PREMISES COMMENCEMENT DATE is entered into as of _____, 2014, with reference to that certain Lease dated as of December 21, 2006 (the "Original Lease"), as amended by that certain First Amendment to Lease dated as of October 24, 2007 (the "First Amendment"), that certain Second Amendment to Lease dated as of September 30, 2008 (the "Second Amendment"), that certain Third Amendment to Lease dated as of April 29, 2009 (the "Third Amendment"), that certain Fourth Amendment to Lease dated as of December 3, 2009 (the "Fourth Amendment"), that certain Fifth Amendment to Lease dated as of February 11, 2010 (the "Fifth Amendment"), that certain Sixth Amendment to Lease dated as of June 4, 2010 (the "Sixth Amendment"), that certain Seventh Amendment to Lease dated as of December 22, 2010 (the "Seventh Amendment"), that certain Eighth Amendment to Lease dated as of August 1, 2011 (the "Eighth Amendment"), that certain Ninth Amendment to Lease dated as of September 30, 2011 (the "Ninth Amendment"), that certain Tenth Amendment to Lease dated as of October 25, 2012 (the "Tenth Amendment"), that certain Eleventh Amendment to Lease dated as of April 3, 2013 (the "Eleventh Amendment"), that certain Twelfth Amendment to Lease dated as of May 31, 2013 (the "Twelfth Amendment"), that certain Thirteenth Amendment to Lease dated as of May 31, 2013 (the "Thirteenth Amendment"), that certain Fourteenth Amendment to Lease dated as of October 25, 2013 (the "Fourteenth Amendment") and that certain Fifteenth Amendment to Lease dated as of June 12, 2014 (the "Fifteenth Amendment") and, collectively with the Original Lease and the First Amendment, Second Amendment, Third Amendment, Fourth Amendment, Fifth Amendment, Sixth Amendment, Seventh Amendment, Eighth Amendment, Ninth Amendment, Tenth Amendment, Eleventh Amendment, Twelfth Amendment, Thirteenth Amendment, Fourteenth Amendment and Fifteenth Amendment and as the same may have been heretofore further amended, amended and restated, supplemented or modified from time to time, the "Lease"), by REGENERON PHARMACEUTICALS, INC., a New York corporation ("Tenant"), in favor of BMR-LANDMARK AT EASTVIEW LLC, a Delaware limited liability company ("Landlord"). All capitalized terms used herein without definition shall have the meanings ascribed to them in the Lease.

Tenant hereby confirms the following:

1. Tenant accepted possession of the 777 G-Level Expansion Premises on [_____], 20[__].

2. The 777 G-Level Expansion Premises is in (a) good order, condition and repair, (b) in the same or substantially similar condition as it was on the Execution Date (save for the 777 G-Level Landlord Work and any condition created by Tenant during, or arising from Tenant's, early access period pursuant to Section 2.3 of the Fifteenth Amendment) and (c) in broom clean condition (save for any condition created by Tenant during, or arising from Tenant's, early access period pursuant to Section 2.3 of the Fifteenth Amendment).

3. The 777 G-Level Landlord Work is complete.

4. All conditions of the Lease with respect to the 777 G-Level Expansion Premises to be performed by Landlord as a condition to the full effectiveness of the Lease have been satisfied.

5. In accordance with the provisions of Section 2 of the Fifteenth Amendment, the 777 G-Level Expansion Premises Commencement Date is [_____], 20[__].

6. Tenant commenced occupancy of the 777 G-Level Expansion Premises for the Permitted Use on [_____], 20[__].

7. The obligation to pay Rent is presently in effect and all Rent obligations on the part of Tenant under the Lease with respect to the 777 G-Level Expansion Premises commenced to accrue on [_____], 20[__], with Basic Annual Rent for the 777 G-Level Expansion Premises payable on the dates and in amounts set forth in the Fifteenth Amendment.

8. The Lease is in full force and effect, and the same represents the entire agreement between Landlord and Tenant concerning the Premises[, except [_____]].

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EXHIBIT D

777 G-LEVEL LANDLORD WORK

1. Relocate the existing 75Kva transformer and 277/480 labeled “Panel 2” up to the intermediate level mechanical room.
2. Re-route existing 480 Volt feeders fed from PSC 4 to new location of transformer.
3. Re-route existing Duct Reheat and HV-1 circuits from 777 G-Level Expansion Premises to new panel location in mechanical electrical room.
4. Existing 777 G-Level Expansion Premises 120/208 volt panel will be left disconnected in the 777 G-Level Expansion Premises.

SIXTEENTH AMENDMENT TO LEASE

THIS SIXTEENTH AMENDMENT TO LEASE (this "Sixteenth Amendment") is entered into as of this 30th day of June, 2015 (the "Execution Date"), by and between BMR-LANDMARK AT EASTVIEW LLC, a Delaware limited liability company ("Landlord"), and REGENERON PHARMACEUTICALS, INC., a New York corporation ("Tenant").

RECITALS

A. WHEREAS, Landlord and Tenant are parties to that certain Lease dated as of December 21, 2006, as amended by that certain First Amendment to Lease dated as of October 24, 2007, that certain Second Amendment to Lease dated as of September 30, 2008 (the "Second Amendment"), that certain Third Amendment to Lease dated as of April 29, 2009, that certain Fourth Amendment to Lease dated as of December 3, 2009, that certain Fifth Amendment to Lease dated as of February 11, 2010, that certain Sixth Amendment to Lease dated as of June 4, 2010, that certain Seventh Amendment to Lease dated as of December 22, 2010, that certain Eighth Amendment to Lease dated as of August 1, 2011, that certain Ninth Amendment to Lease dated as of September 30, 2011, that certain Tenth Amendment to Lease dated as of October 25, 2012 (the "Tenth Amendment"), that certain Eleventh Amendment to Lease dated as of April 3, 2013 (the "Eleventh Amendment"), that certain Twelfth Amendment to Lease dated as of May 31, 2013, that certain Thirteenth Amendment to Lease dated as of May 31, 2013 (the "Thirteenth Amendment"), that certain Fourteenth Amendment to Lease dated as of October 25, 2013 and that certain Fifteenth Amendment to Lease dated as of June 12, 2014 (collectively, and as the same may have been further amended, amended and restated, supplemented or modified from time to time, the "Existing Lease"), whereby Tenant leases certain premises (the "Premises") from Landlord at 735, 745, 755, 765 and 777 Old Saw Mill River Road in Tarrytown, New York (collectively, the "Buildings" and each, a "Building");

B. WHEREAS, Landlord desires to lease to Tenant, and Tenant desires to lease from Landlord, approximately seventy-eight thousand four hundred fourteen (78,414) square feet of Rentable Area located in the building located at 767 Old Saw Mill River Road in Tarrytown, New York (the "767 Building"), as depicted on Exhibit A attached hereto (the "767 Premises");

C. WHEREAS, Landlord desires to lease to Tenant, and Tenant desires to lease from Landlord, approximately seven thousand four hundred nine (7,409) square feet of additional Rentable Area located on the 01-Level of the 777 Building, as depicted on Exhibit B attached hereto (the "777-01 North ROFO Premises");

D. WHEREAS, Landlord desires to lease to Tenant, and Tenant desires to lease from Landlord, approximately ten thousand four hundred eighty-six (10,486) square feet of additional Rentable Area located on the 02-Level of the 777 Building, as depicted on Exhibit C attached hereto (the "777-02 North ROFO Premises");

E. WHEREAS, Landlord desires to lease to Tenant, and Tenant desires to lease from Landlord, approximately sixteen thousand eight hundred sixty-three (16,863) square feet of additional Rentable Area located on the C-Level of the 777 Building, as depicted on Exhibit D attached hereto (the "777 C-Level 777C04 Premises");

F. WHEREAS, Landlord desires to lease to Tenant, and Tenant desires to lease from Landlord, approximately three thousand thirty-three (3,033) square feet of additional Rentable Area located on the 01-Level of the 777 Building, as depicted on Exhibit E attached hereto (the "777-01 Northeast ROFO Premises");

G. WHEREAS, Tenant desires to surrender approximately eight thousand nine hundred eighty-one (8,981) square feet of Rentable Area located on the G-Level of the 777 Building, as depicted on Exhibit F attached hereto (the "777-G03 Surrender Premises");

H. WHEREAS, Tenant desires to surrender a portion of the 777 North Spine Level Premises (as defined in the Thirteenth Amendment) consisting of approximately five thousand eighty-one (5,081) square feet of Rentable Area located on the S-Level of the 777 Building, as depicted on Exhibit G attached hereto (the "777-SL1 Surrender Premises");

I. WHEREAS, one of Landlord's tenants currently leases and occupies the 777-01 Northeast ROFO Premises ("Vacating Tenant");

J. WHEREAS, concurrently herewith, Landlord and Tenant have entered into that certain First Amendment to Mt. Pleasant Lease (the "Mt. Pleasant First Amendment") dated as of the Execution Date, which amends the Mt. Pleasant Lease (as defined in Section 2.2(a)); and

K. WHEREAS, Landlord and Tenant desire to modify and amend the Existing Lease only in the respects and on the conditions hereinafter stated.

AGREEMENT

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

1. Definitions.

1.1. For purposes of this Sixteenth Amendment, capitalized terms shall have the meanings ascribed to them in the Existing Lease unless otherwise defined herein. The Existing Lease, as amended by this Sixteenth Amendment, is referred to collectively herein as the "Lease."

1.2. From and after the Execution Date, the 767 Building shall be considered a "Building" and one of the "Buildings," as such terms are defined in the Lease.

1.3. The "16th Amendment 777 Expansion Premises" means collectively, the 777-01 North ROFO Premises, the 777-02 North ROFO Premises, the 777 C-Level 777C04 Premises and the 777-01 Northeast ROFO Premises.

2. Surrender Premises.

2.1. 777-G03 Surrender Premises.

(a) Tenant shall surrender the 777-G03 Surrender Premises to Landlord in broom clean condition and in the condition required by the Lease for, and in accordance with the terms of the Lease with respect to, surrendering Premises, including, Section 19.2 of the Lease (collectively, the "Surrender Requirements") on or before 11:59 p.m. Eastern time on the day that is sixty (60) days after the 777 C-Level 777C04 Commencement Date (as defined below) (the "777-G03 Surrender Date"). The Term with respect to the 777-G03 Surrender Premises only shall expire on the 777-G03 Surrender Date. If Tenant does not so surrender the 777-G03 Surrender Premises to Landlord in accordance with the Surrender Requirements on or before the 777-G03 Surrender Date, the 777-G03 Surrender Premises shall be considered a Holdover Premises, subject to the terms and conditions of the Lease.

(b) On the day immediately following the later of (i) the 777-G03 Surrender Date and (ii) the day (the "777-G03 Surrender Effective Date") that Tenant actually surrenders the 777-G03 Surrender Premises to Landlord in accordance with the Surrender Requirements, the Lease shall terminate with respect to only the 777-G03 Surrender Premises, and from and after such date, (A) the Lease shall thereafter be of no further force or effect with respect to the 777-G03 Surrender Premises only, except for those provisions that expressly survive the expiration or termination (earlier or otherwise) thereof and Landlord's rights to any unpaid balance of Tenant, (B) the term "Premises" as used in the Lease shall no longer include the 777-G03 Surrender Premises and (C) Tenant's Pro Rata Share shall be adjusted accordingly. The Lease shall continue in full force and effect with respect to the remainder of the Premises.

2.2. 777-SL1 Surrender Premises.

(a) Tenant shall surrender the 777-SL1 Surrender Premises to Landlord in broom clean condition and in the condition required by the Lease for, and in accordance with the Surrender Requirements on or before 11:59 p.m. Eastern time on the date (the "777-SL1 Surrender Date") that is five (5) business days after Tenant occupies Building 8 (or any portion thereof) pursuant to that certain Mt. Pleasant Lease dated as of April 3, 2013 (as the same may have been further amended, amended and restated, supplemented or modified from time to time, the "Mt. Pleasant Lease") for the conduct of its business in accordance with the Permitted Use. Tenant shall not have any obligation to demise the 777-SL1 Surrender Premises from any adjacent premises nor to remove any improvements from the 777-SL1 Surrender Premises. The Term with respect to the 777-SL1 Surrender Premises only shall expire on the 777-SL1 Surrender Date. If Tenant does not so surrender the 777-SL1 Surrender Premises to Landlord in accordance with the Surrender Requirements on or before the 777-SL1 Surrender Date, Tenant shall become a tenant at sufferance (with respect to the 777-SL1 Surrender Premises) subject to the terms and conditions of the Lease.

(b) On the day immediately following the later of (i) the 777-SL1 Surrender Date and (ii) the day (the "777-SL1 Surrender Effective Date") that Tenant actually surrenders the 777-SL1 Surrender Premises to Landlord in accordance with the Surrender Requirements, the Lease shall terminate with respect to only the 777-SL1 Surrender Premises, and from and after such date,

(A) the Lease shall thereafter be of no further force or effect with respect to the 777-SL1 Surrender Premises only, except for those provisions that expressly survive the expiration or termination (earlier or otherwise) thereof and Landlord's rights to any unpaid balance of Tenant, (B) the term "Premises" as used in the Lease shall no longer include the 777-SL1 Surrender Premises and (C) Tenant's Pro Rata Share shall be adjusted accordingly. The Lease shall continue in full force and effect with respect to the remainder of the Premises.

(c) Promptly following the 777-SL1 Surrender Effective Date, Landlord shall commence work required to install a demising wall in the location described on the diagram attached as Exhibit M hereto and shall diligently pursue such work until completion. Such demising wall shall contain a door. In installing such demising wall, Landlord shall reasonably cooperate with Tenant so as to cause as little interference to Tenant as is reasonably possible; provided, however, that in no event shall Landlord's installation of such demising wall (i) cause Tenant's rent to abate under the Lease or (ii) constitute a forcible or unlawful entry, a detainer or an eviction of Tenant. Landlord shall reasonably coordinate such work with Tenant, which shall include providing Tenant the opportunity to review and comment on the plans and specifications for such work, but only to the extent such work affects the portion of the 777 North Spine Level Premises that Tenant will continue to lease after the 777-SL1 Surrender Effective Date.

3. Additional Premises.

3.1. 767 Premises.

(d) Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the 767 Premises as of the Execution Date (the "767 Commencement Date"). From and after the 767 Commencement Date, the term "Premises," as defined in the Lease, shall include the 767 Premises. The Term with respect to the 767 Premises shall expire on the Extension Premises Term Expiration Date (as such date may be extended pursuant to Section 4.2 of the Eleventh Amendment), subject to extension or earlier termination of the Lease with respect to the 767 Premises as provided therein. Tenant shall execute and deliver to Landlord written acknowledgement of the actual 767 Commencement Date within ten (10) days after Tenant takes possession of the 767 Premises, in the form attached as Exhibit H hereto. Failure to execute and deliver such acknowledgment, however, shall not affect the 767 Commencement Date or Landlord's or Tenant's liability hereunder. Failure by Tenant to obtain validation by any medical review board or other similar governmental licensing of the Premises required for the Permitted Use by Tenant shall not serve to extend the 767 Commencement Date.

3.2. 777-01 North ROFO Premises.

(a) Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the 777-01 North ROFO Premises as of the date (the "777-01 North ROFO Commencement Date") that Landlord tenders possession of the 777-01 North ROFO Premises to Tenant in compliance with the terms of the Lease and with the 777-01 North ROFO Initial Landlord Work (as defined in Section 10.1) substantially complete in accordance with the terms of this Sixteenth Amendment. From and after the 777-01 North ROFO Commencement Date, the term "Premises" shall include the 777-01 North ROFO Premises. To the extent possession is delayed because of a Tenant Delay, then the

777-01 North ROFO Commencement Date shall be the date that the 777-01 North ROFO Commencement Date would have occurred but for such delay. The Term with respect to the 777-01 North ROFO Premises shall expire on the Expiration Premises Term Expiration Date, subject to extension or earlier termination of the Lease as provided therein. Tenant shall execute and deliver to Landlord written acknowledgement of the actual 777-01 North ROFO Commencement Date within ten (10) days after Tenant takes possession of the 777-01 North ROFO Premises, in the form attached as Exhibit H hereto. Failure to execute and deliver such acknowledgment, however, shall not affect the 777-01 North ROFO Commencement Date or Landlord's or Tenant's liability hereunder. Failure by Tenant to obtain validation by any medical review board or other similar governmental licensing of the Premises required for the Permitted Use by Tenant shall not serve to extend the 777-01 North ROFO Commencement Date.

