
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 20549

FORM 10-Q

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

For the quarterly period **September 30, 2016.**

or

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

For the transition period from _____ to _____.

Commission File Number:

001-37348

Corbus Pharmaceuticals Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

46-4348039
(I.R.S. Employer
Identification Number)

100 River Ridge Drive
Norwood, MA
(Address of principal executive offices)

02062
(Zip code)

(617) 963-0100
(Registrant's telephone number, including area code)

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input checked="" type="checkbox"/>

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

As of November 7, 2016, 44,437,673 shares of the registrant's common stock, \$0.0001 par value, were issued and outstanding.

CORBUS PHARMACEUTICALS HOLDINGS, INC.

Quarterly Report on Form 10-Q for the Quarter Ended September 30, 2016

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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements.

**Corbus Pharmaceuticals Holdings, Inc.
Condensed Consolidated Balance Sheets**

	<u>September 30, 2016</u>	<u>December 31, 2015</u>
	<u>(Unaudited)</u>	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 18,909,348	\$ 12,338,275
Prepaid expenses	315,798	376,515
Total current assets	19,225,146	12,714,790
Restricted cash	186,375	36,375
Property and equipment, net	345,428	124,138
Total assets	\$ 19,756,949	\$ 12,875,303
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Notes payable	\$ —	\$ 162,019
Accounts payable	2,768,490	1,314,377
Accrued expenses	2,342,852	562,279
Deferred revenue, current	1,315,865	1,591,358
Total current liabilities	6,427,207	3,630,033
Deferred revenue, noncurrent	—	260,260
Other long-term liabilities	15,503	—
Total liabilities	6,442,710	3,890,293
Commitments and Contingencies		
Stockholders' equity		
Preferred stock, \$0.0001 par value; 10,000,000 shares authorized, no shares issued and outstanding at September 30, 2016 and December 31, 2015	—	—
Common stock, \$0.0001 par value; 150,000,000 shares authorized, 43,987,361 and 37,605,134 shares issued and outstanding at September 30, 2016 and December 31, 2015	4,399	3,761
Additional paid-in capital	39,016,054	22,259,063
Accumulated deficit	(25,706,214)	(13,277,814)
Total stockholders' equity	13,314,239	8,985,010
Total liabilities and stockholders' equity	\$ 19,756,949	\$ 12,875,303

See notes to the unaudited condensed consolidated financial statements.

Corbus Pharmaceuticals Holdings, Inc.
Condensed Consolidated Statements of Operations
(Unaudited)

	For the Three Months Ended		For the Nine Months Ended	
	September 30,		September 30,	
	2016	2015	2016	2015
Collaboration revenue	\$ 742,558	\$ 170,454	\$ 1,535,754	\$ 284,090
Operating expenses:				
Research and development	4,315,632	1,634,800	10,056,568	4,065,486
General and administrative	1,760,696	790,576	3,891,810	2,571,521
Total operating expenses	<u>6,076,328</u>	<u>2,425,376</u>	<u>13,948,378</u>	<u>6,637,007</u>
Operating loss	(5,333,770)	(2,254,922)	(12,412,624)	(6,352,917)
Other income (expense):				
Interest income, net	1,731	1,037	420	773
Foreign currency exchange loss	(14,729)	—	(16,196)	—
Other income (expense), net	<u>(12,998)</u>	<u>1,037</u>	<u>(15,776)</u>	<u>773</u>
Net loss	<u>\$ (5,346,768)</u>	<u>\$ (2,253,885)</u>	<u>\$ (12,428,400)</u>	<u>\$ (6,352,144)</u>
Net loss per share, basic and diluted	<u>\$ (0.12)</u>	<u>\$ (0.06)</u>	<u>\$ (0.31)</u>	<u>\$ (0.22)</u>
Weighted average number of common shares outstanding, basic and diluted	<u>43,783,504</u>	<u>34,770,597</u>	<u>40,059,364</u>	<u>29,242,236</u>

See notes to the unaudited condensed consolidated financial statements.

Corbus Pharmaceuticals Holdings, Inc.
Condensed Consolidated Statement of Stockholders' Equity

	Series A Preferred Stock Convertible		Common Stock		Additional Paid-in	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	Deficit	Equity
Balance at December 31, 2015	—	\$ —	37,605,134	\$ 3,761	\$22,259,063	\$ (13,277,814)	\$ 8,985,010
Issuance of common stock in registered direct offering, net of issuance costs of \$25,409			5,960,000	596	14,873,995		14,874,591
Stock compensation expense					1,522,345		1,522,345
Issuance of common stock upon exercise of warrants			162,841	16	1,234		1,250
Issuance of common stock upon exercise of stock options			259,386	26	359,417		359,443
Net loss						(12,428,400)	(12,428,400)
Balance at September 30, 2016 - (Unaudited)	—	\$ —	43,987,361	\$ 4,399	\$39,016,054	\$ (25,706,214)	\$ 13,314,239

See notes to the unaudited condensed consolidated financial statements.

Corbus Pharmaceuticals Holdings Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Nine Months Ended	
	September 30,	
	2016	2015
Cash flows from operating activities:		
Net loss	\$ (12,428,400)	\$ (6,352,144)
Adjustments to reconcile net loss to net cash used in operating activities:		
Share-based compensation expense	1,522,345	843,527
Depreciation	57,695	26,242
Changes in operating assets and liabilities:		
Increase in restricted cash	(150,000)	(2)
Decrease in prepaid expenses	60,717	172,180
Increase in accounts payable	1,448,004	383,846
Increase in accrued expenses	1,772,585	965,910
(Decrease) increase in deferred revenue	(535,753)	216,633
Increase in other long-term liabilities	10,205	—
Net cash used in operating activities	(8,242,602)	(3,743,808)
Cash flows from investing activities:		
Purchases of property and equipment	(257,014)	(21,036)
Net cash used in investing activities	(257,014)	(21,036)
Cash flows from financing activities:		
Principal payments on notes payable	(162,019)	(144,389)
Proceeds from issuance of common stock	15,235,283	10,819,714
Principal payments on capital lease obligation	(2,575)	—
Net cash provided by financing activities	15,070,689	10,675,325
Net increase in cash and cash equivalents	6,571,073	6,910,481
Cash and cash equivalent at beginning of the period	12,338,275	6,262,445
Cash and cash equivalent at end of the period	\$ 18,909,348	\$ 13,172,926
Supplemental disclosure of cash flow information and non-cash transactions:		
Cash paid during the period for interest	\$ 3,815	\$ —
Cash paid during the period for income taxes	\$ 1,877	\$ —
Asset acquired under capital lease obligation	\$ 11,638	\$ —
Purchases of property and equipment included in accounts payable or accrued expenses	\$ 13,999	\$ —

See notes to the unaudited condensed consolidated financial statements.

Corbus Pharmaceuticals Holdings, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements
Nine Months Ended September 30, 2016

1. NATURE OF OPERATIONS

Business

Corbus Pharmaceuticals Holdings, Inc. (the “Company”) is a clinical stage pharmaceutical company, focused on the development and commercialization of novel therapeutics to treat rare, chronic, and serious inflammatory and fibrotic diseases. Since its inception, the Company has devoted substantially all of its efforts to business planning, research and development, recruiting management and technical staff, acquiring operating assets and raising capital. The Company’s business is subject to significant risks and uncertainties and the Company will be dependent on raising substantial additional capital before it becomes profitable and it may never achieve profitability.

In the opinion of management of the Company, the accompanying unaudited condensed consolidated interim financial statements reflect all adjustments (which include only normal recurring adjustments) necessary to present fairly, in all material respects, the consolidated financial position of the Company as of September 30, 2016 and the results of its operations and cash flows for the three months and nine months ended September 30, 2016 and 2015. The December 31, 2015 condensed consolidated balance sheet was derived from audited financial statements. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. It is suggested that these condensed consolidated financial statements be read in conjunction with the financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2015, filed on March 28, 2016. The results of operations for such interim periods are not necessarily indicative of the operating results for the full fiscal year.

2. LIQUIDITY

The Company anticipates operating losses to continue for the foreseeable future due to, among other things, costs related to research funding, development of its product candidates and its preclinical and clinical programs, strategic alliances and the development of its administrative organization. The Company has incurred recurring losses since inception and as of September 30, 2016, had an accumulated deficit of \$25,706,214. In June 2016, the Company completed a sale of shares of its common stock pursuant to the terms of a securities purchase agreement under which the Company sold an aggregate of 5,960,000 shares of its common stock in a registered direct offering to investors at a purchase price of \$2.50 per share with net proceeds to the Company totaling approximately \$14,875,000. The Company expects the cash on hand of \$18,909,348 at September 30, 2016 together with the remaining milestone payments of \$1,500,000 from the Cystic Fibrosis Foundation Therapeutics, Inc. (“CFFT”) which the Company expects to receive in the first quarter of 2017 (See Note 13), to be sufficient to meet its operating and capital requirements into the fourth quarter of 2017 based on current planned expenditures.

Should the Company be unable to raise sufficient additional capital, the Company may undertake cost-cutting measures including delaying or discontinuing certain clinical activities. The Company will need to raise significant additional capital to continue to fund the clinical trials for Resunab. The Company may seek to sell common or preferred equity or convertible debt securities, enter into a credit facility or another form of third-party funding, or seek other debt financing. The sale of equity and convertible debt securities may result in dilution to the Company’s stockholders and certain of those securities may have rights senior to those of the Company’s common shares. If the Company raises additional funds through the issuance of preferred stock, convertible debt securities or other debt financing, these securities or other debt could contain covenants that would restrict the Company’s operations. Any other third-party funding arrangement could require the Company to relinquish valuable rights.

The source, timing and availability of any future financing will depend principally upon market conditions, and, more specifically, on the progress of the Company’s clinical development programs. Funding may not be available when needed, at all, or on terms acceptable to the Company. Lack of necessary funds may require the Company, among other things, to delay, scale back or eliminate some or all of the Company’s planned clinical trials.

3. SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies followed by the Company in the preparation of the financial statements is as follows:

Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and changes in estimates may occur. The most significant estimates are related to stock based compensation, the accrual of research and clinical obligations, and revenue recognition under collaborative arrangements.

Cash and Cash Equivalents

The Company considers only those investments which are highly liquid, readily convertible to cash, and that mature within three months from date of purchase to be cash equivalents. Marketable investments are those with original maturities in excess of three months. At September 30, 2016 and December 31, 2015, cash equivalents were comprised of money market funds. The Company had no marketable investments at September 30, 2016 and December 31, 2015. Cash and cash equivalents consist of the following:

	<u>September 30, 2016</u>	<u>December 31, 2015</u>
Cash	\$ 146,170	\$ 255,943
Money market funds	18,763,178	12,082,332
	<u>\$ 18,909,348</u>	<u>\$ 12,338,275</u>

Restricted Cash

Restricted cash as of September 30, 2016 included a \$150,000 collateral account for the Company's corporate credit cards. Additionally, as of September 30, 2016 and December 31, 2015 restricted cash included a \$36,375 stand-by letter of credit issued in favor of a landlord (See Note 5).

Financial Instruments

The carrying amounts reported in the consolidated balance sheet for cash and cash equivalents and accounts payable approximate fair value based on the short-term nature of these instruments. The carrying values of loans payable approximate their fair value due to their market terms.

Property and Equipment

The estimated life for the Company's property and equipment is as follows: three years for computer hardware and software and three to five years for office furniture and equipment. The Company's leasehold improvements and assets under capital lease are amortized over the life of the respective leases. See Note 4 for details of property and equipment and Note 5 for operating and capital lease commitments.

Research and Development Expenses and Collaborative Research Agreements

Costs incurred for research and development are expensed as incurred.

For amounts received under the development award received from the CFFT during 2015 and 2016 (See Note 13), the Company is amortizing these amounts on a straight-line basis over the expected duration of the performance period of the development program under the award, which is expected to conclude in the first quarter of 2017.

Accruals for Research and Development Expenses and Clinical Trials

As part of the process of preparing its financial statements, the Company is required to estimate its expenses resulting from its obligations under contracts with vendors, clinical research organizations and consultants and under clinical site agreements in connection with conducting clinical trials. The financial terms of these contracts are subject to negotiations, which vary from contract to contract and may result in payment terms that do not match the periods over which materials or services are provided under such contracts. The Company's objective is to reflect the appropriate expenses in its financial statements by matching those expenses with the period in which services are performed and efforts are expended. The Company accounts for these expenses according to the timing of various aspects of the expenses. The Company determines accrual estimates through financial models taking into account discussion with applicable personnel and outside service providers as to the progress of clinical trials, or the services completed. During the course of a clinical trial, the Company adjusts its clinical expense recognition if actual results differ from its estimates. The Company makes estimates of its accrued expenses as of each balance sheet date based on the facts and circumstances known to it at that time. The Company's clinical trial accruals are dependent upon the timely and accurate reporting of contract research organizations and other third-party vendors. Although the Company does not expect its estimates to be materially different from amounts actually incurred, its understanding of the status and timing of services performed relative to the actual status and timing of services performed may vary and may result in it reporting amounts that are too high or too low for any particular period. For the three and nine months ended September 30, 2016 and 2015, there were no material adjustments to the Company's prior period estimates of accrued expenses for clinical trials.

Concentrations of Credit Risk

The Company has no significant off-balance-sheet concentration of credit risk such as foreign exchange contracts, option contracts or other hedging arrangements. The Company may from time to time have cash in banks in excess of Federal Deposit Insurance Corporation insurance limits.

Segment Information

Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision maker, or decision making group, in making decisions regarding resource allocation and assessing performance. To date, the Company has viewed its operations and manages its business as principally one operating segment, which is developing and commercializing therapeutics to treat rare life-threatening, inflammatory fibrotic diseases. As of September 30, 2016 and December 31, 2015, all of the Company's assets were located in the United States.

Income Taxes

For federal and state income taxes, deferred tax assets and liabilities are recognized based upon temporary differences between the financial statement and the tax basis of assets and liabilities. Deferred income taxes are based upon prescribed rates and enacted laws applicable to periods in which differences are expected to reverse. A valuation allowance is recorded to reduce a net deferred tax benefit when it is more likely than not that the tax benefit from the deferred tax assets will not be realized. Accordingly, given the cumulative losses since inception, the Company has provided a valuation allowance equal to 100% of the tax benefit in order to eliminate the deferred tax assets amounts. Tax positions taken or expected to be taken in the course of preparing the Company's tax returns are required to be evaluated to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority.

Tax positions not deemed to meet a more-likely-than-not threshold, as well as accrued interest and penalties, if any, would be recorded as a tax expense in the current year. There were no uncertain tax positions that require accrual or disclosure to the financial statements as of September 30, 2016 or December 31, 2015.

Impairment of Long-lived Assets

The Company continually monitors events and changes in circumstances that could indicate that carrying amounts of long-lived assets may not be recoverable. An impairment loss is recognized when expected cash flows are less than an asset's carrying value. Accordingly, when indicators of impairment are present, the Company evaluates the carrying value of such assets in relation to the operating performance and future undiscounted cash flows of the underlying assets. The Company's policy is to record an impairment loss when it is determined that the carrying value of the asset may not be recoverable. No impairment charges were recorded for the three and nine months ended September 30, 2016 and 2015.

Share-based Payments

The Company recognizes compensation costs resulting from the issuance of stock-based awards to employees, non-employees and directors as an expense in the statement of operations over the service period based on a measurement of fair value for each stock-based award. The fair value of each option grant is estimated as of the date of grant using the Black-Scholes option-pricing model. The fair value is amortized as compensation cost on a straight-line basis over the requisite service period of the awards, which is generally the vesting period. Stock options granted to non-employee consultants are revalued at the end of each reporting period until vested and the changes in their fair value are recorded as adjustments to expense over the related vesting period.

Net Loss Per Common Share

Basic net loss per share of the Company's common stock has been computed by dividing net loss by the weighted average number of shares outstanding during the period. Diluted net loss per share of the Company's common stock has been computed by dividing net loss for the period by the weighted average number of shares outstanding plus the dilutive effect, if any, of outstanding stock options, warrants and convertible securities. In a net loss period, options, warrants and convertible securities are anti-dilutive and therefore are excluded from diluted loss per share calculations. The following table sets forth the computation of basic and diluted earnings per share for the three and nine months ended September 30, 2016 and 2015:

	Three Months Ended September 30		Nine Months Ended September 30	
	2016	2015	2016	2015
Basic and diluted net loss per share of common stock:				
Net loss	\$(5,346,768)	(2,253,885)	\$(12,428,400)	\$(6,352,144)
Net loss applicable to common stockholders	<u>\$(5,346,768)</u>	<u>(2,253,885)</u>	<u>\$(12,428,400)</u>	<u>\$(6,352,144)</u>
Weighted average shares of common stock outstanding	<u>43,783,504</u>	<u>34,770,597</u>	<u>40,059,364</u>	<u>29,242,236</u>
Net loss per share of common stock-basic and diluted	<u>\$ (0.12)</u>	<u>\$ (0.06)</u>	<u>\$ (0.31)</u>	<u>\$ (0.22)</u>

The following potentially dilutive securities outstanding at September 30, 2016 and 2015 have been excluded from the computation of dilutive weighted average shares outstanding as the inclusion would be anti-dilutive.

	September 30,	
	2016	2015
Warrants	1,789,250	1,969,250
Stock options	5,932,679	3,828,065
Total	7,721,929	5,797,315

Recent Accounting Pronouncements

Accounting for Share-Based Payments

In June 2014, the Financial Accounting Standards Board (the “FASB”) issued Accounting Standards Update (“ASU”) No. 2014-12, *Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period (a consensus of the FASB Emerging Issues Task Force)* (“ASU 2014-12”). ASU 2014-12 clarifies that entities should treat performance targets that can be met after the requisite service period of a share-based payment award as performance conditions that affect vesting. Therefore, an entity would not record compensation expense (measured as of the grant date without taking into account the effect of the performance target) related to an award for which transfer to the employee is contingent on the entity’s satisfaction of a performance target until it becomes probable that the performance target will be met. There are no new disclosures required under ASU 2014-12. ASU 2014-12 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2015. The Company’s adoption of ASU 2014-12 in the first quarter of 2016 had no impact on its financial position, results of operations, cash flows, or disclosures.

Reporting of Going-Concern Uncertainties

In August 2014, the FASB issued ASU No. 2014-15, *Presentation of Financial Statements—Going Concern* (“ASU 2014-15”), which states management should evaluate whether there are conditions or events, considered in the aggregate, that raise a substantial doubt about the entity’s ability to continue as a going concern within one year after the date that the financial statements are issued. Management’s evaluation should be based on relevant conditions and events that are known and likely to occur at the date that the financial statements are issued. ASU 2014-15 will be effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter, however, early application is permitted. Management is not applying ASU 2014-15 early and does not expect the adoption of ASU 2014-15 to have a material impact on the Company’s consolidated financial statements, although there may be additional disclosures upon adoption.

Accounting for Leases

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)* (“ASU 2016-02”). Under ASU 2016-02, a lessee will be required to recognize assets and liabilities for leases with lease terms of more than 12 months. Consistent with current GAAP, the recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee primarily will depend on its classification as a finance or operating lease. However, unlike current GAAP, which requires only capital leases to be recognized on the balance sheet, ASU 2016-02 will require both types of leases to be recognized on the balance sheet. ASU 2016-02 will take effect for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018, with early application permitted. Management has not yet determined if it will adopt ASU 2016-02 earlier than the required adoption date. The adoption of ASU 2016-02 will have an impact on the Company’s financial position, results of operations, cash flows, and disclosures as the Company has an operating lease commitment for office space as of September 30, 2016 through January 2021 in the amount of \$1,082,163 (see Note 5) for which ASU 2016-02 would apply.

Employee Share-Based Payment Accounting

On March 30, 2016, the FASB issued ASU 2016-09, *Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting* (“ASU 2016-09”). ASU 2016-09 simplifies several aspects of the accounting for employee share-based payment transactions including the accounting for income taxes, forfeitures, and statutory tax withholding requirements, as well as classification in the statement of cash flows. ASU 2016-09 will take effect for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017, with early application permitted. Management is not applying ASU 2016-09 early and does not expect the adoption of ASU 2016-09 to have a material impact on the Company’s consolidated financial statements, although there may be additional disclosures upon adoption.

4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	<u>September 30, 2016</u>	<u>December 31, 2015</u>
Computer hardware and software	\$ 69,213	\$ 40,202
Office furniture and equipment	171,099	35,209
Leasehold improvements	145,632	19,310
Construction in progress	37,751	83,765
Property and equipment, gross	423,695	178,486
Less: accumulated depreciation	(78,267)	(54,348)
Property and equipment, net	<u>\$ 345,428</u>	<u>\$ 124,138</u>

Depreciation expense was \$20,464 and \$14,701 for the three months ended September 30, 2016 and 2015, respectively and \$57,695 and \$26,242 for the nine months ended September 30, 2016 and 2015, respectively.