(b) Landlord shall use commercially reasonable efforts to tender possession of the 777-01 North ROFO Premises to Tenant on or before the date (as such date shall be extended on a day-for-day basis as a result of any Tenant Delay and any Force Majeure that, in either case, actually delays (but only to the extent of such delay) Landlord's performance of the 777-01 North ROFO Initial Landlord Work or Landlord's tender of possession of the 777-01 North ROFO Premises, the "777-01 North ROFO Single Abatement Date") that is one hundred eighty (180) days after the Execution Date. If the 777-01 North ROFO Commencement Date has not occurred on or before the 777-01 North ROFO Single Abatement Date for any reason, then the Lease shall not be void or voidable and Landlord shall not be liable to Tenant for any loss or damage resulting therefrom. Notwithstanding the foregoing, in the event that the 777-01 North ROFO Commencement Date has not occurred on or before the 777-01 North ROFO Single Abatement Date, then Tenant's obligation to commence paying Basic Annual Rent for the 777-01 North ROFO Premises, as set forth in Section 4.2, will be postponed by one (1) day for each day after the 777-01 North ROFO Single Abatement Date until the day immediately preceding the 777-01 North ROFO Commencement Date. In addition, in the event that the 777-01 North ROFO Commencement Date has not occurred on or before the date (as such date shall be extended on a day-for-day basis as a result of any Tenant Delay and any Force Majeure that, in either case, actually delays (but only to the extent of such delay) Landlord's performance of the 777-01 North ROFO Initial Landlord Work or Landlord's tender of possession of the 777-01 North ROFO Premises, the "777-01 North ROFO Double Abatement Date") that is thirty (30) days after the 777-01 North ROFO Single Abatement Date, then Tenant's obligation to commence paying Basic Annual Rent for the 777-01 North ROFO Premises, as set forth in Section 4.2, will be postponed by one (1) additional day for each day after the 777-01 North ROFO Double Abatement Date until the day immediately preceding the 777-01 North ROFO Commencement Date. If Landlord and Tenant cannot agree on whether Landlord has substantially completed the 777-01 North ROFO Initial Landlord Work, then the written determination of the Neutral Architect shall govern, whose determination shall be final and binding upon the parties.

3.3. 777-02 North ROFO Premises.

(a) Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the 777-02 North ROFO Premises as of the date (the "777-02 North ROFO Commencement Date") that Landlord tenders possession of the 777-02 North ROFO Premises to Tenant in compliance with the terms of the Lease and with the 777-02 North ROFO Initial Landlord Work (as defined in Section

10.1) substantially complete in accordance with the terms of this Sixteenth Amendment. From and after the 777-02 North ROFO Commencement Date, the term "Premises" shall include the 777-02 North ROFO Premises. To the extent possession is delayed because of a Tenant Delay, then the 777-02 North ROFO Commencement Date shall be the date that the 777-02 North ROFO Commencement Date would have occurred but for such delay. The Term with respect to the 777-02 North ROFO Premises shall expire on the Expiration Premises Term Expiration Date, subject to extension or earlier termination of the Lease as provided therein. Tenant shall execute and deliver to Landlord written acknowledgement of the actual 777-02 North ROFO Commencement Date within ten (10) days after Tenant takes possession of the 777-02 North ROFO Premises, in the form attached as Exhibit H hereto. Failure to execute and deliver such acknowledgment, however, shall not affect the 777-02 North ROFO Commencement Date or Landlord's or Tenant's liability hereunder. Failure by Tenant to obtain validation by any medical review board or other similar governmental licensing of the Premises required for the Permitted Use by Tenant shall not serve to extend the 777-02 North ROFO Commencement Date.

(b) Landlord shall use commercially reasonable efforts to tender possession of the 777-02 North ROFO Premises to Tenant on or before the date (as such date shall be extended on a day-for-day basis as a result of any Tenant Delay and any Force Majeure that, in either case, actually delays (but only to the extent of such delay) Landlord's performance of the 777-02 North ROFO Initial Landlord Work or Landlord's tender of possession of the 777-02 North ROFO Premises, the "777-02 North ROFO Single Abatement Date") that is two hundred ten (210) days after the later of (i) the 777-G03 Surrender Date and (ii) the 777-G03 Surrender Effective Date. If the 777-02 North ROFO Commencement Date has not occurred on or before the 777-02 North ROFO Single Abatement Date for any reason, then the Lease shall not be void or voidable and Landlord shall not be liable to Tenant for any loss or damage resulting therefrom. Notwithstanding the foregoing, in the event that the 777-02 North ROFO Commencement Date has not occurred on or before the 777-02 North ROFO Single Abatement Date, then Tenant's obligation to commence paying Basic Annual Rent for the 777-02 North ROFO Premises, as set forth in Section 4.3, will be postponed by one (1) day for each day after the 777-02 North ROFO Single Abatement Date until the day immediately preceding the 777-02 North ROFO Commencement Date. In addition, in the event that the 777-02 North ROFO Commencement Date has not occurred on or before the date (as such date shall be extended on a day-for-day basis as a result of any Tenant Delay and any Force Majeure that, in either case, actually delays (but only to the extent of such delay) Landlord's performance of the 777-02 North ROFO Initial Landlord Work or Landlord's tender of possession of the 777-02 North ROFO Premises, the "777-02 North ROFO Double Abatement Date") that is thirty (30) days after the 777-02 North ROFO Single Abatement Date, then Tenant's obligation to commence paying Basic Annual Rent for the 777-02 North ROFO Premises, as set forth in Section 4.3, will be postponed by one (1) additional day for each day after the 777-02 North ROFO Double Abatement Date until the day immediately preceding the 777-02 North ROFO Commencement Date. If Landlord and Tenant cannot agree on whether Landlord has substantially completed the 777-02 North ROFO Initial Landlord Work, then the written determination of the Neutral Architect shall govern, whose determination shall be final and binding upon the parties.

(c) In the event Tenant has not surrendered the 777-G03 Surrender Premises to Landlord in accordance with the Surrender Requirements on or before the date that is five (5) months

after the 777 C-Level 777C04 Commencement Date, Landlord shall no longer have any obligation to deliver the 777-02 North ROFO Premises to Tenant or complete the 777-02 North ROFO Landlord Work, and the Lease with respect only to the 777-02 North ROFO Premises shall be null and void and of no force or effect.

3.4. 777 C-Level 777C04 Premises.

(a) Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the 777 C-Level 777C04 Premises as of the date (the "777 C-Level 777C04 Commencement Date") that Landlord tenders possession of the 777 C-Level 777C04 Premises to Tenant in compliance with the terms of the Lease and with the 777 C-Level 777C04 Landlord Work (as defined in Section 10.2) substantially complete in accordance with the terms of this Sixteenth Amendment. From and after the 777 C-Level 777C04 Commencement Date, the term "Premises" shall include the 777 C-Level 777C04 Premises. To the extent possession is delayed because of a Tenant Delay, then the 777 C-Level 777C04 Commencement Date shall be the date that the 777 C-Level 777C04 Commencement Date would have occurred but for such delay. The Term with respect to the 777 C-Level 777C04 Premises shall expire on the Expiration Premises Term Expiration Date, subject to extension or earlier termination of the Lease as provided therein. Tenant shall execute and deliver to Landlord written acknowledgement of the actual 777 C-Level 777C04 Commencement Date within ten (10) days after Tenant takes possession of the 777 C-Level 777C04 Premises, in the form attached as Exhibit H hereto. Failure to execute and deliver such acknowledgment, however, shall not affect the 777 C-Level 777C04 Commencement Date or Landlord's or Tenant's liability hereunder. Failure by Tenant to obtain validation by any medical review board or other similar governmental licensing of the Premises required for the Permitted Use by Tenant shall not serve to extend the 777 C-Level 777C04 Commencement Date.

(b) Landlord shall use commercially reasonable efforts to tender possession of the 777 C-Level 777C04 Premises to Tenant on or before the date (as such date shall be extended on a day-for-day basis as a result of any Tenant Delay and any Force Majeure that, in either case, actually delays (but only to the extent of such delay) Landlord's performance of the 777 C-Level 777C04 Landlord Work or Landlord's tender of possession of the 777 C-Level 777C04 Premises, the "777 C-Level 777C04 Single Abatement Date") that is one hundred twenty (120) days after the Execution Date. If the 777 C-Level 777C04 Commencement Date has not occurred on or before the 777 C-Level 777C04 Single Abatement Date for any reason, then the Lease shall not be void or voidable and Landlord shall not be liable to Tenant for any loss or damage resulting therefrom. Notwithstanding the foregoing, in the event that the 777 C-Level 777C04 Commencement Date has not occurred on or before the 777 C-Level 777C04 Single Abatement Date, then Tenant's obligation to commence paying Basic Annual Rent for the 777 C-Level 777C04 Premises, as set forth in Section 4.4, will be postponed by one (1) day for each day after the 777 C-Level 777C04 Single Abatement Date until the day immediately preceding the 777 C-Level 777C04 Commencement Date. In addition, in the event that the 777 C-Level 777C04 Commencement Date has not occurred on or before the date (as such date shall be extended on a day-for-day basis as a result of any Tenant Delay and any Force Majeure that, in either case, actually delays (but only to the extent of such delay) Landlord's performance of the 777 C-Level 777C04 Landlord Work or Landlord's tender of possession of the 777 C-Level 777C04 Premises, the "777 C-Level 777C04

Double Abatement Date") that is thirty (30) days after the 777 C-Level 777C04 Single Abatement Date, then Tenant's obligation to commence paying Basic Annual Rent for the 777 C-Level 777C04 Premises, as set forth in Section 4.4, will be postponed by one (1) additional day for each day after the 777 C-Level 777C04 Double Abatement Date until the day immediately preceding the 777 C-Level 777C04 Commencement Date. If Landlord and Tenant cannot agree on whether Landlord has substantially completed the 777 C-Level 777C04 Landlord Work, then the written determination of the Neutral Architect shall govern, whose determination shall be final and binding upon the parties.

3.5. 777-01 Northeast ROFO Premises.

(a) Conditional upon Vacating Tenant surrendering and vacating the 777-01 Northeast ROFO Premises to Landlord in accordance with Vacating Tenant's lease with Landlord, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the 777-01 Northeast ROFO Premises as of the date (the "777-01 Northeast ROFO Commencement Date") that Landlord tenders possession of the 777-01 Northeast ROFO Premises to Tenant in compliance with the terms of the Lease and with the 777-01 Northeast ROFO Initial Landlord Work (as defined in Section 10.1 and subject to Section 10.1(c)(iii)) substantially complete in accordance with the terms of this Sixteenth Amendment. From and after the 777-01 Northeast ROFO Commencement Date, the term "Premises" shall include the 777-01 Northeast ROFO Premises. To the extent possession is delayed because of a Tenant Delay, then the 777-01 Northeast ROFO Commencement Date shall be the date that the 777-01 Northeast ROFO Commencement Date would have occurred but for such delay. The Term with respect to the 777-01 Northeast ROFO Premises shall expire on the Expiration Premises Term Expiration Date, subject to extension or earlier termination of the Lease as provided therein. Tenant shall execute and deliver to Landlord written acknowledgement of the actual 777-01 Northeast ROFO Commencement Date within ten (10) days after Tenant takes possession of the 777-01 Northeast ROFO Premises, in the form attached as Exhibit H hereto. Failure to execute and deliver such acknowledgment, however, shall not affect the 777-01 Northeast ROFO Commencement Date or Landlord's or Tenant's liability hereunder. Failure by Tenant to obtain validation by any medical review board or other similar governmental licensing of the Premises required for the Permitted Use by Tenant shall not serve to extend the 777-01 Northeast ROFO Commencement Date.

(b) Landlord shall use commercially reasonable efforts to tender possession of the 777-01 Northeast ROFO Premises to Tenant on or before the date (as such date shall be extended on a day-for-day basis as a result of any Tenant Delay and any Force Majeure that, in either case, actually delays (but only to the extent of such delay) Landlord's performance of the 777-01 Northeast ROFO Initial Landlord Work or Landlord's tender of possession of the 777-01 Northeast ROFO Premises, the "777-01 Northeast ROFO Single Abatement Date") that is thirty (30) days after the date that Vacating Tenant surrenders and vacates the 777-01 Northeast ROFO Premises to Landlord in accordance with Vacating Tenant's lease with Landlord. If the 777-01 Northeast ROFO Commencement Date has not occurred on or before the 777-01 Northeast ROFO Single Abatement Date for any reason, then the Lease shall not be void or voidable and Landlord shall not be liable to Tenant for any loss or damage resulting therefrom. Notwithstanding the foregoing, in the event that the 777-01 Northeast ROFO Commencement Date has not occurred on or before the 777-01

Northeast ROFO Single Abatement Date, then Tenant's obligation to commence paying Basic Annual Rent for the 777-01 Northeast ROFO Premises, as set forth in Section 4.5, will be postponed by one (1) day for each day after the 777-01 Northeast ROFO Single Abatement Date until the day immediately preceding the 777-01 Northeast ROFO Commencement Date. In addition, in the event that the 777-01 Northeast ROFO Commencement Date has not occurred on or before the date (as such date shall be extended on a day-for-day basis as a result of any Tenant Delay and any Force Majeure that, in either case, actually delays (but only to the extent of such delay) Landlord's performance of the 777-01 Northeast ROFO Initial Landlord Work or Landlord's tender of possession of the 777-01 Northeast ROFO Premises, the "777-01 Northeast ROFO Double Abatement Date") that is thirty (30) days after the 777-01 Northeast ROFO Single Abatement Date, then Tenant's obligation to commence paying Basic Annual Rent for the 777-01 Northeast ROFO Premises, as set forth in Section 4.5, will be postponed by one (1) additional day for each day after the 777-01 Northeast ROFO Double Abatement Date until the day immediately preceding the 777-01 Northeast ROFO Commencement Date. If Landlord and Tenant cannot agree on whether Landlord has substantially completed the 777-01 Northeast ROFO Initial Landlord Work, then the written determination of the Neutral Architect shall govern, whose determination shall be final and binding upon the parties.

(c) In the event the 777-01 Northeast ROFO Commencement Date has not occurred by March 1, 2017 (as such date shall be extended on a day-for-day basis as a result of any Tenant Delay and any Force Majeure that, in either case, actually delays (but only to the extent of such delay) Landlord's performance of the 777-01 Northeast ROFO Initial Landlord Work or Landlord's tender of possession of the 777-01 Northeast ROFO Premises, the "777-01 Northeast ROFO Outside Date"), Tenant may provide written notice to Landlord (no later than fifteen (15) days after the 777-01 Northeast ROFO Outside Date) of its intent to terminate the Lease with respect to the 777-01 Northeast ROFO Premises only. Upon Landlord's receipt of such notice, Landlord shall have fifteen (15) days (the "777-01 Northeast ROFO Cure Period") to tender possession of the 777-01 Northeast ROFO Premises to Tenant. If, prior to the expiration of the 777-01 Northeast ROFO Cure Period, Landlord has tendered possession of the 777-01 Northeast ROFO Premises to Tenant with the 777-01 Northeast ROFO Initial Landlord Work substantially complete in accordance with the terms of this Sixteenth Amendment (subject to Section 10.1(c)(iii)), then such termination notice shall be null and void and of no further force or effect and the Lease with respect to the 777-01 Northeast ROFO Premises shall continue in full force and effect. If, prior to the expiration of the 777-01 Northeast ROFO Cure Period, Landlord has not tendered possession of the 777-01 Northeast ROFO Premises to Tenant with the 777-01 Northeast ROFO Initial Landlord Work substantially complete in accordance with the terms of this Sixteenth Amendment (subject to Section 10.1(c)(iii)), then the Lease with respect to the 777-01 Northeast ROFO Premises only shall terminate upon the expiration of the 777-01 Northeast ROFO Cure Period, except for those provisions that expressly survive the expiration or earlier termination thereof.