On December 30, 2015, the Company entered into a lease agreement for a copier machine. The cost of the machine was approximately \$12,000 and is included in office furniture and equipment category in the table above. The lease payments commenced when the machine was placed in service in January 2016. The machine is being amortized over the life of the lease, which is for a three-year term and includes a bargain purchase option at the end of the term. See Note 5 for details of this capital lease commitment.

At December 31, 2015, construction in progress consisted of purchased property and equipment that was not placed in service until January 2016 upon the Company’s relocation into 6,326 square feet of office space. At September 30, 2016, construction in progress consisted of purchased property and equipment that will not be placed in service until the Company begins occupation of an additional 4,088 square feet of office space in November 2016. (See Note 5).

5. COMMITMENTS AND CONTINGENCIES

Operating Lease Commitment

On May 30, 2014, the Company entered into a commercial lease for 2,387 square feet of office space in Norwood, MA. The lease commenced on July 1, 2014, had a three-year term, and required a standby letter of credit of \$13,725 payable in favor of the landlord. In August 2015, the lease was amended for the relocation of the Company into 6,326 square feet of office space within the existing building (“August 2015 Amendment”). In January 2016, the Company began occupying the space under this lease amendment, which is for a five-year term. The August 2015 Amendment also required an increase in the standby letter of credit to \$36,375 (See Note 3).

In September 2016, the lease was amended for the Company’s expansion into an additional 4,088 square feet of office space within the existing building (“September 2016 Amendment”). The Company began occupying this space in early November 2016 and the final lease payment per the terms of the September 2016 Amendment is due in January 2021. Additionally, the September 2016 Amendment requires an increase in the standby letter of credit to \$50,000.

The Company records the total rent payable during the lease term on a straight-line basis over the term of the lease and records the difference between the rents paid and the straight-line rent as deferred rent, which is classified in other long-term liabilities as of September 30, 2016.

Pursuant to the terms of the Company's non-cancelable lease agreements in effect at September 30, 2016, the future minimum rent commitments are as follows:

2016 (remainder of year)	\$	52,045
2017		244,295
2018		249,502
2019		254,709
2020		259,916
2021		21,696
Total	\$	<u>1,082,163</u>

Total rent expense for the three months ended September 30, 2016 and 2015 was \$37,666 and \$14,024, respectively. Total rent expense for the nine months ended September 30, 2016 and 2015 was \$111,878 and \$41,472, respectively.

Capital Lease Commitment

On December 30, 2015, the Company entered into a capital lease agreement for a copier machine. The lease payments commenced when the machine was placed in service in January 2016. The lease is for a three-year term and includes a bargain purchase option at the end of the term. In the accompanying balance sheet as of September 30, 2016, the current portion of this capital lease obligation is classified in accrued expenses and the long-term portion of the capital lease obligation is classified in other long-term liabilities. Pursuant to the terms of this capital lease agreement, the future minimum capital lease commitments are as follows as of September 30, 2016:

2016 (remainder of year)	\$	757
2017		4,543
2018		4,543
2019		379
Total future minimum lease payments		<u>10,222</u>
Less: interest		<u>(1,159)</u>
Future capital lease obligations		9,063
Less: current portion		<u>(3,765)</u>
Long-term portion	\$	<u>5,298</u>

6. NOTES PAYABLE

In October 2014, the Company entered into a loan agreement with a financing company for \$192,000. The terms of the loan stipulated equal monthly payments of principal and interest payments of \$24,293 over an eight-month period. Interest accrued on this loan at annual rate of 3.25%. This loan was fully repaid as of September 30, 2015.

In November 2015, the Company entered into a loan agreement with a financing company for \$207,750. The terms of the loan stipulate equal monthly payments of principal and interest payments of \$23,397 over a nine-month period. Interest accrues on this loan at an annual rate of 3.25%. This loan was fully repaid as of September 30, 2016.

For three months ended September 30, 2016 and 2015, interest expense related to these loan agreements totaled \$63 and \$0, respectively. For the nine months ended September 30, 2016 and 2015, interest expense related to these loan agreements totaled \$1,760 and \$1,372, respectively.

Notes payable consisted of the following:

	<u>September 30, 2016</u>	<u>December 31, 2015</u>
Notes payable	\$ —	\$ 162,019
Less: current portion	—	(162,019)
Long term portion	<u>\$ —</u>	<u>\$ —</u>

In October 2016, the Company entered into a loan agreement with a financing company for \$348,750. The terms of the loan stipulate equal monthly payments of principal and interest payments of \$39,114 over a nine-month period. Interest accrues on this loan at an annual rate of 2.25%.

7. ACCRUED EXPENSES

Accrued expenses consisted of the following:

	<u>September 30, 2016</u>	<u>December 31, 2015</u>
Accrued clinical operations and trials costs	\$ 1,537,459	\$ 365,188
Accrued product development costs	664,930	152,018
Accrued other	140,463	45,073
Total	<u>\$ 2,342,852</u>	<u>\$ 562,279</u>

8. DEFERRED REVENUE

In May 2015, the Company received \$1,250,000 upon signing the CFFT award agreement and in the fourth quarter of 2015, the Company received \$1,250,000 from CFFT upon the achievement of a milestone for dosing the first patient. In August 2016, the Company received a third payment from the CFFT for achieving a milestone in July 2016 related to dosing the median clinical trial patient as per the terms of the Award in the amount of \$1,000,000. (See Note 3 and Note 13). The Company recorded these amounts as deferred revenue and is amortizing the deferred revenue and recognizing revenue on a straight-line basis over the performance period for the development program, which is expected to conclude during the first quarter of 2017. For the three months ended September 30, 2016 and 2015, the Company recorded revenue of \$742,558 and \$170,454, respectively. For the nine months ended September 30, 2016 and 2015, the Company recorded revenue of \$1,535,754 and \$284,090, respectively. Deferred revenue consisted of the following:

	<u>September 30, 2016</u>	<u>December 31, 2015</u>
Deferred revenue	1,315,865	\$ 1,851,618
Less: current portion	(1,315,865)	(1,591,358)
Long-term portion	<u>\$ —</u>	<u>\$ 260,260</u>

9. COMMON STOCK

The Company has authorized 150,000,000 shares of common stock, \$0.0001 par value per share, of which 43,987,361 shares and 37,605,134 shares were issued and outstanding as of September 30, 2016 and December 31, 2015, respectively.

In June 2016, the Company completed a sale of shares of its common stock pursuant to the terms of a securities purchase agreement under which the Company sold an aggregate of 5,960,000 shares of its common stock in a registered direct offering to investors at a purchase price of \$2.50 per share with gross proceeds to the Company totaling approximately \$14,900,000 less issuance costs of \$25,409.

During the nine months ended September 30, 2016, the Company issued 422,227 shares of common stock upon the exercise of stock options and warrants for proceeds of \$360,693.

10. STOCK OPTIONS

In April 2014, the Company adopted the Corbus Pharmaceuticals Holdings, Inc. 2014 Equity Incentive Plan (the "2014 Plan"). Pursuant to the 2014 Plan, the Company's Board of Directors may grant incentive and nonqualified stock options and restricted stock to employees, officers, directors, consultants and advisors. Pursuant to the terms of an annual evergreen provision in the 2014 Plan, the number of shares of common stock available for issuance under the 2014 Plan shall be subject to an automatic annual increase on January 1st of each year equal to the greater of (i) seven percent (7%) of the total number of shares of common stock outstanding on December 31st of the preceding calendar year, or, (ii) the difference between (x) twenty percent (20%) of the total number of shares of common stock outstanding on December 31st of the preceding calendar year, and (y) the total number of shares of common stock reserved under the 2014 Plan on December 31st of such preceding calendar year or a lesser number of shares of common stock determined by the Company's Board of Directors. In accordance with the terms of the 2014 Plan, effective as of January 1, 2016, the Board of Directors approved an increase in the number of shares of common stock available for issuance under the 2014 Plan in an amount of 1,250,000 shares, such amount being less than seven percent (7%) of the outstanding shares of common stock on December 31, 2015. As of September 30, 2016, there was a total of 9,916,017 shares reserved for issuance under the 2014 Plan and there were 3,585,133 shares available for future grants. Options issued under the 2014 Plan are exercisable for up to ten years from the date of issuance.

Share-based Compensation

For stock options issued and outstanding for the three months ended September 30, 2016 and 2015, respectively, the Company recorded non-cash, stock-based compensation expense of \$828,097 and \$240,664, respectively, net of estimated forfeitures. For the nine months ended September 30, 2016 and 2015, respectively, the Company recorded non-cash, stock-based compensation expense of \$1,522,345 and \$843,527, respectively, net of estimated forfeitures.

The fair value of each option award is estimated on the date of grant using the Black-Scholes option pricing model that uses the assumptions noted in the following table. Due to its limited operating history and limited number of sales of its common stock, the Company estimated its volatility in consideration of a number of factors, including the volatility of comparable public companies and, commencing in 2015, the Company also included the volatility of its own common stock. The Company uses historical data, as well as subsequent events occurring prior to the issuance of the financial statements, to estimate option exercises and employee terminations within the valuation model. The expected term of options granted to employees under the 2014 Plan, all of which qualify as "plain vanilla" per SEC Staff Accounting Bulletin 107, is based on the average of the 6.25 years. For non-employee options, the expected term is the contractual term. The risk-free rate is based on the yield of a U.S. Treasury security with a term consistent with the option.

The assumptions used principally in determining the fair value of options granted were as follows:

	Nine Months Ended September 30,	
	2016	2015
Risk free interest rate	1.65%	1.70%
Expected dividend yield	0%	0%
Expected term in years	6.74	7.23
Expected volatility	93.1%	92.7%
Estimated forfeiture rate	5%	3%

A summary of option activity for the nine months ended September 30, 2016 and is presented below:

Options	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term in Years	Average Intrinsic Value
Outstanding at December 31, 2015	3,982,065	\$ 1.03		
Granted	2,265,000	3.07		
Exercised	(259,386)	1.39		\$ 610,608
Forfeited	(55,000)	2.29		
Outstanding at September 30, 2016	<u>5,932,679</u>	<u>\$ 1.78</u>	<u>8.20</u>	<u>\$ 29,898,632</u>
Vested at September 30, 2016	<u>2,465,024</u>	<u>\$ 0.99</u>	<u>7.20</u>	<u>\$ 14,305,415</u>

The weighted average grant-date fair value of options granted during the nine months ended September 30, 2016 was \$2.85 per share. The average intrinsic value of options exercised during the nine months ended September 30, 2016 and 2015 was approximately \$610,608 and \$95,108, respectively. As of September 30, 2016, there was approximately \$6,134,356 of total unrecognized compensation expense, related to non-vested share-based option compensation arrangements. The unrecognized compensation expense is estimated to be recognized over a period of 2.71 years.