4. Rent.

4.1. 767 Premises. Commencing as of the date that is the earlier of the day that (a) is twenty-three (23) months after the 767 Commencement Date and (b) Tenant occupies the 767 Premises for the conduct of its business in accordance with the Permitted Use (the "767 Rent

Commencement Date") and continuing through the Term with respect to the 767 Premises, Tenant shall pay to Landlord Basic Annual Rent for the 767 Premises at an initial rate equal to Fourteen and 25/100 Dollars ($14.25) per square foot of Rentable Area of the 767 Premises per year in accordance with the terms for payment of Basic Annual Rent set forth in the Lease. Basic Annual Rent for the 767 Premises shall increase annually on each annual anniversary of the 767 Rent Commencement Date by two and one-half percent (2.5%) of the then-current applicable Basic Annual Rent for the 767 Premises. In addition to Basic Annual Rent, commencing on the date (the "767 Operating Expense Commencement Date") that is the earlier of (y) the date that Tenant occupies the 767 Premises for the conduct of its business in accordance with the Permitted Use and (z) twelve (12) months after the 767 Commencement Date, Tenant shall pay to Landlord as Additional Rent, at times specified in the Lease, Tenant's Pro Rata Share of Operating Expenses with respect to the 767 Premises. For the avoidance of doubt, the 767 Premises shall be treated as Retained Premises for the purposes of allocation of the CAM Pool Charges; provided that, HVAC charges for the 767 Premises shall be determined in accordance with Article 49 of the Lease. Notwithstanding the foregoing, from and after the 767 Commencement Date until the 767 Operating Expense Commencement Date, Tenant shall be responsible for (and shall pay to Landlord within thirty (30) days after demand as Additional Rent) all charges, together with any fees, surcharges and taxes thereon in connection with any and all Utilities supplied to the 767 Premises (including such Utilities supplied to the 767 Premises during the 767 Tenant Work), subject to any exclusions set forth in the second (2nd) paragraph of Section 8.1(b) of the Lease.

4.2. 777-01 North ROFO Premises. Commencing as of the date (the "777-01 North ROFO Rent Commencement Date") that is twelve (12) months after the 777-01 North ROFO Commencement Date and continuing through the Term with respect to the 777-01 North ROFO Premises, Tenant shall pay to Landlord Basic Annual Rent for the 777-01 North ROFO Premises at an initial rate equal to Thirty-One and 50/100 Dollars ($31.50) per square foot of Rentable Area of the 777-01 North ROFO Premises per year in accordance with the terms for payment of Basic Annual Rent set forth in the Lease. Basic Annual Rent for the 777-01 North ROFO Premises shall increase annually on each annual anniversary of the 777-01 North ROFO Rent Commencement Date by two and one-half percent (2.5%) of the then-current applicable Basic Annual Rent for the 777-01 North ROFO Premises. In addition to Basic Annual Rent, commencing on the 777-01 North ROFO Commencement Date and continuing each month of the Term, Tenant shall also pay to Landlord, with respect to the 777-01 North ROFO Premises, (a) Tenant's Pro Rata Share of Operating Expenses with respect to the 777-01 North ROFO Premises that exceeds the Base Year (as defined in Section 8.1 of the Tenth Amendment and grossed up to ninety-five percent (95%) occupancy in the same manner as the gross-up described in Section 10.1 of the Tenth Amendment) and (b) Basic Electric charges, all as set forth in the Lease.

4.3. 777-02 North ROFO Premises. Commencing as of the date (the "777-02 North ROFO Rent Commencement Date") that is twelve (12) months after the 777-02 North ROFO Commencement Date and continuing through the Term with respect to the 777-02 North ROFO Premises, Tenant shall pay to Landlord Basic Annual Rent for the 777-02 North ROFO Premises at an initial rate equal to Thirty-One and 50/100 Dollars ($31.50) per square foot of Rentable Area of the 777-02 North ROFO Premises per year in accordance with the terms for payment of Basic Annual Rent set forth in the Lease. Basic Annual Rent for the 777-02 North ROFO Premises shall

increase annually on each annual anniversary of the 777-02 North ROFO Rent Commencement Date by two and one-half percent (2.5%) of the then-current applicable Basic Annual Rent for the 777-02 North ROFO Premises. In addition to Basic Annual Rent, commencing on the 777-02 North ROFO Commencement Date and continuing each month of the Term, Tenant shall also pay to Landlord, with respect to the 777-02 North ROFO Premises, (a) Tenant's Pro Rata Share of Operating Expenses with respect to the 777-02 North ROFO Premises that exceeds the Base Year (as defined in Section 8.1 of the Tenth Amendment and grossed up to ninety-five percent (95%) occupancy in the same manner as the gross-up described in Section 10.1 of the Tenth Amendment) and (b) Basic Electric charges, all as set forth in the Lease.

4.4. 777 C-Level 777C04 Premises. Commencing as of the date (the "777 C-Level 777C04 Rent Commencement Date") that is twelve (12) months after the 777 C-Level 777C04 Commencement Date and continuing through the Term with respect to the 777 C-Level 777C04 Premises, Tenant shall pay to Landlord Basic Annual Rent for the 777 C-Level 777C04 Premises at an initial rate equal to Five and 50/100 Dollars ($5.50) per square foot of Rentable Area of the 777 C-Level 777C04 Premises per year in accordance with the terms for payment of Basic Annual Rent set forth in the Lease. Basic Annual Rent for the 777 C-Level 777C04 Premises shall increase annually on each annual anniversary of the 777 C-Level 777C04 Rent Commencement Date by two and one-half percent (2.5%) of the then-current applicable Basic Annual Rent for the 777 C-Level 777C04 Premises. In addition to Basic Annual Rent, commencing on the 777 C-Level 777C04 Commencement Date, Tenant shall pay to Landlord as Additional Rent, at times specified in the Lease, Tenant's Pro Rata Share of Operating Expenses with respect to the 777 C-Level 777C04 Premises. For the avoidance of doubt, HVAC for the 777 C-Level 777C04 Premises shall be calculated in the same manner as provided in the Lease with respect to the Retained Premises, and the 777 C-Level 777C04 Premises shall be treated as Retained Premises for the purposes of allocation of the CAM Pool Charges in accordance with Exhibit O of the Lease.

4.5. 777-01 Northeast ROFO Premises. Commencing as of the date (the "777-01 Northeast ROFO Rent Commencement Date") that is twelve (12) months after the 777-01 Northeast ROFO Commencement Date and continuing through the Term with respect to the 777-01 Northeast ROFO Premises, Tenant shall pay to Landlord Basic Annual Rent for the 777-01 Northeast ROFO Premises at an initial rate equal to Twenty-Eight and 75/100 Dollars ($28.75) per square foot of Rentable Area of the 777-01 Northeast ROFO Premises per year in accordance with the terms for payment of Basic Annual Rent set forth in the Lease. Basic Annual Rent for the 777-01 Northeast ROFO Premises shall increase annually on each annual anniversary of the 777-01 Northeast ROFO Rent Commencement Date by two and one-half percent (2.5%) of the then-current applicable Basic Annual Rent for the 777-01 Northeast ROFO Premises. In addition to Basic Annual Rent, commencing on the 777-01 Northeast ROFO Commencement Date and continuing each month of the Term, Tenant shall also pay to Landlord, with respect to the 777-01 Northeast ROFO Premises, (a) Tenant's Pro Rata Share of Operating Expenses with respect to the 777-01 Northeast ROFO Premises that exceeds the Base Year (as defined in Section 8.1 of the Tenth Amendment and grossed up to ninety-five percent (95%) occupancy in the same manner as the gross-up described in Section 10.1 of the Tenth Amendment) and (b) Basic Electric charges, all as set forth in the Lease.

5. Tenant's Pro Rata Shares.

5.1. 767 Premises. From and after the 767 Commencement Date, Tenant's Pro Rata Shares of the 767 Building, the Existing Project and the Entire Project shall be incrementally increased by the amounts designated for the 767 Premises set forth in Exhibit I attached hereto; provided that, Tenant shall not be required to commence paying such incremental Pro Rata Shares designated for the 767 Premises until the 767 Operating Expense Commencement Date. As of the 767 Commencement Date, the defined terms in Section 2.2 of the Existing Lease shall be automatically amended to reflect the adjustments set forth in this Section. Rentable Area and Tenant's Pro Rata Shares are all subject to adjustment under the Lease, including pursuant to Section 9.2 of the Lease.

5.2. 777-01 North ROFO Premises. From and after the 777-01 North ROFO Commencement Date, Tenant's Pro Rata Shares of the 777 Building, the Existing Project and the Entire Project shall be incrementally increased by the amounts designated for the 777-01 North ROFO Premises set forth in Exhibit I attached hereto. As of the 777-01 North ROFO Commencement Date, the defined terms in Section 2.2 of the Existing Lease shall be automatically amended to reflect the adjustments set forth in this Section. Rentable Area and Tenant's Pro Rata Shares are all subject to adjustment under the Lease, including pursuant to Section 9.2 of the Lease.

5.3. 777-02 North ROFO Premises. From and after the 777-02 North ROFO Commencement Date, Tenant's Pro Rata Shares of the 777 Building, the Existing Project and the Entire Project shall be incrementally increased by the amounts designated for the 777-02 North ROFO Premises set forth in Exhibit I attached hereto. As of the 777-02 North ROFO Commencement Date, the defined terms in Section 2.2 of the Existing Lease shall be automatically amended to reflect the adjustments set forth in this Section. Rentable Area and Tenant's Pro Rata Shares are all subject to adjustment under the Lease, including pursuant to Section 9.2 of the Lease.

5.4. 777 C-Level 777C04 Premises. From and after the 777 C-Level 777C04 Commencement Date, Tenant's Pro Rata Shares of the 777 Building, the Existing Project and the Entire Project shall be incrementally increased by the amounts designated for the 777 C-Level 777C04 Premises set forth in Exhibit I attached hereto. As of the 777 C-Level 777C04 Commencement Date, the defined terms in Section 2.2 of the Existing Lease shall be automatically amended to reflect the adjustments set forth in this Section. Rentable Area and Tenant's Pro Rata Shares are all subject to adjustment under the Lease, including pursuant to Section 9.2 of the Lease.

5.5. 777-01 Northeast ROFO Premises. From and after the 777-01 Northeast ROFO Commencement Date, Tenant's Pro Rata Shares of the 777 Building, the Existing Project and the Entire Project shall be incrementally increased by the amounts designated for the 777-01 Northeast ROFO Premises set forth in Exhibit I attached hereto. As of the 777-01 Northeast ROFO Commencement Date, the defined terms in Section 2.2 of the Existing Lease shall be automatically amended to reflect the adjustments set forth in this Section. Rentable Area and Tenant's Pro Rata Shares are all subject to adjustment under the Lease, including pursuant to Section 9.2 of the Lease.

6. Condition of Premises.

6.1. 767 Premises. Tenant acknowledges that, except as specifically set forth in this Section, neither Landlord nor any agent of Landlord has made any representation or warranty with

respect to the condition of the 767 Premises, or with respect to the suitability of the 767 Premises for the conduct of Tenant's business. Subject to the immediately following sentence, Tenant acknowledges that (a) it is generally familiar with the condition of the 767 Premises and agrees to take the same in its condition "as is" as of the 767 Commencement Date and (b) Landlord shall have no obligation to alter, repair or otherwise prepare the 767 Premises for Tenant's occupancy or to pay for or construct any improvements to the 767 Premises, except with respect to the 767 TI Allowance. Notwithstanding the immediately preceding sentence, Landlord shall deliver the 767 Premises in broom clean condition and prior to delivery, shall cure any breach of its representations set forth in this Section. Landlord represents and warrants to Tenant that, as of the 767 Commencement Date, (y) the Building Systems serving the 767 Premises shall be in good working condition and that the same shall be serviced by Utilities and other base building services and (z) to the best of Landlord's actual knowledge (without any duty of investigation), the 767 Premises (other than any curtain wall) does not contain any asbestos or asbestos containing materials. Tenant's taking of possession of the 767 Premises shall, except as otherwise agreed to in writing by Landlord and Tenant, conclusively establish that the 767 Premises were at such time in good, sanitary and satisfactory condition and repair.

6.2. 777-01 North ROFO Premises. Tenant acknowledges that, except as specifically set forth in this Section, neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the condition of the 777-01 North ROFO Premises, or with respect to the suitability of the 777-01 North ROFO Premises for the conduct of Tenant's business. Subject to the immediately following sentence, Tenant acknowledges that (a) it is generally familiar with the condition of the 777-01 North ROFO Premises and agrees to take the same in its condition "as is" as of the 777-01 North ROFO Commencement Date and (b) Landlord shall have no obligation to alter, repair or otherwise prepare the 777-01 North ROFO Premises for Tenant's occupancy or to pay for or construct any improvements to the 777-01 North ROFO Premises, except with respect to the 777-01 North ROFO TI Allowance and the 777-01 North ROFO Initial Landlord Work (and, if properly requested by Tenant pursuant to Section 10.1, the 777-01 North ROFO Subsequent Landlord Work). Notwithstanding the immediately preceding sentence, Landlord shall deliver the 777-01 North ROFO Premises to Tenant in the same or substantially similar condition as it was on the Execution Date, except that (m) upon delivery, there shall be demising walls along the perimeter of the 777-01 North ROFO Premises in compliance (as of the 777-01 North ROFO Commencement Date) with Applicable Laws, (n) upon delivery, the 777-01 North ROFO Premises shall be in broom clean condition, (o) prior to delivery, Landlord shall cure any breach of its representations set forth in this Section and (p) upon delivery, the 777-01 North ROFO Initial Landlord Work shall be substantially completed in accordance with the terms of this Sixteenth Amendment. Landlord represents and warrants to Tenant that, as of the 777-01 North ROFO Commencement Date, the Building Systems that service the 777-01 North ROFO Premises shall be in good working condition and that the same shall be serviced by Utilities and other base building services. Tenant's taking of possession of the 777-01 North ROFO Premises shall, except as otherwise agreed to in writing by Landlord and Tenant, conclusively establish that the 777-01 North ROFO Premises were at such time in good, sanitary and satisfactory condition and repair.

6.3. 777-02 North ROFO Premises. Tenant acknowledges that, except as specifically set forth in this Section, neither Landlord nor any agent of Landlord has made any representation or

warranty with respect to the condition of the 777-02 North ROFO Premises, or with respect to the suitability of the 777-02 North ROFO Premises for the conduct of Tenant's business. Subject to the immediately following sentence, Tenant acknowledges that (a) it is generally familiar with the condition of the 777-02 North ROFO Premises and agrees to take the same in its condition "as is" as of the 777-02 North ROFO Commencement Date and (b) Landlord shall have no obligation to alter, repair or otherwise prepare the 777-02 North ROFO Premises for Tenant's occupancy or to pay for or construct any improvements to the 777-02 North ROFO Premises, except with respect to the 777-02 North ROFO TI Allowance and the 777-02 North ROFO Initial Landlord Work (and, if properly requested by Tenant pursuant to Section 10.1, the 777-02 North ROFO Subsequent Landlord Work). Notwithstanding the immediately preceding sentence, Landlord shall deliver the 777-02 North ROFO Premises to Tenant in the same or substantially similar condition as it was on the Execution Date, except that (m) upon delivery, there shall be demising walls along the perimeter of the 777-02 North ROFO Premises in compliance (as of the 777-02 North ROFO Commencement Date) with Applicable Laws, (n) upon delivery, the 777-02 North ROFO Premises shall be in broom clean condition, (o) prior to delivery, Landlord shall cure any breach of its representations set forth in this Section and (p) upon delivery, the 777-02 North ROFO Initial Landlord Work shall be substantially completed in accordance with the terms of this Sixteenth Amendment. Landlord represents and warrants to Tenant that, as of the 777-02 North ROFO Commencement Date, the Building Systems that service the 777-02 North ROFO Premises shall be in good working condition and that the same shall be serviced by Utilities and other base building services. Tenant's taking of possession of the 777-02 North ROFO Premises shall, except as otherwise agreed to in writing by Landlord and Tenant, conclusively establish that the 777-02 North ROFO Premises were at such time in good, sanitary and satisfactory condition and repair.

6.4. 777 C-Level 777C04 Premises. Tenant acknowledges that, except as specifically set forth in this Section, neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the condition of the 777 C-Level 777C04 Premises, or with respect to the suitability of the 777 C-Level 777C04 Premises for the conduct of Tenant's business. Subject to the immediately following sentence, Tenant acknowledges that (a) it is generally familiar with the condition of the 777 C-Level 777C04 Premises and agrees to take the same in its condition "as is" as of the 777 C-Level 777C04 Commencement Date and (b) Landlord shall have no obligation to alter, repair or otherwise prepare the 777 C-Level 777C04 Premises for Tenant's occupancy or to pay for or construct any improvements to the 777 C-Level 777C04 Premises, except with respect to the 777 C-Level 777C04 TI Allowance and the 777 C-Level 777C04 Landlord Work. Notwithstanding the immediately preceding sentence, Landlord shall deliver the 777 C-Level 777C04 Premises to Tenant in the same or substantially similar condition as it was on the Execution Date, except that (m) upon delivery, there shall be demising walls along the perimeter of the 777 C-Level 777C04 Premises in compliance (as of the 777 C-Level 777C04 Commencement Date) with Applicable Laws, (n) upon delivery, the 777 C-Level 777C04 Premises shall be in broom clean condition, (o) prior to delivery, Landlord shall cure any breach of its representations set forth in this Section and (p) upon delivery, the 777 C-Level 777C04 Landlord Work shall be substantially completed in accordance with the terms of this Sixteenth Amendment. Landlord represents and warrants to Tenant that, as of the 777 C-Level 777C04 Commencement Date, (y) the Building Systems that service the 777 C-Level 777C04 Premises shall be in good working condition and that the same shall be serviced by Utilities and other base building services (except hot water shall not

be provided to the 777 C-Level 777C04 Premises) and (z) to the best of Landlord's actual knowledge (without any duty of investigation), the 777 C-Level 777C04 Premises does not contain any asbestos or asbestos containing materials. Tenant's taking of possession of the 777 C-Level 777C04 Premises shall, except as otherwise agreed to in writing by Landlord and Tenant, conclusively establish that the 777 C-Level 777C04 Premises were at such time in good, sanitary and satisfactory condition and repair. Landlord shall endeavor to make hot water available to the 777 C-Level 777C04 Premises on or before October 1, 2015. Tenant acknowledges that Landlord may require access to the 777 C-Level 777C04 Premises during the Term in order to perform such work, therefore, Tenant shall, upon one (1) business day prior notice from Landlord, permit Landlord to enter the 777 C-Level 777C04 Premises for the purposes of performing such work upon prior notification by Landlord and Landlord shall reasonably cooperate with Tenant so as to cause as little interference to Tenant as is reasonably possible; provided, however, that in no event shall Landlord's performance of such work (i) cause Tenant's rent to abate under the Lease or (ii) constitute a forcible or unlawful entry, a detainer or an eviction of Tenant.

6.5. 777-01 Northeast ROFO Premises. Tenant acknowledges that, except as specifically set forth in this Section, neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the condition of the 777-01 Northeast ROFO Premises, or with respect to the suitability of the 777-01 Northeast ROFO Premises for the conduct of Tenant's business. Subject to the immediately following sentence, Tenant acknowledges that (a) it is generally familiar with the condition of the 777-01 Northeast ROFO Premises and agrees to take the same in its condition "as is" as of the 777-01 Northeast ROFO Commencement Date and (b) Landlord shall have no obligation to alter, repair or otherwise prepare the 777-01 Northeast ROFO Premises for Tenant's occupancy or to pay for or construct any improvements to the 777-01 Northeast ROFO Premises, except with respect to the 777-01 Northeast ROFO TI Allowance and the 777-01 Northeast ROFO Initial Landlord Work (and, if properly requested by Tenant pursuant to Section 10.1, the 777-01 Northeast ROFO Subsequent Landlord Work, subject to Section 10.1(c)(iii)). Notwithstanding the immediately preceding sentence, Landlord shall deliver the 777-01 Northeast ROFO Premises to Tenant in the same or substantially similar condition as it was on the Execution Date, except that (m) upon delivery, there shall be demising walls along the perimeter of the 777-01 Northeast ROFO Premises in compliance (as of the 777-01 Northeast ROFO Commencement Date) with Applicable Law, (n) upon delivery, the 777-01 Northeast ROFO Premises shall be in broom clean condition and the Vacating Tenant shall have vacated the 777-01 Northeast ROFO Premises, (o) prior to delivery, Landlord shall cure any breach of its representations set forth in this Section and (p) upon delivery, the 777-01 Northeast ROFO Initial Landlord Work shall be substantially completed in accordance with the terms of this Sixteenth Amendment, subject to Section 10.1(c)(iii). Landlord represents and warrants to Tenant that, as of the 777-01 Northeast ROFO Commencement Date, the Building Systems that service the 777-01 Northeast ROFO Premises shall be in good working condition and that the same shall be serviced by Utilities and other base building services. Tenant's taking of possession of the 777-01 Northeast ROFO Premises shall, except as otherwise agreed to in writing by Landlord and Tenant, conclusively establish that the 777-01 Northeast ROFO Premises were at such time in good, sanitary and satisfactory condition and repair.

7. Termination Option. Tenant shall be entitled to terminate the Lease with respect to the 767 Premises (but only with respect to all of the 767 Premises) at any time after the tenth (10th) anniversary of the 767 Commencement Date; provided that, Tenant (a) provides Landlord with no less than twelve (12) months' prior written notice and (b) pays (on or before the effective date of such termination) to Landlord a termination fee equal to the unamortized (as of the termination date) amounts (calculated by amortizing the applicable amounts described in clauses (m) and (n) below on a straight-line basis commencing on the 767 Commencement Date, and continuing thereafter until June 30, 2029) of (m) the 767 TI Allowance and (n) any commission payable to Tenant's Broker (as defined below) in connection with this Sixteenth Amendment for the 767 Premises. If Tenant timely exercises its option to terminate the Lease with respect to the 767 Premises and pays Landlord the applicable termination fee, then Tenant shall surrender the 767 Premises to Landlord on the applicable surrender date in the condition required by the Lease for surrendering Premises upon the expiration or earlier termination thereof. From and after the date on which Tenant actually surrenders the 767 Premises in the condition required by the Lease for surrendering Premises, (x) the Lease (with respect to the 767 Premises only) shall terminate and be of no further force or effect as of the termination date, except for those provisions that expressly survive the expiration or earlier termination thereof (including Landlord's rights to any unpaid balance of Tenant), (y) the term "Premises" as used in the Lease shall no longer include the 767 Premises and (z) Tenant's Pro Rata Share shall be adjusted accordingly.

8. Lease Extension Options.

8.1. The first paragraph of Article 44 of the Lease is hereby deleted and replaced with the following:

> 44. Option to Extend Term. Option to Extend Term. Tenant shall have three (3) options (each, an "Option") to extend the Term of this Lease (and, in each case, the Expiration Premises Term Expiration Date and/or the Extension Premises Term Expiration Date, as applicable), with respect to the applicable portion of the Premises extended by an Option, by five (5) years, in each case on the same terms and conditions as this Lease, except as provided below. If Tenant desires to exercise any Option, Tenant must do so by giving Landlord written notice of such exercise at least one (1) year before the Term would otherwise expire. Tenant may exercise its Option to extend the Term only as to any one or more of the following: (a) the entire Retained Premises plus the Corridor Space and the 765 Expansion Premises III, (b) the entire New Whole Building Premises, (c) the entire New Multiple Tenant Building Premises, (d) the Modified Additional Premises, (e) the Swap Premises, 765 Elevator Lobby Premises, the 765 2nd Floor Elevator Lobby Premises and the 765 2nd Floor Corridor Premises, (f) each full floor of the 755 Premises, (g) the 765 Expansion Premises, (h) the 765 Expansion Premises II, (i) C-Level Storage Spaces, (j) the 777 License Area Premises and the 777 S-Level Corridor Premises, (k) the 01 Premises,

the Additional 01 Premises, from and after the 777-01 North ROFO Commencement Date, the 777-01 North ROFO Premises and, from and after the 777-01 Northeast ROFO Commencement Date, the 777-01 Northeast ROFO Premises, (l) the 777-02 Premises and, from and after the 777-02 North ROFO Commencement Date, the 777-02 North ROFO Premises, (m) the 765 Mezz Premises, (n) from and after the High Bay Premises Commencement Date, the High Bay Premises, (o) from and after the 777 North Spine Level Premises Commencement Date, the 777 North Spine Level Premises, (p) from and after the 777 Northwest Lobby Level Premises Commencement Date, the 777 Northwest Lobby Level Premises, (q) the 777 G-Level Expansion Premises, (p) from and after the 777 C-Level 777C04 Commencement Date, the 777 C-Level 777C04 Premises and (q) the 767 Premises. If Tenant fails to exercise an Option with respect to less than all of the Premises and the time to do so has lapsed (or if a Retained Premises Early Termination, a termination pursuant to a Swap Premises Termination Option, or any other termination of a portion of the Premises pursuant to the Lease has occurred), then Tenant shall no longer have an Option with respect to those portions of the Premises (y) for which it failed to exercise an Option, although Tenant's Options for the remaining Premises shall remain in full force and effect or (z) that have terminated.

9. Tenant Improvements.

9.1. 767 Premises. Landlord shall make available to Tenant a tenant improvement allowance of One Million One Hundred Seventy-Six Thousand Two Hundred Ten Dollars ($1,176,210), based on Fifteen Dollars ($15) per square foot of Rentable Area of the 767 Premises (the "767 TI Allowance") for Tenant's performance of its improvements to the 767 Premises (the "767 Tenant Work"). The 767 TI Allowance shall be disbursed in the same manner as the Base TI Allowance under the applicable provisions of Article 5 of the Lease, including the Disbursement Conditions, in order to finance the 767 Tenant Work. Tenant shall pay Landlord a construction oversight fee of two and one-half percent (2.5%) of the total cost of the 767 Tenant Work or other improvements performed using the 767 TI Allowance, which construction oversight fee may be paid out of the 767 TI Allowance. Tenant shall be responsible for (a) performing and completing the 767 Tenant Work and (b) any costs of the 767 Tenant Work in excess of the 767 TI Allowance.

9.2. 777-01 North ROFO Premises. Landlord shall make available to Tenant a tenant improvement allowance of One Hundred Eleven Thousand One Hundred Thirty-Five Dollars ($111,135), based on Fifteen Dollars ($15) per square foot of Rentable Area of the 777-01 North ROFO Premises (the "777-01 North ROFO TI Allowance") for Tenant's performance of its improvements to the 777-01 North ROFO Premises (the "777-01 North ROFO Tenant Work"). The 777-01 North ROFO TI Allowance shall be disbursed in the same manner as the Base TI Allowance under the applicable provisions of Article 5 of the Lease, including the Disbursement Conditions, in order to finance the 777-01 North ROFO Tenant Work. Tenant shall pay Landlord a construction

oversight fee of two and one-half percent (2.5%) of the total cost of the 777-01 North ROFO Tenant Work or other improvements performed using the 777-01 North ROFO TI Allowance, which construction oversight fee may be paid out of the 777-01 North ROFO TI Allowance. Tenant shall be responsible for (a) performing and completing the 777-01 North ROFO Tenant Work and (b) any costs of the 777-01 North ROFO Tenant Work in excess of the 777-01 North ROFO TI Allowance.

9.3. 777-02 North ROFO Premises. Landlord shall make available to Tenant a tenant improvement allowance of One Hundred Sixty Thousand Five Hundred Dollars ($160,500), based on Fifteen Dollars ($15) per square foot of Rentable Area of the 777-02 North ROFO Premises (the "777-02 North ROFO TI Allowance") for Tenant's performance of its improvements to the 777-02 North ROFO Premises (the "777-02 North ROFO Tenant Work"). The 777-02 North ROFO TI Allowance shall be disbursed in the same manner as the Base TI Allowance under the applicable provisions of Article 5 of the Lease, including the Disbursement Conditions, in order to finance the 777-02 North ROFO Tenant Work. Tenant shall pay Landlord a construction oversight fee of two and one-half percent (2.5%) of the total cost of the 777-02 North ROFO Tenant Work or other improvements performed using the 777-02 North ROFO TI Allowance, which construction oversight fee may be paid out of the 777-02 North ROFO TI Allowance. Tenant shall be responsible for (a) performing and completing the 777-02 North ROFO Tenant Work and (b) any costs of the 777-02 North ROFO Tenant Work in excess of the 777-02 North ROFO TI Allowance.

9.4. 777 C-Level 777C04 Premises. Landlord shall make available to Tenant a tenant improvement allowance of Eighty-One Thousand Five Hundred Forty-Five Dollars ($81,545), based on Five Dollars ($5) per square foot of Rentable Area of the 777 C-Level 777C04 Premises (the "777 C-Level 777C04 TI Allowance") for Tenant's performance of its improvements to the 777 C-Level 777C04 Premises (the "777 C-Level 777C04 Tenant Work"). The 777 C-Level 777C04 TI Allowance shall be disbursed in the same manner as the Base TI Allowance under the applicable provisions of Article 5 of the Lease, including the Disbursement Conditions, in order to finance the 777 C-Level 777C04 Tenant Work. Tenant shall pay Landlord a construction oversight fee of two and one-half percent (2.5%) of the total cost of the 777 C-Level 777C04 Tenant Work or other improvements performed using the 777 C-Level 777C04 TI Allowance, which construction oversight fee may be paid out of the 777 C-Level 777C04 TI Allowance. Tenant shall be responsible for (a) performing and completing the 777 C-Level 777C04 Tenant Work and (b) any costs of the 777 C-Level 777C04 Tenant Work in excess of the 777 C-Level 777C04 TI Allowance.

9.5. 777-01 Northeast ROFO Premises. Landlord shall make available to Tenant a tenant improvement allowance of Forty-Five Thousand Four Hundred Ninety-Five Dollars ($45,495), based on Fifteen Dollars ($15) per square foot of Rentable Area of the 777-01 Northeast ROFO Premises (the "777-01 Northeast ROFO TI Allowance") for Tenant's performance of its improvements to the 777-01 Northeast ROFO Premises (the "777-01 Northeast ROFO Tenant Work"). The 777-01 Northeast ROFO TI Allowance shall be disbursed in the same manner as the Base TI Allowance under the applicable provisions of Article 5 of the Lease, including the Disbursement Conditions, in order to finance the 777-01 Northeast ROFO Tenant Work. Tenant shall pay Landlord a construction oversight fee of two and one-half percent (2.5%) of the total cost of the 777-01 Northeast ROFO Tenant Work or other improvements performed using the 777-01

Northeast ROFO TI Allowance, which construction oversight fee may be paid out of the 777-01 Northeast ROFO TI Allowance. Tenant shall be responsible for (a) performing and completing the 777-01 Northeast ROFO Tenant Work and (b) any costs of the 777-01 Northeast ROFO Tenant Work in excess of the 777-01 Northeast ROFO TI Allowance.

9.6. Landlord shall make available to Tenant a tenant improvement allowance of One Hundred Thousand Dollars ($100,000) (the "VAV Allowance"), for Tenant's performance of its improvements to the 777-01 North ROFO Premises, 777-02 North ROFO Premises and 777-01 Northeast ROFO Premises listed in Item 1 of Exhibit J attached hereto (the "VAV Work"). The VAV Allowance shall be disbursed in the same manner as the Base TI Allowance under the applicable provisions of Article 5 of the Lease, including the Disbursement Conditions, in order to finance the VAV Work. In the event Tenant elects to perform the VAV Work, Tenant shall be responsible for (a) performing and completing the VAV Work and (b) any costs of the VAV Work in excess of the VAV Allowance.

9.7. Landlord shall make available to Tenant a tenant improvement allowance of Seventy-Five Thousand Dollars ($75,000) (the "Fintube Allowance"), for Tenant's performance of its improvements to the 777-01 North ROFO Premises, 777-02 North ROFO Premises and 777-01 Northeast ROFO Premises listed in Item 2 of Exhibit J attached hereto (the "Fintube Work"). The Fintube Allowance shall be disbursed in the same manner as the Base TI Allowance under the applicable provisions of Article 5 of the Lease, including the Disbursement Conditions, in order to finance the Fintube Work. In the event Tenant elects to perform the Fintube Work, Tenant shall be responsible for (a) performing and completing the Fintube Work and (b) any costs of the Fintube Work in excess of the Fintube Allowance.

9.8. Landlord shall make available to Tenant an allowance of Twenty-Five Thousand Dollars ($25,000) (the "Abatement Allowance"), for Tenant's performance of the work to the 777-01 North ROFO Premises, 777-02 North ROFO Premises and 777-01 Northeast ROFO Premises listed as Item 3 of Exhibit J attached hereto (the "Abatement Work"). The Abatement Allowance shall be disbursed in the same manner as the Base TI Allowance under the applicable provisions of Article 5 of the Lease, including the Disbursement Conditions, in order to finance the Abatement Work. In the event Tenant elects to perform the Abatement Work, Tenant shall be responsible for (a) performing and completing such elected portion of the Abatement Work and (b) any costs of the Abatement Work in excess of the Abatement Allowance.

9.9. Collectively, the 767 Tenant Work, 777-01 North ROFO Tenant Work, 777-02 North ROFO Tenant Work, 777 C-Level 777C04 Tenant Work, 777-01 Northeast ROFO Tenant Work, VAV Work, Fintube Work and Abatement Work may be referred to herein as the "Tenant Work." Each of the 767 TI Allowance, 777-01 North ROFO TI Allowance, 777-02 North ROFO TI Allowance, 777 C-Level 777C04 TI Allowance, 777-01 Northeast ROFO TI Allowance, VAV Allowance, Fintube Allowance and Abatement Allowance may be referred to herein as an "Allowance" and collectively, the "Allowance."