11. WARRANTS

At September 30, 2016, there were warrants outstanding to purchase 1,789,250 shares of common stock with a weighted average exercise price of \$1.00 and a weighted average remaining life of 2.66 years. During the nine months ended September 30, 2016, warrants to purchase 178,750 shares of common stock were exercised on a cashless basis resulting in the issuance of 161,591 shares and 1,250 shares of common stock were exercised on a for cash basis. During the nine months ended September 30, 2015, warrants to purchase 11,615,674 shares of common stock were exercised for net proceeds of approximately \$10,817,326. There were no warrants issued or cancelled during the nine months ended September 30, 2016 and 2015.

12. RELATED PARTY TRANSACTIONS

In connection with the formation of Corbus Pharmaceutical Holdings, Inc. in December 2013, certain affiliates of Aegis Capital Corp. (the "Placement Agent") and certain other parties not affiliated with us or the Placement Agent subscribed for an aggregate of 6,000,000 shares of common stock for which they paid an aggregate of \$120,000 (\$0.02 per share), including David Hochman, one of our directors who purchased 450,000 shares and whose family trust purchased 90,000 shares of common stock.

Following the Initial Closing of the 2014 Private Placement, which took place on April 11, 2014, the Placement Agent had a right to appoint one member of the Company's board of directors for a two-year term (the "Aegis Nominee"). David Hochman was appointed as the Aegis Nominee.

On March 21, 2014, the Company entered into a consulting agreement with Orchestra Medical Ventures, LLC ("Orchestra"), of which David Hochman is Managing Partner. The agreement provided that Orchestra would render a variety of consulting and advisory services relating principally to identifying and evaluating strategic relationships, licensing opportunities, and business strategies for the Company. Orchestra was compensated at the rate of \$5,000 per month for twelve months, payable quarterly in advance. During the nine months ended September 30, 2015, the Company paid Orchestra \$15,000. The consulting agreement expired on April 11, 2015 and the Company was not obligated to make future payments.

On September 20, 2016, the Company entered into a new consulting agreement with Orchestra for similar services as provided under the previous agreement (the "2016 Consulting Agreement"). The term of the 2016 Consulting Agreement commenced on September 20, 2016 and will expire on March 20, 2017, subject to renewal upon mutual agreement of the parties. Pursuant to the terms of the 2016 Consulting Agreement, the Company will pay to Orchestra cash compensation in an aggregate amount of \$100,000, payable in equal monthly installments over the six-month term of the 2016 Consulting Agreement. In connection with this agreement, the Company granted an equity incentive award to Orchestra consisting of options to purchase 50,000 shares of the Company's common stock at an exercise price of \$7.14 per share pursuant to the Company's 2014 Equity Compensation Plan.

As of September 30, 2015, one of the members of the Company's scientific advisory board was considered an affiliate of the Company as he owned more than 10% of the Company's common stock at that date. This individual's ownership of the Company's common stock was less than 10% as of September 30, 2016.

13. DEVELOPMENT AWARDS

Cystic Fibrosis Development Award

On April 20, 2015, the Company entered into an award agreement with the CFFT, a non-profit drug discovery and development affiliate of the Cystic Fibrosis Foundation, pursuant to which it received a development award (the "Award") for up to \$5 million in funding. The funding from the Award is supporting a first-in-patient Phase 2 clinical trial of the Company's Resunab drug in adults with cystic fibrosis (CF). Upon the execution of the Award agreement, the Company received a payment of \$1,250,000 in May 2015 from the CFFT (See Notes 3 and 8). In the fourth quarter of 2015, the Company received a second payment of \$1,250,000 from the CFFT upon the achievement of a milestone for dosing the first patient. In August 2016, the Company received a third payment from the CFFT for achieving a milestone in July 2016 related to dosing the median clinical trial patient as per the terms of the Award in the amount of \$1,000,000. The Company recorded these amounts received from the CFFT totaling \$3,500,000 as deferred revenue. The Company is amortizing these amounts on a straight-line basis over the expected duration of the performance period of the development program under the award, which is expected to conclude in the first quarter of 2017. The remaining \$1,500,000 under the Award is expected to be paid to the Company incrementally in the first quarter of 2017 upon the achievement of certain milestones related to the progress of the Phase 2 CF clinical trial, as set forth in the Award agreement.

Pursuant to the terms of the Award agreement, the Company is obligated to make royalty payments to the CFFT contingent upon commercialization of Resunab in the Field of Use (as defined in the Award agreement) including a royalty payment equal to five times the amount the Company receives under the Award agreement, up to \$25 million, payable in three equal annual installments following the first commercial sale of Resunab, the first of which is due within 90 days following the first commercial sale of Resunab. The Company is also obligated to make a royalty payment to CFFT equal to the amount the Company receives under the Award agreement, up to \$5 million, due in the first calendar year in which the aggregate cumulative net sales of Resunab in the Field of Use exceed \$500 million. Lastly, the Company is obligated to make royalty payment(s) to the CFFT of up to approximately \$15 million if the Company transfers, sells or licenses Resunab in the Field of Use other than for certain clinical or development purposes, or if the Company enters into a change of control transaction, with such payment(s) to be credited against the royalty payments due upon commercialization. The Field of Use is defined in the Award as the treatment in humans of CF, asbestosis, bronchiectasis, byssinosis, chronic bronchitis/COPD hypersensitivity pneumonitis, pneumoconiosis, primary ciliary dyskinesia, sarcoidosis and silicosis. Either the CFFT or the Company may terminate the agreement for cause, which includes the Company's material failure to achieve certain commercialization and development milestones. The Company's payment obligations survive the termination of the Award agreement.

14. SUBSEQUENT EVENT

Note Payable

In October 2016, the Company entered into a loan agreement with a financing company for \$348,750. The terms of the loan stipulate equal monthly payments of principal and interest payments of \$39,114 over a nine-month period. Interest accrues on this loan at an annual rate of 2.25%.

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

The following discussion and analysis of our financial condition and results of operations should be read together with our financial statements and the related notes and the other financial information included elsewhere in this Quarterly Report. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those discussed below and elsewhere in this Quarterly Report, particularly those under "Risk Factors."

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report on Form 10-Q contains forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 under Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include statements with respect to our beliefs, plans, objectives, goals, expectations, anticipations, assumptions, estimates, intentions and future performance, and involve known and unknown risks, uncertainties and other factors, which may be beyond our control, and which may cause our actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. All statements other than statements of historical fact are statements that could be forward-looking statements. You can identify these forward-looking statements through our use of words such as "may," "can," "anticipate," "assume," "should," "indicate," "would," "believe," "contemplate," "expect," "seek," "estimate," "continue," "plan," "point to," "project," "predict," "could," "intend," "target," "potential" and other similar words and expressions of the future.

There are a number of important factors that could cause the actual results to differ materially from those expressed in any forward-looking statement made by us. These factors include, but are not limited to:

- our lack of operating history and history of operating losses;
- our current and future capital requirements and our ability to satisfy our capital needs;
- our ability to complete required clinical trials of our product and obtain approval from the FDA or other regulatory agents in different jurisdictions;
- our ability to maintain or protect the validity of our patents and other intellectual property;
- our ability to retain key executive members;
- our ability to internally develop new inventions and intellectual property;
- interpretations of current laws and the passages of future laws;
- acceptance of our business model by investors;
- the accuracy of our estimates regarding expenses and capital requirements; and
- our ability to adequately support growth.

The foregoing does not represent an exhaustive list of matters that may be covered by the forward-looking statements contained herein or risk factors that we are faced with that may cause our actual results to differ from those anticipate in our forward-looking statements. Please see "Risk Factors" for additional risks which could adversely impact our business and financial performance.

All forward-looking statements are expressly qualified in their entirety by this cautionary notice. You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date of this report or the date of the document incorporated by reference into this report. We have no obligation, and expressly disclaim any obligation, to update, revise or correct any of the forward-looking statements, whether as a result of new information, future events or otherwise. We have expressed our expectations, beliefs and projections in good faith and we believe they have a reasonable basis. However, we cannot assure you that our expectations, beliefs or projections will result or be achieved or accomplished.

Overview

We are a clinical stage pharmaceutical company, focused on the development and commercialization of novel therapeutics to treat rare or uncommon chronic and serious inflammatory and fibrotic diseases with clear unmet medical needs. Our product Resunab is a novel synthetic oral endocannabinoid-mimetic drug that is intended to resolve chronic inflammation and halt fibrotic processes without causing immunosuppression.

Resunab is a synthetic, rationally-designed oral small molecule drug that selectively binds to the cannabinoid receptor type 2, or CB2, which is found on activated immune cells, fibroblasts and muscle cells. Resunab stimulates the production of Specialized Pro-Resolving Lipid Mediators, or SPMs, which act to resolve inflammation, and halt fibrosis by activating endogenous pathways. These endogenous resolution pathways are normally activated in healthy individuals during the course of normal immune responses but are dysfunctional in chronic inflammatory and fibrotic diseases. Through its activation of the CB2 receptor, Resunab is designed to move innate immune responses from the activation phase through completion of the resolution phase. The CB2 receptor plays an endogenous role in modulating and resolving inflammation by, in effect, turning heightened inflammation “off” and restoring homeostasis.

Resunab is currently being evaluated in three separate Phase 2 studies for the treatment of cystic fibrosis, diffuse cutaneous systemic sclerosis (“systemic sclerosis”) and diffuse cutaneous skin-predominant dermatomyositis. Top-line data from the systemic sclerosis study is expected to be reported in the fourth quarter of 2016 and from the cystic fibrosis study in the first quarter of 2017. Patient enrollment in the dermatomyositis study is expected to be completed by the end of the second quarter of 2017. The United States Food and Drug Administration has granted Resunab Orphan Drug Designation as well as Fast Track Status for both cystic fibrosis and systemic sclerosis. A fourth Phase 2 study of Resunab in systemic lupus erythematosus, (“SLE”) is planned to start during the first half of 2017.