9.10. To the extent a certificate of occupancy is required by Applicable Laws, Tenant shall deliver (or cause to be delivered) to Landlord a certificate of occupancy for any and all portions of the 767 Premises, 777-01 North ROFO Premises, 777-02 North ROFO Premises, 777 C-Level

777C04 Premises and 777-01 Northeast ROFO Premises suitable for the Permitted Use; provided, however, that, prior to Landlord's delivery of (a) the 777 C-Level 777C04 Premises to Tenant, Landlord shall obtain a certificate of occupancy (or temporary certificate of occupancy) for the 777 C-Level 777C04 Premises suitable for general office storage use and (b) the 777-02 North ROFO Premises, to the extent a certificate of occupancy is required by Applicable Laws, Landlord shall obtain a certificate of occupancy (or temporary certificate of occupancy) for the 777-02 North ROFO Premises suitable for general office use. For purposes of clarity, Landlord's obligations in (a) and (b) above shall not diminish Tenant's obligations set forth in the immediately preceding sentence.

9.11. All Tenant Work shall be performed in accordance with the applicable provisions of the Lease, including the applicable provisions of Articles 5 and 18; provided, however, if there is a conflict between the terms of the Lease and the terms of this Sixteenth Amendment, then the terms of this Sixteenth Amendment shall control. Landlord and Tenant acknowledge that the Work Letter is not applicable to the Tenant Work; provided, however, that (a) prior to commencing performance of any of the Tenant Work, Tenant shall furnish to Landlord evidence satisfactory to Landlord that insurance coverages required of Tenant under the Work Letter are in effect with respect to the Tenant Work and (b) Tenant assumes the responsibility and liability in connection with the Tenant Work in the same manner as set forth under Section 6 of the Work Letter.

9.12. With respect to the 767 TI Allowance, Tenant shall have until the day that is three (3) years after the 767 Commencement Date to submit a disbursement request with all applicable documentation (in the same manner as the Base TI Allowance under the applicable provisions of Article 5 of the Lease, including the Disbursement Conditions) for the unused portion of the 767 TI Allowance, after which date Landlord's obligation to fund such costs shall expire. In no event shall any unused 767 TI Allowance entitle Tenant to a credit against Rent payable under the Lease. Notwithstanding anything in the Lease to the contrary, the 767 TI Allowance may only be applied toward the 767 Tenant Work.

9.13. With respect to any Allowance (other than the 767 TI Allowance) provided in this Sixteenth Amendment, Tenant shall have until the Expiration Premises Term Expiration Date (subject to extension or earlier termination of the Lease as provided therein) to submit a disbursement request with all applicable documentation (in the same manner as the Base TI Allowance under the applicable provisions of Article 5 of the Lease, including the Disbursement Conditions) for the unused portion of any such Allowance, after which date Landlord's obligation to fund such costs shall expire. In no event shall any unused Allowance entitle Tenant to a credit against Rent payable under the Lease. Notwithstanding anything to the contrary in the Lease, any Allowance (other than the 767 TI Allowance, VAV Allowance, Fintube Allowance and Abatement Allowance, which Allowances shall only be used for the specific purposes for which they were granted) provided in this Sixteenth Amendment may be used by Tenant for Tenant improvements in any portion of the 16th Amendment 777 Expansion Premises, regardless of whether such Allowance was made available to Tenant with respect to a specific portion of the 16th Amendment 777 Expansion Premises.

10. Landlord Work.

10.1. 777 Landlord Work.

(a) 777-01 North ROFO Premises.

(i) Landlord shall perform the improvements set forth under "Initial Landlord Work" on Exhibit K-1 attached hereto (the "777-01 North ROFO Initial Landlord Work") at Landlord's sole cost and expense and in accordance with Applicable Laws.

(ii) After the 777-01 North ROFO Commencement Date, but no later than the day that is three (3) years prior to the Expiration Premises Expiration Date, as may be extended in accordance with the Lease (the "Subsequent Landlord Work Notice Deadline"), Tenant may deliver written notice to Landlord indicating that Landlord perform the improvements set forth under "Subsequent Landlord Work" on Exhibit K-1 attached hereto (the "777-01 North ROFO Subsequent Landlord Work" and together with the 777-01 North ROFO Initial Landlord Work, the "777-01 North ROFO Landlord Work"). In the event Landlord receives such notice, Landlord shall perform the 777-01 North ROFO Subsequent Landlord Work at Landlord's sole cost and expense and in accordance with Applicable Laws and shall endeavor to substantially complete the 777-01 North ROFO Subsequent Landlord Work within one (1) year after Landlord's receipt of such notice. Tenant acknowledges that Landlord may require access to the 777-01 North ROFO Premises during the Term in order to perform the 777-01 North ROFO Subsequent Landlord Work, therefore, Tenant shall, upon one (1) business day prior notice from Landlord, permit Landlord to enter the 777-01 North ROFO Premises at any and all reasonable times during business hours (or during non-business hours if Tenant reasonably requests) for the purposes of performing such work upon prior notification by Landlord and Landlord shall reasonably cooperate with Tenant so as to cause as little interference to Tenant as is reasonably possible; provided, however, that in no event shall Landlord's performance of such work (i) cause Tenant's rent to abate under the Lease or (ii) constitute a forcible or unlawful entry, a detainer or an eviction of Tenant. In the event Tenant does not provide Landlord proper notice to perform the 777-01 North ROFO Subsequent Landlord Work on or before the Subsequent Landlord Work Notice Deadline, then Landlord's obligation to perform the 777-01 North ROFO Subsequent Landlord Work shall automatically become null and void and of no further force or effect; provided, however, if the Expiration Premises Expiration Date is extended in accordance with the terms of the Lease, then Tenant's right to require such work shall be automatically reinstated (subject to the above terms and conditions) with a corresponding adjustment to the Subsequent Landlord Work Notice Deadline. Time is of the essence with respect to the Subsequent Landlord Work Notice Deadline.

(b) 777-02 North ROFO Premises.

(i) Landlord shall perform the improvements set forth under "Initial Landlord Work" on Exhibit K-2 attached hereto (the "777-02 North ROFO Initial Landlord Work") at Landlord's sole cost and expense and in accordance with Applicable Laws.

(ii) After the 777-02 North ROFO Commencement Date, but no later than the Subsequent Landlord Work Notice Deadline, Tenant may deliver written notice to Landlord indicating that Landlord perform the improvements set forth under "Subsequent Landlord Work" on Exhibit K-2 attached hereto (the "777-02 North ROFO Subsequent Landlord Work" and together with the 777-02 North ROFO Initial Landlord Work, the "777-02 North ROFO Landlord Work"). In the event Landlord receives such notice, Landlord shall perform the 777-02 North ROFO

Subsequent Landlord Work at Landlord's sole cost and expense and in accordance with Applicable Laws and shall endeavor to substantially complete the 777-02 North ROFO Subsequent Landlord Work within one (1) year after Landlord's receipt of such notice. Tenant acknowledges that Landlord may require access to the 777-02 North ROFO Premises during the Term in order to perform the 777-02 North ROFO Subsequent Landlord Work, therefore, Tenant shall, upon one (1) business day prior notice from Landlord, permit Landlord to enter the 777-02 North ROFO Premises at any and all reasonable times during business hours (or during non-business hours if Tenant reasonably requests) for the purposes of performing such work upon prior notification by Landlord and Landlord shall reasonably cooperate with Tenant so as to cause as little interference to Tenant as is reasonably possible; provided, however, that in no event shall Landlord's performance of such work (i) cause Tenant's rent to abate under the Lease or (ii) constitute a forcible or unlawful entry, a detainer or an eviction of Tenant. In the event Tenant does not provide Landlord proper notice to perform the 777-02 North ROFO Subsequent Landlord Work on or before the Subsequent Landlord Work Notice Deadline, then Landlord's obligation to perform the 777-02 North ROFO Subsequent Landlord Work shall automatically become null and void and of no further force or effect; provided, however, if the Expiration Premises Expiration Date is extended in accordance with the terms of the Lease, then Tenant's right to require such work shall be automatically reinstated (subject to the above terms and conditions) with a corresponding adjustment to the Subsequent Landlord Work Notice Deadline. Time is of the essence with respect to the Subsequent Landlord Work Notice Deadline.

(c) 777-01 Northeast ROFO Premises.

(i) Landlord shall perform the improvements set forth under "Initial Landlord Work" on Exhibit K-3 attached hereto (the "777-01 Northeast ROFO Initial Landlord Work") at Landlord's sole cost and expense and in accordance with Applicable Laws.

(ii) After the 777-01 Northeast ROFO Commencement Date, but no later than the Subsequent Landlord Work Notice Deadline, Tenant may deliver written notice to Landlord indicating that Landlord perform the improvements set forth under "Subsequent Landlord Work" on Exhibit K-3 attached hereto (the "777-01 Northeast ROFO Subsequent Landlord Work" and together with the 777-01 Northeast ROFO Initial Landlord Work, the "777-01 Northeast ROFO Landlord Work"). In the event Landlord receives such notice, and subject to Section 10.1(c)(iii), Landlord shall perform the 777-01 Northeast ROFO Subsequent Landlord Work at Landlord's sole cost and expense and in accordance with Applicable Laws and shall endeavor to substantially complete the 777-01 Northeast ROFO Subsequent Landlord Work within one (1) year after Landlord's receipt of such notice. Tenant acknowledges that Landlord may require access to the 777-01 Northeast ROFO Premises during the Term in order to perform the 777-01 Northeast ROFO Subsequent Landlord Work, therefore, Tenant shall, upon one (1) business day prior notice from Landlord, permit Landlord to enter the 777-01 Northeast ROFO Premises at any and all reasonable times during business hours (or during non-business hours if Tenant reasonably requests) for the purposes of performing such work upon prior notification by Landlord and Landlord shall reasonably cooperate with Tenant so as to cause as little interference to Tenant as is reasonably possible; provided, however, that in no event shall Landlord's performance of such work (i) cause Tenant's rent to abate under the Lease or (ii) constitute a forcible or unlawful entry, a detainer or an eviction of Tenant. In the event Tenant does not provide Landlord proper notice to perform the 777-01

Northeast ROFO Subsequent Landlord Work on or before the Subsequent Landlord Work Notice Deadline, then Landlord's obligation to perform the 777-01 Northeast ROFO Subsequent Landlord Work shall automatically become null and void and of no further force or effect; provided, however, if the Expiration Premises Expiration Date is extended in accordance with the terms of the Lease, then Tenant's right to require such work shall be automatically reinstated (subject to the above terms and conditions) with a corresponding adjustment to the Subsequent Landlord Work Notice Deadline. Time is of the essence with respect to the Subsequent Landlord Work Notice Deadline.

(iii) Notwithstanding anything to the contrary in this Sixteenth Amendment, to the extent that the 777-01 North ROFO Landlord Work (or any portion thereof) has been substantially completed and benefits the 777-01 Northeast ROFO Premises, the 777-01 Northeast ROFO Landlord Work (or such portion thereof that corresponds to the substantially completed portion of the 777-01 North ROFO Landlord Work) shall be deemed complete.

10.2. 777 C-Level 777C04 Landlord Work. Landlord shall construct an egress corridor for the 777 C-Level 777C04 Premises in the area labeled "777 C-Level 777C04 Premises Egress Corridor" on Exhibit L attached hereto (the "777 C-Level 777C04 Landlord Work") at Landlord's sole cost and expense and in accordance with Applicable Laws.

10.3. Landlord Work. Collectively and individually, the 777-01 North ROFO Landlord Work, 777-02 North ROFO Landlord Work, 777-01 Northeast ROFO Landlord Work and the 777 C-Level 777C04 Landlord Work may be referred to in this Sixteenth Amendment as the "Landlord Work."

10.4. Substantial Completion and Tenant Delay. For purposes of this Sixteenth Amendment, with respect to any Landlord Work, "substantial completion" or "substantially complete" means that Landlord has completed all of the applicable Landlord Work, except for minor and insubstantial details of construction that do not, except in a de minimis manner, interfere with Tenant's performance of improvements to the applicable portion of the 16th Amendment 777 Expansion Premises. Notwithstanding anything in this Lease to the contrary, Landlord's obligation to timely achieve substantial completion of any portion of the Landlord Work relating to the 16th Amendment 777 Expansion Premises shall be subject to extension on a day-for-day basis as a result of Force Majeure and Tenant Delay that, in either case, actually delays (but only to the extent of such delay) Landlord's performance of such Landlord Work. For purposes of this Sixteenth Amendment, "Tenant Delay" means any delays due to (a) any changes to Landlord Work requested by Tenant (other than changes requested because such work does not comply with the terms of the Lease, as such terms or scope may have been modified and approved in writing by both parties), (b) any default by Tenant under the Lease and (c) any other act or failure to act by Tenant, Tenant's employees, agents, architects, independent contractors, consultants and/or any other person performing or required to perform services on behalf of Tenant which, in either case, delays (but only to the extent (a), (b) or (c) actually delays) Landlord's performance of the applicable Landlord Work or Landlord's delivery of possession of the applicable 16th Amendment 777 Expansion Premises. No such Tenant Delay shall be deemed to have commenced unless Tenant shall have failed to cure the same within two (2) business days after Tenant's receipt of written notice thereof from Landlord. If Landlord desires that Tenant take any action in connection with the Landlord

Work, then Landlord shall use reasonable efforts to provide written notice of such action as far in advance as is reasonably possible. Notwithstanding any Tenant Delay, Landlord shall exercise diligent and commercially reasonable efforts to mitigate Tenant Delay to the extent reasonably practicable. If Landlord and Tenant disagree as to whether a Tenant Delay has occurred (or whether the requirements with respect thereto have been complied with), such dispute shall be resolved by the Neutral Architect whose determination shall be final and binding upon the parties.

11. Learning Lab. Tenant intends to use a portion of the 767 Premises (not to exceed five thousand (5,000) square feet of Rentable Area) as an educational area for students (such area of the 767 Premises, the "Learning Lab"). The Learning Lab shall be used exclusively for the education of students (including for laboratory experiments, computer explorations and interactive exhibitions) in accordance with all Applicable Laws and any other lawful uses incidental thereto (the "Learning Lab Use"). Tenant shall be fully responsible for the operation of the Learning Lab and any and all operation costs of the Learning Lab (including the cost to hire a third party operator for the Learning Lab) shall be at Tenant's sole cost and expense. Notwithstanding anything to the contrary contained in the Lease, to the extent the Learning Lab is used for the Learning Lab Use, Basic Annual Rent and Tenant's Pro Rata Share of Operating Expenses, in each case with respect to the Learning Lab only shall be abated; provided, however, that, notwithstanding the foregoing, Tenant shall at all times remain responsible for all charges, together with any fees, surcharges and taxes thereon in connection with any and all Utilities supplied to the Learning Lab, subject to any exclusions set forth in the second (2nd) paragraph of Section 8.1(b) of the Lease. In the event the Learning Lab is not used for the Learning Lab Use for a period of five (5) consecutive months (at any time after September 1, 2017), such abatement right shall automatically terminate and Basic Annual Rent (at the then-current Basic Annual Rent rate in accordance with Section 4.1 of this Sixteenth Amendment) and Tenant's Pro Rata Share of Operating Expenses, in each case for the Learning Lab shall begin to accrue and shall be payable in accordance with the terms of the Lease for the remainder of the Term with respect to the Learning Lab.

12. Power. So long as Tenant leases all of the 767 Premises (i.e., the entire 767 Building) and all of Building 8 and Building 9 (pursuant to the Mt. Pleasant Lease), then for the period of time between the 767 Commencement Date and the date that the Mt. Pleasant Infrastructure (as defined in Section 5 of the Mt. Pleasant First Amendment) portion of the Powerhouse Upgrade (as defined in Section 13) is placed in-service, Tenant may allocate Tenant's Pro Rata Share (or any portion thereof) of electric capacity that Landlord designates to the 767 Building (with such designation to be in accordance with the kVA capacity of the 767 Building) to Tenant's premises in Building 8 and Building 9. Upon the earlier of the day that (a) the Mt. Pleasant Infrastructure portion of the Powerhouse Upgrade is placed in-service and (b) Tenant ceases to lease all of the 767 Premises, Building 8 and Building 9, Landlord's consent to the foregoing re-allocation shall be automatically withdrawn and all electric capacity that Landlord designates to the 767 Building (with such designation to be in accordance with the kVA capacity of the 767 Building) may only be used for the 767 Building (and Tenant shall only be entitled to Tenant's Pro Rata Share of such capacity).

13. Powerhouse. Landlord is currently in the process of upgrading the electric infrastructure of the Entire Project (the "Powerhouse Upgrade"). When the Powerhouse Upgrade (or any portion thereof) is placed in-service, Tenant shall be responsible for Tenant's proportionate share (allocated

in accordance with the final sentence of this Section) of the costs of the Powerhouse Upgrade (or such portion placed in-service) (in accordance with, and subject to, the Operating Expense provisions of the Lease) allocated (as reasonably determined by Landlord) to the Entire Project, the Existing Project and the New Greenburgh Project. Tenant acknowledges that for purposes of determining the costs described above, the Powerhouse Upgrade will benefit the Buildings and is not subject to any of the Operating Expense carve outs set forth in clause (a) of the penultimate paragraph of Section 8.1 of the Existing Lease. Further, Tenant acknowledges that the costs of the Powerhouse Upgrade will be allocated across the Entire Project in accordance with each building's kVA capacity.

14. Wholly Occupied Building Rights.

14.1. So long as Tenant leases and occupies all of the 767 Building, Tenant shall have the same Signage rights for the 767 Building that it has with respect to the New Whole Building as described in Section 11.7 of the Lease.

14.2. So long as Tenant leases and occupies all of the 767 Building, the fourth (4th) sentence of Section 11.12 of the Lease shall not apply to the 767 Building. So long as Tenant leases and occupies all of the 767 Building, Tenant shall have the exclusive right to use the elevators and stairways within the 767 Building; provided, however, Landlord, its agents and any emergency personnel may use and access them in Landlord's sole discretion.

14.3. So long as Tenant leases and occupies all of the 767 Building, Tenant may use the roof of the 767 Building to install Tenant's Rooftop Equipment, subject to and in accordance with Section 11.13 of the Lease.

14.4. Notwithstanding anything in the first (1st) sentence of Section 18.4 of the Lease to contrary, so long as Tenant leases and occupies all of the 767 Building, Tenant may perform work in the 767 Building at such time as Tenant elects from time to time in its sole discretion (but subject to the terms of the Lease).

14.5. So long as Tenant leases and occupies all of the 767 Building, in the event of a casualty, Section 23.1(ii) and the penultimate sentence of Section 23.2 of the Lease shall apply to the 767 Building.

14.6. Section 19.1 of the Lease is hereby deleted in its entirety and replaced with the following:

> "Landlord shall repair and maintain in good condition the Common Areas and the structural, exterior and base building portions (interior and exterior) of the Buildings, including grounds, roofing and covering materials, foundations, exterior walls, plumbing (excluding eye wash, safety showers, specialty gas, and laboratory services, including RODI), fire sprinkler systems (if any), heating, ventilating, air conditioning, base building management systems, elevators, and electrical systems. Provided (a) (i) with respect to work within the 735 Building, the 745 Building or the 755 Building, Tenant then leases

and occupies all of the 735 Building, the 745 Building and the 755 Building and (ii) with respect to work within the 767 Building, Tenant then leases and occupies all of the 767 Building, (b) the applicable recurring maintenance work is completely within the 735 Building, the 745 Building, the 755 Building and/or the 767 Building and (c) the applicable recurring maintenance work does not affect any other tenant of the Entire Project (even in a de minimis amount), then Tenant shall have the right to review and modify the scope of such contracted recurring maintenance work (whether such contract was entered into prior to, on or after the Execution Date of the Sixteenth Amendment), including to add additional scope (the "Tenant Reviewed Recurring Maintenance"). The review right (but not the modification right) in the immediately preceding sentence includes the right to review provisions of the applicable contract that are reasonably necessary to analyze the applicable scope of work set forth therein. If Tenant requests any modifications to the scope of the Tenant Reviewed Recurring Maintenance, Landlord shall use reasonable efforts to accommodate the same; provided, however, that any and all additional costs incurred by Landlord as a result of such modifications shall be included as part of Operating Expenses, subject to the CAM Pools. Notwithstanding anything to the contrary in this Lease, Landlord shall have no responsibility to maintain or repair any vivarium(s) or data center(s) (or any equipment or systems that solely service such areas). Tenant shall have sole responsibility to maintain and repair the vivarium(s) and data center(s) (and any equipment and systems that solely service such areas). Landlord shall maintain the Common Areas in accordance with its property maintenance protocols as established from time to time in accordance with Landlord's reasonable determinations of appropriate property maintenance protocols. Upon Tenant's request, Landlord shall explain such protocols and consider Tenant's comments. Any actual out-of-pocket costs related to the repair or maintenance activities specified in this Section 19.1 shall be included as a part of Operating Expenses subject to the CAM Pools, except Tenant shall pay for such repairs and maintenance to the extent that such repairs and maintenance are: (i) required in whole or in part because of any act, neglect, fault or omissions of Tenant (where there is a duty to act), its agents, servants, employees or invitees, in which case Tenant shall pay to Landlord the cost of such repairs and maintenance; and (ii) not paid out of insurance proceeds. Landlord shall perform all work and have its contractors perform all work in accordance with Applicable Laws."

14.7. Article 49 of the Lease is hereby deleted in its entirety and replaced with the following:

"HVAC. For the entire Premises (subject to the last sentence of Section 8.1), excluding any vivarium or data centers (the "Landlord's HVAC Premises"), Landlord shall: (a) maintain and operate (except that, to the extent Tenant leases the entirety of the 735 Building, the 745 Building, the 755 Building and/or the 767 Building, Tenant shall operate and control (with respect to such Building(s)), including managing set points and sequence of operations) the heating, ventilating and air conditioning systems ("HVAC") in good working order; and (b) furnish HVAC as reasonably required (except as this Lease otherwise provides or as to any special requirements that arise from Tenant's particular use of the Premises) for reasonably comfortable occupancy of the Premises twenty-four (24) hours a day, 365 or 366 days a year, provided Tenant complies with the next sentence, if applicable. To the extent Landlord operates and controls any HVAC systems serving the Premises, and if Tenant will require HVAC outside normal business hours of business days (as reasonably designated by Landlord) in Landlord's HVAC Premises ("Overtime HVAC"), Landlord shall be obligated to provide Overtime HVAC only if Tenant requests it by 4 p.m. on the immediately preceding business day. To the extent that Tenant occupies the Premises for laboratory purposes, Tenant directs Landlord to provide Overtime HVAC at all times outside normal business hours of business days (as reasonably designated by Landlord), pending further written notice from Tenant. For the avoidance of doubt, the immediately preceding sentence does not apply to any portion of the Premises in which Tenant operates and controls the HVAC systems. Tenant shall pay, as part of Tenant's contribution to Operating Expenses in accordance with the CAM Pools, all of Landlord's actual total cost of providing HVAC and Overtime HVAC, as Landlord reasonably calculates such actual total cost. Notwithstanding anything to the contrary in this Section, Landlord shall have no liability, and Tenant shall have no right or remedy, on account of any interruption or impairment in HVAC services, provided that Landlord diligently uses commercially reasonable efforts to cure any such interruption or impairment as quickly as reasonably possible. Any right to operate and control HVAC is personal to the initial Tenant under this Lease and shall not be assigned or otherwise transferred to any other tenant, subtenant or other transferee."

14.8. Excluded Services. Exhibit P of the Lease is hereby deleted in its entirety and replaced with Exhibit P attached hereto as Schedule I.

15. Cafeteria. Notwithstanding anything in the Lease to the contrary, to the extent Landlord makes any capital outlays in connection with the additional food services described in Article 61 of the Mt. Pleasant Lease, such capital outlays reasonably allocated to the Entire Project, the Existing

Project and the New Greenburgh Project shall constitute Operating Expenses (in accordance with, and subject to, the Operating Expense provisions of the Lease, except that Tenant acknowledges that such capital outlays will benefit the Buildings and is not subject to the Operating Expense carve outs set forth in clause (a) of the penultimate paragraph of Section 8.1 of the Lease).

16. Parking. The parties acknowledge that, in accordance with the Lease, Tenant shall be entitled to its pro rata share of unreserved parking spaces with respect to each portion of the Premises leased to Tenant.

17. Broker. Tenant represents and warrants that it has not dealt with any broker or agent in the negotiation for or the obtaining of this Sixteenth Amendment, other than Savills Studley, Inc. ("Tenant's Broker"), and agrees to reimburse, indemnify, save, defend and hold harmless Landlord for, from and against any and all cost or liability for compensation claimed by any such broker or agent, other than Tenant's Broker, employed or engaged by it or claiming to have been employed or engaged by it. Tenant's Broker is entitled to a leasing commission in connection with the making of this Sixteenth Amendment, and Landlord shall pay such commission to Tenant's Broker pursuant to a separate agreement between Landlord and Tenant's Broker. Landlord represents and warrants that it has not dealt with any broker or agent in the negotiation for or the obtaining of this Sixteenth Amendment, other than Matthew McDevitt and Transwestern (collectively, "Landlord's Broker" and together with Tenant's Broker, the "Brokers"), and agrees to reimburse, indemnify, save, defend and hold harmless Tenant for, from and against any and all cost or liability for compensation claimed by any such broker or agent employed or engaged by it or claiming to have been employed or engaged by it. Landlord's Broker is entitled to a leasing commission in connection with the making of this Sixteenth Amendment, and Landlord shall pay such commission to Landlord's Broker pursuant to a separate agreement between Landlord and Landlord's Broker.

18. No Default. Tenant represents, warrants and covenants that, to the best of Tenant's knowledge, Landlord and Tenant are not in default of any of their respective obligations under the Existing Lease and no event has occurred that, with the passage of time or the giving of notice (or both) would constitute a default by either Landlord or Tenant under the Existing Lease.

19. Notices. Tenant confirms that, notwithstanding anything in the Lease to the contrary, notices delivered to Tenant pursuant to the Lease should be sent to:

Regeneron Pharmaceuticals, Inc.
777 Old Saw Mill River Road
Tarrytown, New York 10591
Attn: General Counsel;

with a copy to:

Regeneron Pharmaceuticals, Inc.
777 Old Saw Mill River Road
Tarrytown, New York 10591
Attn: Vice President of Facilities.

20. Effect of Amendment. Except as modified by this Sixteenth Amendment, the Existing Lease and all the covenants, agreements, terms, provisions and conditions thereof shall remain in full force and effect and are hereby ratified and affirmed. In the event of any conflict between the terms contained in this Sixteenth Amendment and the Existing Lease, the terms herein contained shall supersede and control the obligations and liabilities of the parties. From and after the date hereof, the term "Lease," as used in the Existing Lease, shall mean the Existing Lease, as amended by this Sixteenth Amendment.

21. Successors and Assigns. Each of the covenants, conditions and agreements contained in this Sixteenth Amendment shall inure to the benefit of and shall apply to and be binding upon the parties hereto and their respective permitted successors and assigns. Nothing in this section shall in any way alter the provisions of the Lease restricting assignment or subletting.

22. Miscellaneous. This Sixteenth Amendment becomes effective only upon execution and delivery hereof by Landlord and Tenant. The captions of the paragraphs and subparagraphs in this Sixteenth Amendment are inserted and included solely for convenience and shall not be considered or given any effect in construing the provisions hereof. All exhibits hereto are incorporated herein by reference. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or option for a lease, and shall not be effective as a lease, lease amendment or otherwise until execution by and delivery to both Landlord and Tenant.

23. Authority. Tenant represents, warrants and covenants to Landlord that the individual signing this Sixteenth Amendment on behalf of Tenant has the power, authority and legal capacity to sign this Sixteenth Amendment on behalf of and to bind Tenant. Landlord represents, warrants and covenants to Tenant that the individual signing this Sixteenth Amendment on behalf of Landlord has the power, authority and legal capacity to sign this Sixteenth Amendment on behalf of and to bind Landlord.

24. Counterparts; Facsimile and PDF Signatures. This Sixteenth Amendment may be executed in one or more counterparts, each of which, when taken together, shall constitute one and the same document. A facsimile or portable document format (PDF) signature on this Sixteenth Amendment shall be equivalent to, and have the same force and effect as, an original signature.

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IN WITNESS WHEREOF, Landlord and Tenant have executed this Sixteenth Amendment as of the date and year first above written.

LANDLORD:

BMR-LANDMARK AT EASTVIEW LLC,
a Delaware limited liability company

By:	/s/ Kevin M. Simonsen
Name:	Kevin M. Simonsen
Title:	Sr. VP, Real Estate Legal

TENANT:

REGENERON PHARMACEUTICALS, INC.,
a New York corporation

By:	/s/ Robert E. Landry
Name:	Robert E. Landry
Title:	SVP - CFO & Finance

EXHIBIT A

767 PREMISES

[IMAGE]

EXHIBIT B

777-01 NORTH ROFO PREMISES

[IMAGE]

EXHIBIT C

777-02 NORTH ROFO PREMISES

[IMAGE]

EXHIBIT D

777 C-LEVEL 777C04 PREMISES

[IMAGE]

EXHIBIT E

777-01 NORTHEAST ROFO PREMISES

[IMAGE]

EXHIBIT F

777-G03 SURRENDER PREMISES

[IMAGE]

EXHIBIT G

777-SL1 SURRENDER PREMISES

[IMAGE]

EXHIBIT H

ACKNOWLEDGEMENT OF [INSERT APPLICABLE PREMISES] COMMENCEMENT DATE

THIS ACKNOWLEDGEMENT OF [INSERT APPLICABLE PREMISES] COMMENCEMENT DATE is entered into as of _____, 2015, with reference to that certain Lease dated as of December 21, 2006 (the "Original Lease"), as amended by that certain First Amendment to Lease dated as of October 24, 2007 (the "First Amendment"), that certain Second Amendment to Lease dated as of September 30, 2008 (the "Second Amendment"), that certain Third Amendment to Lease dated as of April 29, 2009 (the "Third Amendment"), that certain Fourth Amendment to Lease dated as of December 3, 2009 (the "Fourth Amendment"), that certain Fifth Amendment to Lease dated as of February 11, 2010 (the "Fifth Amendment"), that certain Sixth Amendment to Lease dated as of June 4, 2010 (the "Sixth Amendment"), that certain Seventh Amendment to Lease dated as of December 22, 2010 (the "Seventh Amendment"), that certain Eighth Amendment to Lease dated as of August 1, 2011 (the "Eighth Amendment"), that certain Ninth Amendment to Lease dated as of September 30, 2011 (the "Ninth Amendment"), that certain Tenth Amendment to Lease dated as of October 25, 2012 (the "Tenth Amendment"), that certain Eleventh Amendment to Lease dated as of April 3, 2013 (the "Eleventh Amendment"), that certain Twelfth Amendment to Lease dated as of May 31, 2013 (the "Twelfth Amendment"), that certain Thirteenth Amendment to Lease dated as of May 31, 2013 (the "Thirteenth Amendment"), that certain Fourteenth Amendment to Lease dated as of October 25, 2013 (the "Fourteenth Amendment"), that certain Fifteenth Amendment to Lease dated as of June 12, 2014 (the "Fifteenth Amendment") and that certain Sixteenth Amendment to Lease dated as of June 30, 2015 (the "Sixteenth Amendment") and, collectively with the Original Lease and the First Amendment, Second Amendment, Third Amendment, Fourth Amendment, Fifth Amendment, Sixth Amendment, Seventh Amendment, Eighth Amendment, Ninth Amendment, Tenth Amendment, Eleventh Amendment, Twelfth Amendment, Thirteenth Amendment, Fourteenth Amendment and Fifteenth Amendment and as the same may have been heretofore further amended, amended and restated, supplemented or modified from time to time, the "Lease"), by REGENERON PHARMACEUTICALS, INC., a New York corporation ("Tenant"), in favor of BMR-LANDMARK AT EASTVIEW LLC, a Delaware limited liability company ("Landlord"). All capitalized terms used herein without definition shall have the meanings ascribed to them in the Sixteenth Amendment.

Tenant hereby confirms the following:

1. Tenant accepted possession of the [INSERT APPLICABLE PREMISES] on [_____].

2. The [INSERT APPLICABLE PREMISES] are in good order, condition and repair.

3. [FOR PREMISES WITH LANDLORD WORK:] The [INSERT APPLICABLE LANDLORD WORK] is substantially complete (as defined in the Sixteenth Amendment).

4. All conditions of the Lease with respect to the [INSERT APPLICABLE PREMISES] to be performed by Landlord as a condition to the full effectiveness of the Lease have been satisfied.

5. In accordance with the provisions of Section 3 of the Sixteenth Amendment, the [INSERT APPLICABLE COMMENCEMENT DATE] is [_____], 20[__].

6. The Lease is in full force and effect, and the same represents the entire agreement between Landlord and Tenant concerning the Premises[, except [_____]].

7. The obligation to pay Rent is presently in effect and all Rent obligations on the part of Tenant under the Lease with respect to the [INSERT APPLICABLE PREMISES] commenced to accrue on [_____], 20[__], with Basic Annual Rent for the [INSERT APPLICABLE PREMISES] payable on the dates and in amounts set forth in the Sixteenth Amendment.