In April 2016, we announced that the U.S. Food and Drug Administration granted approval for a 12-month open-label extension study of the ongoing Phase 2 clinical trial of Resunab for the treatment of systemic sclerosis. The goal of the open label extension study is to provide all subjects with the option of receiving Resunab following the completion of the 84-day treatment period in the ongoing double-blind placebo-controlled study and to collect long term safety and efficacy data on Resunab. All subjects in the 12-month extension study will receive Resunab, including those who received placebo in the current 84-day, double-blind placebo controlled trial. The same clinical endpoints used in the double-blinded placebo-controlled portion of the trial will be monitored throughout the 12-month extension study.

Financial Operations Overview

We are a research and development company and have not generated any revenues from the sale of products. We have never been profitable and, from inception through September 30, 2016, our losses from operations have been approximately \$25.7 million. Our net losses for the nine months ended September 30, 2016 and 2015 were approximately \$12,428,000 and \$6,352,000, respectively. We expect to continue to incur significant expenses and increasing operating losses for the foreseeable future. We expect our expenses to increase significantly in connection with our ongoing activities to develop, seek regulatory approval and commercialize Resunab. Accordingly, we will need additional financing to support our continuing operations. We will seek to fund our operations through public or private equity or debt financings or other sources, which may include government grants and collaborations with third parties. Adequate additional financing may not be available to us on acceptable terms, or at all. Our failure to raise capital as and when needed would have a negative impact on our financial condition and our ability to pursue our business strategy. We will need to generate significant revenues to achieve profitability, and we may never do so.

We expect to continue to incur significant expenses and increasing operating losses for at least the next several years. We expect our expenses will increase substantially during the balance of 2016 and in 2017 and in the future in connection with our ongoing activities, as we:

- conduct clinical trials for Resunab in systemic sclerosis, cystic fibrosis, dermatomyositis, systemic lupus erythematosus and other indications;
- continue our research and development efforts;
- manufacture clinical study materials and develop commercial scale manufacturing capabilities;
- seek regulatory approval for our product candidates;
- add personnel to support development of our product candidates; and
- operate as a public company

Critical Accounting Policies and Estimates

Our condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

On an ongoing basis, we evaluate our estimates and judgments for all assets and liabilities, including those related to stock-based compensation expense. We base our estimates and judgments on historical experience, current economic and industry conditions and on various other factors that are believed to be reasonable under the circumstances. This forms the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We believe that full consideration has been given to all relevant circumstances that we may be subject to, and the consolidated financial statements accurately reflect our best estimate of the results of operations, financial position and cash flows for the periods presented.

Results of Operations

Comparison of Three Months Ended September 30, 2016 and 2015

Collaboration Revenue

To date, we have not generated any revenues from the sales of products. We do not expect to generate revenue from product sales unless and until we successfully complete development and obtain regulatory approval for the marketing of Resunab, which we expect will take a number of years and is subject to significant uncertainty.

We have recorded \$742,558 and \$170,454 of collaboration revenue in the three months ended September 30, 2016 and 2015, respectively, related to an award agreement we entered into in the second quarter of fiscal 2015 with the Cystic Fibrosis Foundation Therapeutics, Inc. (“CFFT”), a non-profit drug discovery and development affiliate of the Cystic Fibrosis Foundation, pursuant to which we received a development award (the “Award”) for up to \$5 million in funding. The funding from the Award is supporting the Phase 2 clinical trial of Resunab in adults with cystic fibrosis. Upon the execution of the Award agreement, we received a payment of \$1,250,000 in May 2015. In November 2015, we received a second payment of \$1,250,000 upon the achievement of a milestone for dosing the first patient. In August 2016, we received a third payment from the CFFT for achieving a milestone in July 2016 related to dosing the median clinical trial patient as per the terms of the Award in the amount of \$1,000,000. We recorded these three milestone payments received from the CFFT totaling \$3,500,000 as deferred revenue and they are being amortized on a straight-line basis over the expected duration of the performance period of the development program under the Award, which is expected to conclude in February 2017. We expect that the remaining \$1,500,000 under the Award will be paid to us incrementally in the first quarter of 2017 upon the achievement of certain milestones related to the progress of the Phase 2 CF clinical trial, as set forth in the Award agreement.

Research and Development Expenses

Research and development expenses are incurred for the development of Resunab and consist primarily of payroll, and payments to contract research and development companies. To date, these costs are related to generating pre-clinical data and the cost of manufacturing Resunab for clinical trials and conducting clinical trials. These costs are expected to increase significantly in the future as Resunab is evaluated in clinical trials.

Research and development expenses for the three months ended September 30, 2016 totaled approximately \$4,316,000, an increase of approximately \$2,681,000 over the \$1,635,000 recorded for the three months ended September 30, 2015. The increase was primarily attributable to increases of \$2,109,000 in clinical trial costs, \$441,000 in compensation costs, and \$131,000 in stock-based compensation expense.

General and Administrative Expenses

General and administrative expenses consist primarily of payroll, rent, and professional services. Other general and administrative expenses include accounting and legal services and expenses associated with being a public company. We anticipate that our general and administrative expenses will increase significantly during the balance of 2016 and in the future as we increase our headcount to support our continued research and development and the potential commercialization of our product candidates. We also anticipate increased expenses related to audit, legal, regulatory, and tax-related services associated with maintaining compliance with NASDAQ exchange listing and SEC requirements, director and officer insurance, and investor relations costs associated with being a public company.

General and administrative expense for the three months ended September 30, 2016 totaled approximately \$1,761,000, an increase of approximately \$970,000 over the \$791,000 recorded for the three months ended September 30, 2015. The increase was primarily attributable to increases of approximately \$456,000 in stock-based compensation expense, \$355,000 in compensation costs, and \$134,000 in investor relations costs.

Other Income (Expense), Net

Other income (expense), net consists primarily of foreign currency exchange transaction gains and losses, interest expense incurred on our outstanding debt, and interest income we earn on interest-bearing accounts.

Other expense, net for the three months ended September 30, 2016 was approximately \$13,000 as compared to other income, net of approximately \$1,000 recorded for the three months ended September 30, 2015 and was primarily attributable to exchange rate losses recorded during the third quarter of 2016.

Comparison of Nine Months Ended September 30, 2016 and 2015

Collaboration Revenue

We have recorded \$1,535,754 and \$284,090 of collaboration revenue in the nine months ended September 30, 2016 and 2015, respectively, related to the agreement with the CFFT.

Research and Development Expenses

Research and development expenses for the nine months ended September 30, 2016 totaled approximately \$10,057,000, an increase of approximately \$5,991,000 over the \$4,065,000 recorded for the nine months ended September 30, 2015. The increase was primarily attributable to increases of \$4,803,000 in clinical trial costs, \$836,000 in compensation costs, and \$352,000 in stock-based compensation expense.

General and Administrative Expenses

General and administrative expense for the nine months ended September 30, 2016 totaled approximately \$3,892,000, an increase of approximately \$1,320,000 over the \$2,572,000 recorded for the nine months ended September 30, 2015. The increase was primarily attributable to increases of approximately \$616,000 in compensation costs, \$326,000 in stock-based compensation expense, \$268,000 in investor relations costs, and \$163,000 in legal costs, partially offset by a decrease of approximately \$100,000 in NASDAQ fees.

Other Income (Expense), Net

Other expense, net for the nine months ended September 30, 2016 was approximately \$16,000 as compared to other income, net of approximately \$1,000 recorded for the nine months ended September 30, 2015 and was primarily attributable to an increase in foreign currency exchange transaction losses recorded during the nine months ended September 30, 2016.

Liquidity and Capital Resources

Since inception, we have experienced significant negative cash flows from operations. We have financed our operations primarily through sales of equity-related securities. In addition, the majority of the costs of our dermatomyositis and SLE clinical trials are being funded by grants from the National Institute of Health paid directly to its grantees, which include the participating clinical investigators and contract research organizations engaged in these clinical trials. Our cystic fibrosis clinical trial is being partially funded by a \$5 million award from the CFFT, under which we have received an aggregate of \$3.5 million from the CFFT since the inception of the award through September 30, 2016. At September 30, 2016, our accumulated deficit since inception was approximately \$25,706,000.

At September 30, 2016, we had total current assets of approximately \$19,225,000 and total current liabilities of approximately \$6,427,000 resulting in working capital of approximately \$12,798,000. At September 30, 2016, we had total assets of approximately \$19,757,000 and total liabilities of approximately \$6,443,000 resulting in a stockholders' equity of approximately \$13,314,000.

Net cash used in operating activities for the nine months ended September 30, 2016 was approximately \$8,243,000 which includes a net loss of approximately \$12,428,000, non-cash expenses of approximately \$1,580,000 and \$2,606,000 of cash provided from a change in net working capital items.

Cash used in investing activities for the nine months ended September 30, 2016 totaled approximately \$257,000 for the purchase of property and equipment.

Cash provided by financing activities for the nine months ended September 30, 2016 totaled approximately \$15,071,000 and was principally related to the sale of 5,960,000 shares of our common stock in a registered direct offering to investors in June 2016 at a purchase price of \$2.50 per share which resulted in net proceeds to us totaling approximately \$14,875,000. Additionally, during the nine months ended September 30, 2016, we received proceeds of approximately \$361,000 from the issuance of 422,227 shares of our common stock upon the exercise of stock options and warrants. Cash used in financing activities for the nine months ended September 30, 2016 included principal payments on notes payable of approximately \$162,000, which was paid in full as of September 30, 2016. In October 2016, we entered into a loan agreement with a financing company for \$348,750. The terms of the loan stipulate equal monthly payments of principal and interest payments of \$39,114 over a nine-month period. Interest accrues on this loan at an annual rate of 2.25%.

At September 30, 2016, we had a cash balance of approximately \$18,909,000. We expect our cash on hand at September 30, 2016, together with the remaining milestone payments of \$1,500,000 from the CFFT, which we expect to receive in the first quarter of 2017, to be sufficient to meet our operating and capital requirements into the fourth quarter of 2017 based on current planned expenditures.

We will need to raise significant additional capital to continue to fund operations and the clinical trials for Resunab. We may seek to sell common or preferred equity or convertible debt securities, enter into a credit facility or another form of third-party funding, or seek other debt financing. In addition, we may seek to raise cash through collaborative agreements or from government grants. The sale of equity and convertible debt securities may result in dilution to our stockholders and certain of those securities may have rights senior to those of our common shares. If we raise additional funds through the issuance of preferred stock, convertible debt securities or other debt financing, these securities or other debt could contain covenants that would restrict our operations. Any other third-party funding arrangement could require us to relinquish valuable rights.