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EXHIBIT I

TENANT'S PRO RATA SHARES

Portion of added "Premises" Means the Following:	**Square Feet of Rentable Area**	**Tenant's Pro Rata Share of the applicable Building**	**Tenant's Pro Rata Share of Existing Project (833,204)**	**Tenant's Pro Rata Share of the Entire Project (1,490,724)**
767 Premises	78,414	100%	9.411%	5.260%
777-01 North ROFO Premises	7,409	2.025%	0.889%	0.497%
777-02 North ROFO Premises	10,486	2.867%	1.259%	.703%
777 C-Level 777C04 Premises	16,863	4.610%	2.024%	1.131%
777-01 Northeast ROFO Premises	3,033	0.829%	0.364%	0.203%

EXHIBIT J

VAV WORK, FINTUBE WORK, ABATEMENT WORK

1. VAV Work:
   - Incorporation of a VAV HVAC system into the 777-01 North ROFO Premises, the 777-02 North ROFO Premises and the 777-01 Northeast ROFO Premises.
   - Purchase and installation of new ductwork from the existing main duct to any new VAV box and from any such VAV box to the applicable diffusers.
   - Purchase and installation of VAV boxes at a quantity of one (1) for every one thousand two hundred (1,200) usable square feet of the 777-01 North ROFO Premises, the 777-02 North ROFO Premises and the 777-01 Northeast ROFO Premises, as applicable.
   - Purchase and installation of two (2) VAV boxes for each conference room, one (1) VAV box for each IDF (the closet for the fiber/phone/data terminations) and one (1) VAV box for each pantry, in each case within the 777-01 North ROFO Premises, the 777-02 North ROFO Premises and the 777-01 Northeast ROFO Premises.

2. Fintube Work:
   - Installation of the perimeter hot water fin tube loop including elements and control valves to be controlled by Tenant in the 777-01 North ROFO Premises, the 777-02 North ROFO Premises and the 777-01 Northeast ROFO Premises.
   - Installation of the building management system with respect to such fin tube loop.

3. Abatement Work:
   - Performance of a survey of the 777-01 North ROFO Premises, the 777-02 North ROFO Premises and the 777-01 Northeast ROFO Premises to locate any asbestos, vermiculite and other asbestos containing materials located in the 777-01 North ROFO Premises, the 777-02 North ROFO Premises and the 777-01 Northeast ROFO Premises.
   - Removal, remediation or abatement of any asbestos, vermiculite and other asbestos containing materials located in the 777-01 North ROFO Premises, the 777-02 North ROFO Premises and the 777-01 Northeast ROFO Premises.

EXHIBIT K-1

777-01 NORTH ROFO LANDLORD WORK

Unless otherwise expressly specified, the work described below applies only to the 777-01 North ROFO Premises.

Initial Landlord Work

1. Landlord shall identify a location from which Tenant may extend electric service to the 777-01 North ROFO Premises.
2. The electric service to the 777-01 North ROFO Premises shall be metered by the base building metering system. Electric meters, supplied by Landlord or Landlord's agent at Tenant's expense, will be used to separate the power usage dedicated to the 777-01 North ROFO Premises only and will be installed by Landlord or Landlord's agent at Tenant's expense.
3. Landlord will confirm the heating, cooling and that airflow capacity of each AHU unit serving the 777-01 North ROFO Premises is capable of 1.5 CFM/SF via a baseline balancing report and forward the information to Tenant for its use.
4. Landlord will provide three-inch chilled water risers with isolation valves and capped outlets for Tenant's point of connection for the 777-01 North ROFO Premises. If supplemental air conditioning systems are required, they shall be provided by Tenant at its sole cost. Landlord shall provide a system that allows for year-round cooling capability for the 777-01 North ROFO Premises.
5. Landlord will provide a two-and-one half-inch hot water riser to extend down from the heat exchanger in the penthouse to heat the 777-01 North ROFO Premises with isolation valves and capped outlets to Tenant's point of connection for the 777-01 North ROFO Premises.
6. Landlord Sprinkler Main: if required based upon the capacity of the existing standpipe, Landlord shall design, permit and construct a fire sprinkler service main, including all controls and valves from the street or building riser to the 777-01 North ROFO Premises. The main line shall be capped inside the 777-01 North ROFO Premises and be sized to accommodate ordinary fire hazard coverage as required by the Town of Mount Pleasant for office occupancy.

Subsequent Landlord Work

1. Ensure that all existing supply fans serving the 777-01 North ROFO Premises have variable frequency drives ("VFDs") to modulate supply fan speed (provided that, Tenant, at its sole cost, shall be responsible for the final balancing of the supply fan VFDs such that they align with Tenant's variable air volume ("VAV") system serving the 777-01 North ROFO Premises).

2. VFDs shall be provided for each return fan and controlled to interlock with the matched supply fan serving the 777-01 North ROFO Premises (provided that, Tenant, at its sole cost, shall be responsible for the final balancing of the return fan VFDs such that they align with Tenant's VAV system serving the 777-01 North ROFO Premises).

3. The HVAC system serving the 777-01 North ROFO Premises shall be capable of providing HVAC capacity of a minimum of 1.5 cubic feet per minute ("CFM") per rentable square feet with adequate static pressure from existing air handlers serving the 777-01 North ROFO Premises that are either new or recently replaced. Replacement includes new coils, control valves and coil trim, drain pans and condensate piping and filter racks.

   For purposes of clarity, Tenant (not Landlord) shall provide control points on AHUs and VAVs serving the 777-01 North ROFO Premises that are JCI compatible and connected to the tenant BMS system and Tenant shall ensure that Landlord has control capabilities into the tenant BMS system.

4. Landlord shall remove any existing duct mounted humidifiers and reheat coils located in the penthouse serving the 777-01 North ROFO Premises.

5. Provide overhead duct connections including fire smoke detectors in ductwork at the demising wall for the 777-01 North ROFO Premises. Landlord will provide main supply/return within the existing MEP shafts, if possible, for the 777-01 North ROFO Premises. Landlord will add a smoke fire damper for the 777-01 North ROFO Premises to be activated with the Building fire system.

6. Ductwork serving the perimeter up-blast grilles from the catwalk level will be abandoned, the plenums removed and the floor penetrations filled with fire-rated construction meeting all applicable code requirements.

7. Fill the floor air distribution holes with an acceptable floor fill materials and detail, and modify the existing conditions to adequately close and fire-rate all perimeter slab penetrations including maintaining the asbestos management program for asbestos containing material located on the floor below.

8. Abandon existing below-floor air distribution and infill existing slab penetrations with fire rating assembly.

EXHIBIT K-2

777-02 NORTH ROFO LANDLORD WORK

Unless otherwise expressly specified, the work described below applies only to the 777-02 North ROFO Premises.

Initial Landlord Work

1. Landlord shall identify a location from which Tenant may extend electric service to the 777-02 North ROFO Premises.
2. The electric service to the 777-02 North ROFO Premises shall be metered by the base building metering system. Electric meters, supplied by Landlord or Landlord's agent at Tenant's expense, will be used to separate the power usage dedicated to the 777-02 North ROFO Premises only and will be installed by Landlord or Landlord's agent at Tenant's expense.
3. Landlord will confirm the heating, cooling and that airflow capacity of each AHU unit serving the 777-02 North ROFO Premises is capable of 1.5 CFM/SF via a baseline balancing report and forward the information to Tenant for its use.
4. Landlord will provide three-inch chilled water risers with isolation valves and capped outlets for Tenant's point of connection for the 777-02 North ROFO Premises. If supplemental air conditioning systems are required, they shall be provided by Tenant at its sole cost. Landlord shall provide a system that allows for year-round cooling capability for the 777-02 North ROFO Premises.
5. Landlord will provide a two-and-one half-inch hot water riser to extend down from the heat exchanger in the penthouse to heat the 777-02 North ROFO Premises with isolation valves and capped outlets to Tenant's point of connection for the 777-02 North ROFO Premises.
6. Landlord Sprinkler Main: if required based upon the capacity of the existing standpipe, Landlord shall design, permit and construct a fire sprinkler service main, including all controls and valves from the street or building riser to the 777-02 North ROFO Premises. The main line shall be capped inside the 777-02 North ROFO Premises and be sized to accommodate ordinary fire hazard coverage as required by the Town of Mount Pleasant for office occupancy.

Subsequent Landlord Work

1. Ensure that all existing supply fans serving the 777-02 North ROFO Premises have variable frequency drives ("VFDs") to modulate supply fan speed (provided that, Tenant, at its sole cost, shall be responsible for the final balancing of the supply fan VFDs such that they align with Tenant's variable air volume ("VAV") system serving the 777-02 North ROFO Premises).

2. VFDs shall be provided for each return fan and controlled to interlock with the matched supply fan serving the 777-02 North ROFO Premises (provided that, Tenant, at its sole cost, shall be responsible for the final balancing of the return fan VFDs such that they align with Tenant's VAV system serving the 777-02 North ROFO Premises).

3. The HVAC system serving the 777-02 North ROFO Premises shall be capable of providing HVAC capacity of a minimum of 1.5 cubic feet per minute ("CFM") per rentable square feet with adequate static pressure from existing air handlers serving the 777-02 North ROFO Premises that are either new or recently replaced. Replacement includes new coils, control valves and coil trim, drain pans and condensate piping and filter racks.

   For purposes of clarity, Tenant (not Landlord) shall provide control points on AHUs and VAVs serving the 777-02 North ROFO Premises that are JCI compatible and connected to the tenant BMS system and Tenant shall ensure that Landlord has control capabilities into the tenant BMS system.

4. Landlord shall remove any existing duct mounted humidifiers and reheat coils located in the penthouse serving the 777-02 North ROFO Premises.

5. Provide overhead duct connections including fire smoke detectors in ductwork at the demising wall for the 777-02 North ROFO Premises. Landlord will provide main supply/return within the existing MEP shafts, if possible, for the 777-02 North ROFO Premises. Landlord will add a smoke fire damper for the 777-02 North ROFO Premises to be activated with the Building fire system.

6. Ductwork serving the perimeter up-blast grilles from the catwalk level will be abandoned, the plenums removed and the floor penetrations filled with fire-rated construction meeting all applicable code requirements.

7. Fill the floor air distribution holes with an acceptable floor fill materials and detail, and modify the existing conditions to adequately close and fire-rate all perimeter slab penetrations including maintaining the asbestos management program for asbestos containing material located on the floor below.

8. Abandon existing below-floor air distribution and infill existing slab penetrations with fire rating assembly.

EXHIBIT K-3

777-01 NORTHEAST ROFO LANDLORD WORK

Unless otherwise expressly specified, the work described below applies only to the 777-01 Northeast ROFO Premises. The portion of the 777-01 Northeast ROFO Landlord Work described under "Subsequent Landlord Work" is subject to Section 10.1(c)(iii) of the Sixteenth Amendment.

Initial Landlord Work

1. Landlord shall identify a location from which Tenant may extend electric service to the 777-01 Northeast ROFO Premises.
2. The electric service to the 777-01 Northeast ROFO Premises shall be metered by the base building metering system. Electric meters, supplied by Landlord or Landlord's agent at Tenant's expense, will be used to separate the power usage dedicated to the 777-01 Northeast ROFO Premises only and will be installed by Landlord or Landlord's agent at Tenant's expense.
3. Landlord will confirm the heating, cooling and that airflow capacity of each AHU unit serving the 777-01 Northeast ROFO Premises is capable of 1.5 CFM/SF via a baseline balancing report and forward the information to Tenant for its use.
4. Landlord will provide three-inch chilled water risers with isolation valves and capped outlets for Tenant's point of connection for the 777-01 Northeast ROFO Premises. If supplemental air conditioning systems are required, they shall be provided by Tenant at its sole cost. Landlord shall provide a system that allows for year-round cooling capability for the 777-01 Northeast ROFO Premises.
5. Landlord will provide a two-and-one half-inch hot water riser to extend down from the heat exchanger in the penthouse to heat the 777-01 Northeast ROFO Premises with isolation valves and capped outlets to Tenant's point of connection for the 777-01 Northeast ROFO Premises.
6. Landlord Sprinkler Main: if required based upon the capacity of the existing standpipe, Landlord shall design, permit and construct a fire sprinkler service main, including all controls and valves from the street or building riser to the 777-01 Northeast ROFO Premises. The main line shall be capped inside the 777-01 Northeast ROFO Premises and be sized to accommodate ordinary fire hazard coverage as required by the Town of Mount Pleasant for office occupancy.

Subsequent Landlord Work

1. Ensure that all existing supply fans serving the 777-01 Northeast ROFO Premises have variable frequency drives ("VFDs") to modulate supply fan speed (provided that, Tenant, at its sole cost, shall be responsible for the final balancing of the supply fan VFDs such that they align with Tenant's variable air volume ("VAV") system serving the 777-01 Northeast ROFO Premises).

2. VFDs shall be provided for each return fan and controlled to interlock with the matched supply fan serving the 777-01 Northeast ROFO Premises (provided that, Tenant, at its sole cost, shall be responsible for the final balancing of the return fan VFDs such that they align with Tenant's VAV system serving the 777-01 Northeast ROFO Premises).

3. The HVAC system serving the 777-01 Northeast ROFO Premises shall be capable of providing HVAC capacity of a minimum of 1.5 cubic feet per minute ("CFM") per rentable square feet with adequate static pressure from existing air handlers serving the 777-01 Northeast ROFO Premises that are either new or recently replaced. Replacement includes new coils, control valves and coil trim, drain pans and condensate piping and filter racks.

   For purposes of clarity, Tenant (not Landlord) shall provide control points on AHUs and VAVs serving the 777-01 Northeast ROFO Premises that are JCI compatible and connected to the tenant BMS system and Tenant shall ensure that Landlord has control capabilities into the tenant BMS system.

4. Landlord shall remove any existing duct mounted humidifiers and reheat coils located in the penthouse serving the 777-01 Northeast ROFO Premises.

5. Provide overhead duct connections including fire smoke detectors in ductwork at the demising wall for the 777-01 Northeast ROFO Premises. Landlord will provide main supply/return within the existing MEP shafts, if possible, for the 777-01 Northeast ROFO Premises. Landlord will add a smoke fire damper for the 777-01 Northeast ROFO Premises to be activated with the Building fire system.

6. Ductwork serving the perimeter up-blast grilles from the catwalk level will be abandoned, the plenums removed and the floor penetrations filled with fire-rated construction meeting all applicable code requirements.

7. Fill the floor air distribution holes with an acceptable floor fill materials and detail, and modify the existing conditions to adequately close and fire-rate all perimeter slab penetrations including maintaining the asbestos management program for asbestos containing material located on the floor below.

8. Abandon existing below-floor air distribution and infill existing slab penetrations with fire rating assembly.

EXHIBIT L

777 C-LEVEL 777C04 LANDLORD WORK

[IMAGE]

EXHIBIT M

777-SL1 SURRENDER PREMISES DEMISING WALL

[IMAGE]

EXHIBIT N

INTENTIONALLY OMITTED

EXHIBIT O

INTENTIONALLY OMITTED

SCHEDULE I

EXHIBIT P

Tenant shall with respect to any full calendar year(s) have the right to elect to arrange or provide Tenant's own internal security services, internal janitorial services, and/or internal maintenance and repair services, as Tenant elects (the "Excluded Services") at Tenant's option for the 735 Building, the 745 Building, the 755 Building and/or the 767 Building (but only to the extent Tenant leases such elected Building(s) in their entirety) (such elected Building(s), the "Excluded Services Premises") provided that Tenant gives Landlord notice by November 1 of any calendar year, effective as of January 1 of the next calendar year, of such election (an "Excluded Services Notice").

Tenant may not give an Excluded Services Notice for internal maintenance and repair services, except to the extent that such internal maintenance and repair services only affect areas within the Excluded Services Premises and do not affect (a) any structural portions of the Buildings, including the exterior walls, roof or foundation of the Buildings or (b) the exterior of the Buildings.

Starting on the first January 1 that occurs at least two months after Landlord receives any Excluded Services Notice (an "Excluded Services Date"), Landlord shall: (e) have no obligation to provide any Excluded Services in the Excluded Services Premises; and (f) for purposes of this Lease, exclude the cost of such Excluded Services from the corresponding CAM Pools for the Excluded Services Premises.