The source, timing and availability of any future financing will depend principally upon market conditions, and, more specifically, on the progress of our clinical development programs. Funding may not be available when needed, at all, or on terms acceptable to us. Lack of necessary funds may require us, among other things, to delay, scale back or eliminate expenses including some or all of our planned clinical trials.

Contractual Obligations and Commitments

The following table presents information about our known contractual obligations as of September 30, 2016. It does not reflect contractual obligations that may have arisen or may arise after that date. Except for historical facts, the information in this section is forward-looking information.

Contractual Obligations	Payments due by period				
	Total	Remainder of Fiscal 2016	Fiscal 2017-2018	Fiscal 2019-2020	After Fiscal 2020
Operating lease obligations (1)	\$ 1,082,163	\$ 52,045	\$ 493,797	\$ 514,625	\$ 21,696
Capital lease obligations (2)	10,222	757	9,086	379	—
Total	\$ 1,092,385	\$ 52,802	\$ 502,883	\$ 515,004	\$ 21,696

- (1) In September 2016, we entered into an amendment to our office space lease agreement for expansion into an additional 4,088 square feet of office space within the existing building (“September 2016 Amendment”). We began occupying this space in early November 2016 and the final lease payment per the terms of the September 2016 Amendment is due in January 2021. Additionally, the September 2016 Amendment requires an increase in the standby letter of credit to \$50,000.
- (2) On December 30, 2015, we entered into a lease agreement for a copier machine. The lease payments commenced when the machine was placed in service in January 2016. The lease is for a three-year term and includes a bargain purchase option at the end of the term.

We may enter into contracts in the normal course of business with clinical research organizations for clinical trials and clinical supply manufacturing and with vendors for pre-clinical research studies, research supplies and other services and products for operating purposes. These contracts generally provide for termination on notice, and therefore, we believe that our non-cancelable obligations under these agreements are not material. As of September 30, 2016, other than our lease for office space and the lease agreement for the copier machine, we had no material contractual obligations or commitments that will affect our future liquidity.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Our exposure to market risk is limited to our cash and cash equivalents, all of which have maturities of three months or less. The primary objectives of our investment activities are to preserve principal, provide liquidity and maximize income without significantly increasing risk. Our primary exposure to market risk is interest income sensitivity, which is affected by changes in the general level of U.S. interest rates. However, because of the short-term nature of the instruments in our portfolio, a sudden change in market interest rates would not be expected to have a material impact on our financial condition and/or results of operation. We do not have any foreign currency or other derivative financial instruments.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

Evaluation of Our Disclosure Controls

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act, as amended) as of September 30, 2016. Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures as of the end of the period covered by this report were effective in ensuring that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that the information required to be disclosed by us in such reports is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Evaluation of Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) that occurred during the period to which this report relates that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. From time to time, we make changes to our internal control over financial reporting that are intended to enhance its effectiveness and which do not have a material effect on our overall internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings.

None.

Item 1A. Risk Factors.

There have been no material changes in risk factors from what was reported in our 2015 Annual Report on Form 10-K.

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

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit No.	Description
10.1	Consulting Agreement, dated September 20, 2016, by and between the Company and Orchestra (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the SEC on September 21, 2016).
10.2*	Lease Agreement, dated May 30, 2014, by and between the Company and River Ridge Limited Partnership.
10.3*	First Amendment to Lease Agreement dated May 30, 2014, dated August 27, 2015, by and between the Company and River Ridge Limited Partnership.
10.4*	Second Amendment to Lease Agreement dated May 30, 2014, dated March 30, 2016, by and between the Company and River Ridge Limited Partnership.
10.5*	Third Amendment to Lease Agreement dated May 30, 2014, dated September 13, 2016, by and between the Company and River Ridge Limited Partnership.
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a).*
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a).*
32.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(b) or Rule 15d-14(b).*
32.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(b) or Rule 15d-14(b).*
101.INS	XBRL Instance Document.*
101.SCH	XBRL Taxonomy Extension Schema Document.*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.*
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.*
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.*

* Filed herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Corbus Pharmaceuticals Holdings, Inc.

Date: November 10, 2016

By: */s/ Yuval Cohen*

Name: Yuval Cohen

Title: *Chief Executive Officer*
(Principal Executive Officer)

Date: November 10, 2016

By: */s/ Sean Moran*

Name: Sean Moran

Title: *Chief Financial Officer*
(Principal Financial Officer and Chief Accounting Officer)

EXHIBIT INDEX

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* Filed herewith.

LEASE

LANDLORD RIVER RIDGE LIMITED PARTNERSHIP
TENANT CORBUS PHARMACEUTICALS, INC.
PREMISES 100 RIVER RIDGE DRIVE, NORWOOD, MA

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Exhibits.

The Exhibits listed below in this section are incorporated in this Lease by reference and are to be construed as a part of this Lease.

- | | |
|------------|---------------------------------|
| EXHIBIT A. | Plan showing the Premises. |
| EXHIBIT B. | Legal Holidays |
| EXHIBIT C. | Janitorial Specifications |
| EXHIBIT D. | Rules and Regulations. |
| EXHIBIT E. | Description of Landlord's Work. |

LEASE

**ARTICLE 1.
Reference Data**

1.1 Subject Referred To.

Each reference in this Lease to any of the following subjects shall be construed to incorporate the data stated for that subject in this Section 1.1.

Date of this Lease: May __, 2014

Building: The Building in the Town of Norwood constructed on a parcel of land shown as Lot 25 on a plan dated May 5, 1993 and filed with the Norfolk Registry District of the Land Court as Plan No. 25524K and now known as and numbered 100 River Ridge Drive (the Building and such parcel of land hereinafter being collectively referred to as the "Property").

Premises: Approximately 2,387 rentable square feet on the 1st floor of the Building as shown on Exhibit A annexed hereto.

Rentable Floor Area of Premises: 2,387 square feet

Rentable Floor Area of Building: 101,667 square feet

Landlord: River Ridge Limited Partnership

Original Notice Address of Landlord: River Ridge Limited Partnership
c/o Cornerstone Corporation
400 Blue Hill Drive
Westwood, MA 02090
ATTENTION: Paul E. Tryder

Tenant: Corbus Pharmaceuticals, Inc.

Original Notice: 100 River Ridge Drive
Norwood, MA 02062

Address of Tenant: 100 River Ridge Drive
Norwood, MA 02062

Term: Three (3) Years

Commencement Date: See Section 2.2

Annual Fixed Rent	Year 1	Year 2	Year 3
Rate: (Office Space)	\$ 23.00	\$ 23.50	\$ 24.00
Monthly Fixed Rent	Year 1	Year 2	Year 3
Rate: (Office Space)	\$ 4,575.03	\$ 4,674.54	\$ 4,744.00

Base Operating Costs and Taxes: The Base Operating Costs Year will be calendar year 2014. The Base Year for Taxes will be Fiscal Year 2014.

Tenant's Percentage: The ratio of the Rentable Floor Area of the Premises to the total Rentable Floor Area of the Building, which the parties agree is two and 35/100 (2.35%) percent.

Permitted Use: Professional/Business Office and lawful purposes incidental to such use.

Minimum Limits of Liability as set forth in Section 4.2.3:

Commercial General Liability:	\$1,000,000	Per Occurrence, Bodily injury and Property Damage
	\$1,000,000	General Aggregate with a Per Location Aggregate Endorsement
	\$ 250,000	Any One Fire, Fire Damage

Umbrella Liability: \$2,000,000 Per Occurrence, in excess of underlying limits as set forth above.

Workers' Compensation: Statutory

Security Deposit: The Security Deposit in the amount of \$13,725.00 shall be held and disposed of as provided in Section 4.4. The Security Deposit is being delivered to Landlord in the form of a Letter of Credit in the amount of the Security Deposit and the term "Security Deposit" includes, without limitation, the unapplied proceeds of any Letter of Credit delivered to Landlord from time to time pursuant to Section 4.4. The Letter of Credit shall be a standby irrevocable letter of credit, payable on sight, which shall have an expiration date no earlier than June 14, 2017 and shall be issued by a bank and be upon such form as are satisfactory to Landlord in all respects.

ARTICLE 2.
Premises and Term

2.1 Premises. Landlord hereby Leases to Tenant and Tenant hereby Leases from Landlord, subject to and with the benefit of the terms, covenants, conditions and provisions of this Lease, the Premises, excluding exterior faces of exterior walls, the common stairways, stairwells, elevators and elevator shafts, and pipes, ducts, conduits, wires and appurtenant fixtures servicing exclusively or in common other parts of the Building, and if Tenant's space includes less than the entire rentable area of any floor, excluding the central core area of such floor.

Tenant shall have, as appurtenant to the Premises, rights to use in common, subject to reasonable rules of general applicability to tenants of the Building from time to time made by Landlord of which Tenant is given notice: (a) the common lobbies, hallways, stairways and elevators of the Building, (b) the common pipes, ducts, conduits, wire and appurtenant fixtures serving the Premises, (c) common walkways and driveways necessary for access to the Building, (d) the common parking areas serving the Building, and (e) if the Premises include less than the entire rentable area of any floor, the common toilets and other common facilities in the central core area of such floor.

Landlord reserves the right from time to time (with reasonable prior notice to Tenant, except in emergencies), in such manner as to reduce to a minimum interference with Tenant's use of the Premises (so long as services to the Premises and the Building's common areas are not diminished): (a) to install, use, maintain, repair, replace and relocate for service to the Premises and other parts of the Building, pipes, ducts, conduits, wires and appurtenant fixtures, however located in the Premises or Building, (b) to alter or relocate any other common facility, (c) to make any repairs and replacements to the Premises which Landlord may deem necessary, and (d) in connection with any excavation made upon adjacent land of Landlord or others, to enter, and to license others to enter, upon the Premises to do such work as the person causing such excavation deems necessary to preserve the wall of the Building from injury or damage and to support the same.

2.2 Term.

2.2.1 TO HAVE AND TO HOLD for a term (the "Term") beginning on the Commencement Date and continuing for a period of three (3) years. The "Commencement Date" shall be the date upon which the Landlord's Work (as defined in Section 3.2 below) shall be substantially completed except for minor punch list items. The Landlord's Work is expected to be so completed no later than July 1, 2014.

2.2.2 If the Landlord's Work is not so substantially completed on or prior to August 15, 2014 (other than due to delays caused by Tenant or fire or casualty) Tenant may terminate this Lease by notice to Landlord given before such substantial completion.

If the Landlord's Work is not so substantially completed by August 15, 2014 (other than due to delays caused by Tenant or by fire or casualty or other reasons beyond the Landlord's reasonable control), then for each day subsequent to August 15, 2014 that such work is not so substantially completed, the Tenant shall have a special credit against the rent hereunder equal to one day of such rent.