In the event Tenant elects to assume any Excluded Services, Tenant shall (m) at Tenant's sole cost and expense, procure and maintain contracts, with copies of the same and of any related records furnished promptly to Landlord after execution thereof, in customary form and substance for, and with contractors specializing and experienced in, the repair and maintenance of the equipment and improvements related to such Excluded Services and (n) be responsible for any and all termination and/or severance costs incurred by Landlord under its then-existing service contracts for the Excluded Services in order to transfer such repair and maintenance obligations to Tenant; provided, however, that if such contracts are assignable with respect to services relating only to the Excluded Services Premises, then Landlord will reasonably cooperate (at Tenant's sole cost and expense) to assign such contracts from Landlord to Tenant, if Tenant so elects. Notwithstanding the foregoing, in the event Landlord determines (in its reasonable discretion) that Tenant is not repairing and maintaining the improvements or equipment in accordance with Tenant's obligations under this Exhibit and Section 19.2 of the Lease, Landlord may provide Tenant with a written notice specifying which equipment or improvements Tenant is not maintaining and repairing pursuant to this Exhibit and Section 19.2 of the Lease. Tenant shall have thirty (30) days upon receipt of such notice to cure all failures set forth in such notice. In the event Tenant does not cure such failures within such thirty (30) day period, Landlord may (but shall not be obligated to), upon written notice to Tenant, revoke Tenant's right to repair and maintain the equipment or improvements listed in such notice and take on such repair and maintenance obligations (including procurement of any such service contracts) in the manner set forth in Section 19.1 of the Lease and, in such event, all costs associated with such repair and maintenance (including procurement of any such service

contracts) shall constitute Operating Expenses and shall be included in the appropriate CAM Pool. Notwithstanding anything to the contrary in the Lease, Landlord shall have no liability, and Tenant shall have no right or remedy, on account of any interruption or impairment in HVAC services or any other services provided by the equipment in which Tenant elects (and therefore is responsible) to maintain and repair pursuant to an Excluded Services Notice.

Tenant may at any time (by giving at least two (2) months' prior written notice, effective on the next January 1 after the date of such notice) revoke any Excluded Services Notice. After any such revocation, Tenant may not give another Excluded Services Notice for a year. Any Excluded Services Notice (or its revocation) may relate to any one or a combination of the following: (w) all internal security; (x) all janitorial; (y) all internal maintenance and repair services; or (z) all of items (w), (x) and (y).

FIRST AMENDMENT TO MT. PLEASANT LEASE

THIS FIRST AMENDMENT TO MT. PLEASANT LEASE (this "First Amendment") is entered into as of this 30th day of June, 2015 (the "Execution Date"), by and between BMR-LANDMARK AT EASTVIEW LLC, a Delaware limited liability company ("Landlord"), and REGENERON PHARMACEUTICALS, INC., a New York corporation ("Tenant").

RECITALS

A. WHEREAS, Landlord and Tenant are parties to that certain Mt. Pleasant Lease dated as of April 3, 2013 (as the same may have been further amended, amended and restated, supplemented or modified from time to time, the "Existing Mt. Pleasant Lease"), whereby Tenant leases certain premises (the "Premises") from Landlord in the Mt. Pleasant Project (as defined in the Existing Mt. Pleasant Lease) known as Building 8 and Building 9 in Tarrytown, New York (collectively, the "Buildings" and each, a "Building");

B. WHEREAS, concurrently herewith, Landlord and Tenant have entered into that certain Sixteenth Amendment to Lease (the "Sixteenth Amendment") dated as of the Execution Date, which amends that certain Lease dated as of December 21, 2006 (as the same may have been further amended, amended and restated, supplemented or modified from time to time, the "Initial Lease"); and

C. WHEREAS, Landlord and Tenant desire to modify and amend the Existing Mt. Pleasant Lease only in the respects and on the conditions hereinafter stated.

AGREEMENT

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

1. Definitions. For purposes of this First Amendment, capitalized terms shall have the meanings ascribed to them in the Existing Mt. Pleasant Lease unless otherwise defined herein. The Existing Mt. Pleasant Lease, as amended by this First Amendment, is referred to collectively herein as the "Mt. Pleasant Lease."

2. Term Commencement.

2.1. Notwithstanding anything to the contrary in the Existing Mt. Pleasant Lease, the Building 8 Term Commencement Date and the Term Commencement Date are hereby established to be October 13, 2014. Tenant accepted possession of Building 8 on the Building 8 Term Commencement Date for construction of the Tenant Improvements. As of the Building 8 Term

Commencement Date, the TI Ready Work required to be constructed by Landlord with respect to Building 8 was completed.

2.2. Notwithstanding anything to the contrary in the Existing Mt. Pleasant Lease, the Building 9 Term Commencement Date is hereby established to be October 13, 2014. Tenant accepted possession of Building 9 on the Building 9 Term Commencement Date for construction of the Tenant Improvements. As of the Building 9 Term Commencement Date, the TI Ready Work required to be constructed by Landlord with respect to Building 9 was completed.

2.3. As of the Execution Date, there has not been any Landlord Delay for purposes of Section 5.1(d) of the Existing Mt. Pleasant Lease. In addition, for purposes of determining the Building 8 Term Commencement Date, the Building 9 Term Commencement Date, the Building 8 Rent Commencement Date, and the Building 9 Rent Commencement Date, it shall be deemed that there has been no Landlord Delay and no Tenant Delay prior to the Execution Date.

2.4. Sections 5.1(b) and 5.1(c) are hereby deleted in their entirety, and in each case, replaced with "Intentionally omitted."

3. Term Expiration Date. Section 2.9 of the Existing Mt. Pleasant Lease is hereby deleted in its entirety and replaced with the following:

> "2.9 "Term Expiration Date:" July 31, 2029 (subject to extension pursuant to Section 4.1(d) and Section 5.1(d)); provided, however, that Tenant shall have options to extend this Lease as provided in Article 41. For the sake of clarity, if the Term Expiration Date is extended pursuant to Section 4.1(d) or Section 5.1(d), the Term Expiration Date shall be extended for the entire Premises."

4. Additional Cafeteria. Notwithstanding anything to the contrary in the Existing Mt. Pleasant Lease, Landlord's obligation in Article 61 of the Existing Mt. Pleasant Lease to operate an additional cafeteria shall not commence until the date that is three (3) weeks after the 777-SL1 Surrender Effective Date (as defined in the Sixteenth Amendment).

5. Powerhouse. Landlord is currently in the process of upgrading the electric infrastructure of the Entire Project (the "Powerhouse Upgrade"). A portion of the Powerhouse Upgrade includes additional electric infrastructure such that, upon completion, the electrical infrastructure that supports electrical power provided to Building 8 and Building 9 will be capable of supporting the amount of electrical power described in in the "Electrical Power Supply" line of Tenant's load letter dated as of April 1, 2014 (and attached hereto as Exhibit A, the "Load Letter") in connection with the Mt. Pleasant Lease (the "Mt. Pleasant Infrastructure"). When the Powerhouse Upgrade (or any portion thereof) is placed in-service, Tenant acknowledges that it is responsible for Tenant's proportionate share (allocated in accordance with the final sentence of this Section) of the costs of the Powerhouse Upgrade (or such portion placed in-service) (in accordance with, and subject to, the Operating Expense provisions of the Mt. Pleasant Lease) allocated (as reasonably determined by Landlord) to the Entire Project and the Mt. Pleasant Project regardless of whether the Powerhouse Upgrade (or any portion thereof) has been placed in-service prior to the Building 8 Operating

Expense Commencement Date or the Building 9 Operating Expense Commencement Date. In furtherance of the foregoing, in the event the in-service date of the Powerhouse Upgrade (or any portion thereof) is prior to the Building 8 Operating Expense Commencement Date or the Building 9 Operating Expense Commencement Date, then the Building 8 Operating Expense Commencement Date and/or the Building 9 Operating Expense Commencement Date, as applicable and only with respect to Operating Expenses in connection with the Powerhouse Upgrade, shall be deemed to be the in-service date of the Powerhouse Upgrade (or the applicable portion thereof). Tenant acknowledges that for purposes of determining the costs described above, the Powerhouse Upgrade will benefit the Buildings and is not subject to any of the Operating Expense carve outs set forth in Section 8.1(d)(a) of the Existing Mt. Pleasant Lease. Further, Tenant acknowledges that the costs of the Powerhouse Upgrade will be allocated across the Entire Project (including the Mt. Pleasant Project) in accordance with each building's kVA capacity.

6. Delay from 767 Tenant Work. For purposes of clarity, and notwithstanding anything to the contrary in the Existing Mt. Pleasant Lease, any delay in Landlord's prosecution of the Landlord Work, including the Final Landlord Work, caused by the 767 Tenant Work (as defined in the Sixteenth Amendment) or any other work performed by or on behalf of Tenant in connection with the 767 Premises (as defined in the Sixteenth Amendment) shall constitute a Tenant Delay to the extent that such circumstance continues for a period of two (2) business days after Landlord delivers notice to Tenant of such Tenant Delay and to the extent such circumstance actually delays Substantial Completion of the Landlord Work or Substantial Completion of the Final Landlord Work, as applicable, beyond the date when such Substantial Completion would have otherwise occurred. If Landlord and Tenant cannot agree on whether or to what extent Tenant Delay applies, then the written determination of the Neutral Architect shall govern, whose determination shall be final and binding upon the parties.

7. Excluded Services. The second (2nd) paragraph of Exhibit P in the Mt. Pleasant Lease is deleted in its entirety and replaced with the following: "Tenant may not give an Excluded Services Notice for internal maintenance and repair services, except to the extent that such internal maintenance and repair services only affect areas within Building 8 and Building 9 and do not affect (a) any structural portions of the Buildings, including the exterior walls, roof or foundation of the Buildings or (b) the exterior of the Buildings."

8. Broker. Tenant represents and warrants that it has not dealt with any broker or agent in the negotiation for or the obtaining of this First Amendment, other than Savills Studley, Inc. ("Tenant's Broker"), and agrees to reimburse, indemnify, save, defend and hold harmless Landlord for, from and against any and all cost or liability for compensation claimed by any such broker or agent, including Tenant's Broker, employed or engaged by it or claiming to have been employed or engaged by it. Landlord represents and warrants that it has not dealt with any broker or agent in the negotiation for or the obtaining of this First Amendment, other than Matthew McDevitt and Transwestern (collectively, "Landlord's Broker" and together with Tenant's Broker, the "Brokers"), and agrees to reimburse, indemnify, save, defend and hold harmless Tenant for, from and against any and all cost or liability for compensation claimed by any such broker or agent employed or engaged by it or claiming to have been employed or engaged by it.

9. No Default. Tenant represents, warrants and covenants that, to the best of Tenant's knowledge, Landlord and Tenant are not in default of any of their respective obligations under the Existing Mt. Pleasant Lease and no event has occurred that, with the passage of time or the giving of notice (or both) would constitute a default by either Landlord or Tenant under the Existing Mt. Pleasant Lease.

10. Notices. Tenant confirms that, notwithstanding anything in the Lease to the contrary, notices delivered to Tenant pursuant to the Mt. Pleasant Lease should be sent to:

Regeneron Pharmaceuticals, Inc.
777 Old Saw Mill River Road
Tarrytown, New York 10591
Attn: General Counsel;

with a copy to:

Regeneron Pharmaceuticals, Inc.
777 Old Saw Mill River Road
Tarrytown, New York 10591
Attn: Vice President of Facilities.

11. Effect of Amendment. Except as modified by this First Amendment, the Existing Mt. Pleasant Lease and all the covenants, agreements, terms, provisions and conditions thereof shall remain in full force and effect and are hereby ratified and affirmed. In the event of any conflict between the terms contained in this First Amendment and the Existing Mt. Pleasant Lease, the terms herein contained shall supersede and control the obligations and liabilities of the parties. From and after the date hereof, the term "Lease," as used in the Existing Mt. Pleasant Lease, shall mean the Existing Mt. Pleasant Lease, as amended by this First Amendment.

12. Successors and Assigns. Each of the covenants, conditions and agreements contained in this First Amendment shall inure to the benefit of and shall apply to and be binding upon the parties hereto and their respective permitted successors and assigns. Nothing in this section shall in any way alter the provisions of the Mt. Pleasant Lease restricting assignment or subletting.

13. Miscellaneous. This First Amendment becomes effective only upon execution and delivery hereof by Landlord and Tenant. The captions of the paragraphs and subparagraphs in this First Amendment are inserted and included solely for convenience and shall not be considered or given any effect in construing the provisions hereof. All exhibits hereto are incorporated herein by reference. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or option for a lease, and shall not be effective as a lease, lease amendment or otherwise until execution by and delivery to both Landlord and Tenant.

14. Authority. Tenant represents, warrants and covenants to Landlord that the individual signing this First Amendment on behalf of Tenant has the power, authority and legal capacity to sign this First Amendment on behalf of and to bind Tenant. Landlord represents, warrants and covenants to

Tenant that the individual signing this First Amendment on behalf of Landlord has the power, authority and legal capacity to sign this First Amendment on behalf of and to bind Landlord.

15. Counterparts; Facsimile and PDF Signatures. This First Amendment may be executed in one or more counterparts, each of which, when taken together, shall constitute one and the same document. A facsimile or portable document format (PDF) signature on this First Amendment shall be equivalent to, and have the same force and effect as, an original signature.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Landlord and Tenant have executed this First Amendment as of the date and year first above written.

LANDLORD:

BMR-LANDMARK AT EASTVIEW LLC,
a Delaware limited liability company

By:	/s/ Kevin M. Simonsen
Name:	Kevin M. Simonsen
Title:	Sr. VP, Real Estate Legal

TENANT:

REGENERON PHARMACEUTICALS, INC.,
a New York corporation

By:	/s/ Robert E. Landry
Name:	Robert E. Landry
Title:	SVP - Finance & CFO

EXHIBIT A

TENANT'S LOAD LETTER

[See attached]

April 1, 2014

Ms. Tiffany Phipps
BioMed Realty Trust
777 Old Saw Mill River Road
Tarrytown, NY 10591

RE: Bldg.8&9 Loads and Pipe Sizes

Dear Tiffany,

Our MEP firm has reviewed Regeneron's operational parameters and determined the following:

Following is a summary of the MEP site utility loads for Buildings 8 & 9.

Note: These loads are based upon the programming efforts to date and are subject to more refinement as the project moves through more detailed engineering calculations and project evolvement.

Building 8

ElectricalPower SUQQ!y	1500 KVA**	Demand Load
Chilled Water_{no heat recovery)	675 Tons	
Chilled Waterlwith heat recovery)	642Tons	
Wastewater	7500 GPO	
Water	7500 GPO	
Natural Gas	7,200,000 Btuh	

Building 9

ElectricalPower Su_Qply**	4300 KVA**	Demand Load with (3) air-cooled chillers
Chilled Water_{no heat recovery)	2250 Tons	
Chilled Waterlwith heat recovery)	1900 Tons	
Wastewater	28,000 GPO	
Water	40,000 GPD	(includes worst case humidification)
Natural Gas	38,000,000 Btuh	

Utility sizes to both Building 8 and Building 9 should be adjusted to support the above loads. Chilled water supply and return pipe sizes servicing building 9 should be increased to 16 inch. This pipe sizes is based upon a corresponding differential temperature between the chilled water supply & return of 12F.

The electrical demand load is based on running three of the four air cooled chillers and associated pumps on normal power. Based on this we anticipate the total Electrical Demand and Metered Demand is 5,250kW or
5,800kVA. For breakdown of electrical loads refer to the attached Table 1.

** Revised 3/25/14

Regards,

Joanne Deyo

Exhibit 31.1

Certification of Principal Executive Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Leonard S. Schleifer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Regeneron Pharmaceuticals, Inc.;

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

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

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

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

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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

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

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

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

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

Date: August 4, 2015

/s/ Leonard S. Schleifer
Leonard S. Schleifer, M.D., Ph.D.
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Certification of Principal Financial Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Robert E. Landry, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Regeneron Pharmaceuticals, Inc.;

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

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

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

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

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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

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

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

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

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

Date: August 4, 2015

/s/ Robert E. Landry
Robert E. Landry
Senior Vice President, Finance and Chief Financial Officer
(Principal Financial Officer)

Exhibit 32

Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Regeneron Pharmaceuticals, Inc. (the "Company") on Form 10-Q for the quarterly period ended June 30, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Leonard S. Schleifer, M.D., Ph.D., as Principal Executive Officer of the Company, and Robert E. Landry, as Principal Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of his knowledge, that:

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

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

/s/ Leonard S. Schleifer
Leonard S. Schleifer, M.D., Ph.D.
President and Chief Executive Officer
(Principal Executive Officer)
August 4, 2015

/s/ Robert E. Landry
Robert E. Landry
Senior Vice President, Finance and Chief Financial Officer
(Principal Financial Officer)
August 4, 2015