2.2.3 Upon the completion of the work, the Landlord and the Tenant shall confirm the Commencement Date in writing.

2.3 Option to Extend.

2.3.1 Option Period. Provided that Tenant is not in default in the performance of its obligations under the Lease either at the time of exercise or at the date the Extended Term is to commence, Tenant shall have the option to extend the Term of this Lease for one (1) additional term of three (3) years (the "Extended Term") on the same terms and conditions of this Lease, except that annual rent will be determined pursuant to paragraph 2.3.2.

2.3.2 Extended Term - Annual Rent. The Annual Rent for the Extended Term shall be determined as follows:

(a) The annual base rent during the Extended Term shall be equal to an amount representative of the then Fair Market Rent of the Premises as of the commencement of the Extended Term. "Fair Market Rent" shall be based on the rent generally payable in the general area of Norwood, Massachusetts for space approximately the same size, level of Landlord improvement and location as the Building for an equivalent term and for similar terms and conditions as contained in the Lease, taking into account all relevant factors.

(b) Within thirty (30) days after Tenant exercises its option to extend, Landlord will advise Tenant in writing ("Landlord's Rental Notice") of its determination of Fair Market Rent for the Premises. If Landlord and Tenant cannot agree on the Fair Market Rent for the Extended Term within fifteen (15) day of Tenant's receipt of Landlord's Rental Notice, then within thirty (30) days after such failure to reach agreement, Tenant shall have the right to submit to Landlord a notice in writing ("Tenant's Rental Determination") stating what Tenant perceives to be the Fair Market Rent projected to the commencement date of the Extended Term. Landlord and Tenant shall again endeavor to agree on the Fair Market Rent. If within fifteen (15) days of Tenant's submittal of Tenant's Rental Determination, Landlord and Tenant cannot agree on the Fair Market Rent, they shall each appoint an appraiser who is a member of the Member Appraisal Institute (MAI) of the American Institute of Real Estate Appraisers or a real estate broker with at least five (5) years of experience leasing office space in the area in which the Building is located. In the event either party fails to so appoint an appraiser on or before the day specified in the preceding sentence, the person appointed as the appraiser may appoint an appraiser to represent the expiration of such period. The two appraisers appointed in either manner shall then proceed to appraise the Premises and determine its Fair Market Rent. In the event of their inability to reach a determination of such Fair Market Rent within thirty (30) days after their appointment, then they shall select a third appraisals. Landlord and Tenant agree to be bound by the determination of the Fair Market Rent of the Premises by the appraisers; provided, however, Landlord and Tenant agree that (a) if said determination exceeds the rental determination set forth in Landlord's Rental Notice, the Rent during the Extended Term shall equal the amount set forth in Landlord's Rental Notice, and (b) if said determination is less than Tenant's Rent Determination, the Fixed Rent during the Extended Term shall equal Tenant's Rent Determination. Each party shall be responsible for the fees and disbursements of its appraiser and attorneys, and the parties shall share equally the fees and disbursements of the third appraiser.

(c) In order to exercise the right to extend as provided in this Section 2.3, the Tenant must give the Landlord written notice nine (9) months prior to the expiration of the Term. As used in this Lease, "Term" shall mean the original Term as may be extended hereunder.

ARTICLE 3.
Tenant Improvements

3.1 Condition of Premises.

3.1.1 The Premises are Leased in an "as is" condition. Tenant acknowledges that, except as otherwise expressly provided in this Lease, Landlord has made no warranties or representations as to the condition thereof.

3.1.2 Tenant further acknowledges that Landlord has no present or future intention to make any alterations, renovations or improvements to the Premises except for the Landlord's Work.

3.1.3 Landlord represents and warrants that the Building has been maintained in good repair and all Building mechanical, plumbing, electrical and structural systems and facilities are in good working condition working properly as designed for general office space.

3.1.4 Landlord further represents and warrants that to its knowledge the Building and the Premises are not in violation of any applicable federal, state and local laws, including, without limitation, those relating to environmental, zoning matters and accessibility and that Tenant's use of the Premises as general office space does not violate or otherwise contravene applicable law.

3.2 Pre-Commencement Work. Prior to the Commencement Date, the Landlord shall cause to be performed the work referred and shown in the plans and specifications in Exhibit E "Description of Landlord's Work". Such work will be performed diligently, in a good and workmanlike manner, employing materials of good quality and so as to conform with all applicable zoning, building, fire, health and other code, regulations, ordinances and laws. Tenant will be responsible for contributing fifteen (\$15,000.00) thousand dollars toward the cost of the improvements. Tenant shall pay this cost on the Commencement Date.

ARTICLE 4.
Rent

4.1 The Fixed Rent. Tenant covenants and agrees to pay rent to Landlord at the Original Notice Address of Landlord or at such other place or to such other person or entity as Landlord may by notice in writing to Tenant from time to time direct, at the Annual Fixed Rent Rate, in equal installments at the Monthly Fixed Rent Rate (which is 1/12th of the Annual Fixed Rent Rate), in advance, on the first day of each calendar month included in the Term; and for any portion of a calendar month at the beginning or end of the Term, at that rate payable in advance for such portion.

4.2 Additional Rent. Tenant covenants and agrees to pay, as Additional Rent, its pro rata share of increases in Operating Costs and Taxes with respect to the Premises as provided in this Section 4.2 as follows:

4.2.1 Personal Property Taxes. Tenant shall pay all taxes charged, assessed or imposed upon the personal property of Tenant in or upon the Premises.

4.2.2 Operating Costs. Within a reasonable time after calendar year 2014, Landlord shall provide Tenant with an itemized statement of Base Operating Costs, together with copies of all bills issued by governmental authorities with respect to Taxes included in Base Operating Costs. If, during the Term hereof, Operating Costs (as hereinafter defined) incurred by Landlord in any calendar year shall exceed Base Operating Costs, Tenant shall reimburse Landlord, as Additional Rent, for Tenant's Percentage of any such excess (such amount being hereinafter referred to as the "Operating Costs Excess"). Tenant shall remit to Landlord, on the first day of each calendar month, estimated payments on account of Operating Costs Excess, such monthly amounts to be sufficient to provide Landlord, by the end of the calendar year, a sum equal to the Operating Costs Excess, as reasonably estimated by Landlord from time to time and set forth in a statement delivered by Landlord to Tenant. If, at the expiration of the year in respect of which monthly installments of Operating Costs Excess shall have been made as aforesaid, the total of such monthly remittances is greater than the actual Operating Costs Excess for such year, as shown on the Annual Statement within thirty (30) days (as hereinafter defined) for such year, Landlord shall pay to Tenant, or credit against the next accruing payments to be made by Tenant pursuant to this subsection 4.2.2, the difference; if the total of such remittances is less than the Operating Costs Excess for such year, Tenant shall pay the difference to Landlord within thirty (30) days from the date of Tenant's receipt of the Annual Statement. Following each calendar year, Landlord shall furnish to Tenant an itemized statement, in reasonable detail, of the Operating Costs Excess during such year (the "Annual Statement"), prepared, allocated and computed in accordance with generally accepted accounting principles.

Any reimbursement for Operating Costs due and payable by Tenant with respect to periods of less than twelve (12) months shall be equitably prorated.

The Term "Operating Costs" shall mean all costs or expenses incurred for the operation, cleaning, maintenance, repair and up-keep of the Property. More specifically, Operating Costs shall mean the following: snow removal, landscaping and grounds maintenance, parking lot operation and maintenance, security, operation and repair of heating and air-conditioning equipment, elevators, lighting and any other Building equipment or systems) and of all repairs and replacements (other than maintenance, or repairs for which Landlord has received full reimbursement from contractors, other tenants of the Building or from others or improvements of services provided for the exclusive benefit of other tenants) necessary to keep the Property in good working order, repair, appearance and condition similar to existing conditions; all costs, including material and equipment costs, for cleaning and janitorial services to the Building (including window cleaning of the Building); all costs of any reasonable insurance carried by Landlord relating to the Property; all costs related to provision of heat (including oil, electric, steam and/or gas), air-conditioning, and water (including sewer charges) and other utilities to the Building (exclusive of reimbursement to Landlord for any of same received as a result of direct billing to any tenant of the Building); reasonable payments under all service contracts relating to the foregoing; all compensation, fringe benefits, payroll taxes and workmen's compensation insurance premiums related thereto with respect to any employees of Landlord or its affiliates to the extent engaged in security and maintenance of the Property (provided that payments to affiliates are not more than would be paid to a third party in arms-length transactions in respect of said services); a reasonable management fee (provided that any management fee paid to an affiliate shall not exceed an amount that would be paid to a third party management company).

There shall not be included in such Operating Costs brokerage fees (including rental fees) related to the operation of the Building or any other expenditures made by Landlord in connection with any effort to Lease, rent or sell the Building or the Property, except as otherwise expressly provided in this Lease; principal or interest payments on loans secured by mortgages or trust deeds on the Property; depreciation charges incurred on the Property; or expenditures made by Tenant with respect to the provision of electricity to the Premises.

In addition, the following shall not be included in Operating Costs:

(a) except as provide in this subsection (a) any expenses which under generally accepted accounting principles, consistently applied, and sound management practices would not be considered a capital items and expenditures; (e.g. replacement of foundations, roof and roof structure, windows, structural and exterior portions of the walls of the Property and major mechanical systems (including heating, electrical, plumbing, ventilating and air conditioning fixtures and systems and other mechanical equipment and appurtenances). If, during the Term of this Lease, Landlord shall replace any capital items or make any capital expenditures in order to, in either case, comply with future law, effect savings in Operating Costs or keep the Property in good working order, repair, appearance and condition (collectively called "capital expenditures") that total amount is not includible in Operating Costs for the calendar year in which they were made, there shall nevertheless be included in Operating Costs for each calendar year in which and after such capital expenditure is made the annual charge off of such capital expenditure. Annual charge off shall be determined by (i) dividing the original cost of the capital expenditure by the number of years of useful life thereof. (The useful life shall be reasonably determined by Landlord in accordance with generally accepted accounting principles and practices in effect at the time of acquisition of the capital items) =; and (ii) adding to such quotient an interest factor computed on the unamortized balance of such capital expenditure based upon an interest rate reasonably determined by Landlord as being the interest rate then being charged for long-term mortgages by institutional lenders on the like properties within the locality in which the Building is located;

(b) all costs associated with the operation of the business of the entity which constitutes "Landlord" (as distinguished from the costs of Building operations) including, but not limited to, Landlord's or Landlord's managing agent's general corporate overhead and general administrative expenses or such costs that would be normally included in a management fee (e.g., placement/recruiting fees for employees, risk management costs, corporate accounting, employee training programs, health/sports club dues, tickets to special events, bank charges, etc.);

(c) costs incurred by Landlord in connection with the correction of defects in design and construction of the Building or Land;

(d) any costs of any services sold or provided to tenants or other occupants for which Landlord or its managing agent is entitled to be reimbursed by such tenants or other occupants as an additional charge or rental over and above the basic rent (and escalations thereof).

(e) overhead or profits paid to subsidiaries or affiliates of Landlord, or to any party as a result of a non-competitive selection process, for management or other services to the Building, or for supplies or other materials, to the extent that the costs of such services, supplies, or materials exceed the costs that would have been paid had the services, supplies or materials been provided by parties unaffiliated with the Landlord on a competitive basis and are consistent with those incurred by similar buildings in the same metropolitan area in which the Building is located;

(f) wages, salaries and other compensation paid to any employee of Landlord and/or Landlord's managing agent other than employees of Landlord or Landlord's managing agent to the extent engaged in security and maintenance of the Property;

(g) subject to Tenant's obligations under the provisions of Section 6.2.3 hereof, any cost or expense related to removal, cleaning, abatement or remediation of "hazardous material" in or about the Building and/or the Land, including without limitation, hazardous substances in the ground, water or soil;

(h) Landlord's gross receipts taxes, personal and corporate income taxes, inheritance and estate taxes, other business taxes and assessments, franchise, gift and transfer taxes, and all other real estate taxes relating to a period or payable outside the Term of the Lease;

(i) any fines, costs, penalties or interest resulting from the negligence, misconduct or omission of the Landlord or its agents, contractors, or employees;

(j) any rental payments and related costs pursuant to any ground Lease of land underlying all or any portion of the Building and Land or any costs related to any reciprocal agreement;

(k) any rental and any associated costs, either actual or not, for the Landlord's or Landlord's management agent's management and/or leasing office;

(l) costs incurred in connection with upgrading the Building to comply with disability of insurance requirements, or life safety codes, ordinances, statutes, or other laws in effect prior to the Commencement Date, including without limitation the Americans With Disabilities Act, including penalties or damages incurred as a result of non-compliance.

If during any portion of any year for which Operating Costs are being computed (including calendar 2014), the Building was not at least 95% occupied by tenants or if Landlord was not supplying all tenants with the services being supplied hereunder, actual Operating Costs incurred shall be reasonably extrapolated by Landlord to the estimated Operating Costs that would have been incurred if the Building were so occupied by tenants or if such services were being supplied to all tenants, and such extrapolated amount shall, for purposes of this Section 4.2.2, be deemed to be the Operating Costs of such year.

Taxes shall mean all taxes, assessments, betterments and other charges and impositions (including, but not limited to, fire protection service fees and similar charges) levied, assessed or imposed at any time during the Term by any governmental authority upon or against the Property, or taxes in lieu thereof, and additional types of taxes to supplement real estate taxes due to legal limits imposed thereon (provided, however, that taxes shall not include any fees or penalties imposed as a result of Landlord's failure to pay taxes in a timely manner). If, at any time during the Term of this Lease, any tax or excise on rents or other taxes, however described, are levied or assessed against Landlord with respect to the rent reserved hereunder, either wholly or partially in substitution for, or in addition to, real estate taxes assessed or levied on the Property, such tax or excise on rents shall be included in taxes; however, taxes shall not include franchise, estate, inheritance, succession, capital levy, transfer, income or excess profits taxes assessed on Landlord or affiliates, including beneficiaries. Taxes shall include any estimated payment made by Landlord on account of a fiscal tax period for which the actual and final amount of taxes for such period has not been determined by the governmental authority as of the date of any such estimated payment.

If in any fiscal tax year after the fiscal tax year ending June 30, 2014, Taxes shall exceed the Taxes for the Base Year for Taxes, then Tenant shall pay Landlord Tenant's Percentage thereof within thirty (30) days after billing therefor, and Tenant thereafter shall pay to Landlord monthly, together with Fixed Rent, an amount equal to that of the estimated amount of such excess, subject to year end adjustment when the actual Taxes have been determined. If Landlord receives an abatement or refund for Taxes in respect of any tax year where Tenant paid Tenant's Percentage of such excess then Landlord shall remit to Tenant Tenant's Percentage of such abatement or refund net of the costs of obtaining the same, but not in excess of the amount Tenant paid.

Provided Landlord is not prosecuting an abatement with respect thereto, Tenant may prosecute appropriate proceedings for abatement or reduction of any taxes with respect to which Tenant is required to make payments as hereinbefore provided, such proceedings to be conducted jointly with any other parties, including Landlord, who have contributed to the payment of such taxes and Tenant agrees to save Landlord harmless from all costs and expenses incurred on account of Tenant's participation in such proceedings. Landlord, without obligating itself to incur any costs or expenses in connection with such proceedings shall cooperate with Tenant with respect to such proceedings so far as reasonably necessary. Any abatement or reduction effected for such proceedings shall accrue to the benefit of Tenant and Landlord and such other parties as their interests may appear according to their respective contributions to the taxes involved in any such proceedings.

Tenant or its accountants shall have the right to inspect, at reasonable times and in a reasonable manner, during the ninety (90) day period following delivery of any Annual Statement of Landlord with regard to Operating Costs Excess and Taxes, such of Landlord's books of account and records as pertain to and contain information concerning Operating Costs and Taxes in order to verify the amounts charged to Tenant in respect thereof.

4.2.3 Insurance. Tenant shall maintain throughout the Term, the following insurance which shall be arranged with insurance carriers licensed to provide such insurance in the Commonwealth of Massachusetts. Insurance carriers shall be subject to the reasonable approval of Landlord.

All insurance required shall be evidenced to Landlord by the presentation of certificates of insurance prior to the commencement of the Lease Term. All certificates shall identify the Landlord and its address as certificateholder, and shall provide the Landlord with a minimum of thirty (30) days advance notice of cancellation, intent to not renew, or material change to the terms or conditions of the policy coverage.

General Liability

Commercial general liability insurance on an occurrence form insuring Tenant as primary insured (and naming Landlord (and its reasonable designees) as an additional insured) against all claims, loss, costs, expenses and demands for death or injury to persons or damage to property which may be claimed to have occurred as a result of the acts or omissions of the Tenant, and insuring the indemnification obligation of Tenant as specified in Section 6.1.4 of the Lease, with minimum limits of liability as set forth in Section 1.1 of the Lease. Landlord shall be named as an additional insured, and the policy shall contain a provision that allows the Tenant to waive its rights of recovery against other parties.

Workers' Compensation

Workers' compensation insurance covering all of the Tenant's employees in accordance with the laws of the Commonwealth of Massachusetts, with minimum employers liability limits as specified in Section 1.1 of the Lease, but no less than limits necessary to meet the underlying requirements of umbrella liability.

Umbrella Liability

Umbrella Liability insurance on a per occurrence basis providing coverage for the benefit of Landlord and Tenant in excess of the insurance specified herein, with minimum limits of liability as set forth in Section 1.1 of the Lease. Landlord shall be named as an additional insured.

Property Insurance

All risk property insurance, including flood and earthquake, covering all Tenant's furniture, fixtures, equipment, improvements and other property of Tenant, or property of others for which the Tenant is responsible, at full insurable replacement cost.

Landlord's Insurance

Landlord shall maintain, throughout the Term

(i) all risk fire and casualty insurance on a replacement value, agreed amount basis with such deductibles as Landlord may consider appropriate;

(ii) commercial general liability insurance for injury to person or property occurring in the common areas of the Building and the Property with such deductibles as Landlord may consider appropriate but in no event less than what the Tenant is required to maintain under this Lease.

Waiver of Subrogation

Landlord and Tenant each waives any claim it might have against the other for any injury to or death of any person or persons or damage to or theft, destruction, loss, or loss of use of any property (a "Loss"), to the extent the same is insured against under any insurance policy that covers the Building, the Premises, Landlord's or Tenant's fixtures, personal property, Leasehold improvements, or business, or, in the case of Tenant's waiver, is required to be insured against under the terms hereof, regardless of whether the negligence of the other party caused such loss. Each party shall cause its insurance carrier to endorse all applicable policies waiving the carrier's rights of recovery under subrogation or otherwise against the other party.

4.2.4 Services Furnished by Landlord. Landlord shall, at its expense, furnish, as incident to this Lease, the following services and utilities:

- 1) Heat and air conditioning in reasonable amounts and as appropriate to the reasonable comfort of the Tenant shall be provided at Landlord's expense Monday through Friday from 8:00 A.M. to 6:00 P.M. and 8:00 A.M. to Noon on Saturdays, excluding legal holidays which are listed on Exhibit B.
- 2) The management of the Property;
- 3) To the extent required under Section 5.1.5 keeping the Building and common areas and HVAC and other systems in good order, repair and condition.
- 4) Clean Tenant's Premises Monday through Friday in conformity with normal first class office standards, excluding legal holidays.
- 5) Clean the common areas of the Property Monday through Friday in conformity with normal first class office standards excluding legal holidays.
- 6) Electricity for lights and plugs shall be separately metered and paid for by the Tenant.

Landlord reserves the right to interrupt, curtail, stop or suspend the furnishing of any services and the operation of the plumbing and electric systems due to any event beyond the reasonable control of Landlord, including without limitation acts of God, fire, explosion, flood, drought, war, riot, sabotage, embargo, strike or other labor trouble, a national health emergency or compliance with any order or regulation of any government entity acting with color of right (each a Force Majeure Event"). There shall be no diminution or abatement of rent or other compensation due from Tenant to Landlord hereunder, nor shall this Lease be affected or any of the Tenant's obligations hereunder be reduced, and the Landlord shall have no responsibility or liability for any such interruption, curtailment, stoppage, or suspension of services or systems as in this Article 4; provided, that Landlord exercises reasonable diligence to restore such services and Landlord's negligence or misconduct was not the cause of the same.

Landlord also reserves the right, with reasonable advance written notice to Tenant to interrupt, curtail, stop or suspend the furnishing of any services to the Building for the purpose of making repairs, alterations, replacements or improvements which, in the reasonable judgment of the Landlord, are necessary or desirable to be made; provided, that Landlord exercises reasonable diligence to reduce any interruptions to Tenant's business.

4.3 Late Payment of Rent. If any installment of rent is paid more than fifteen (15) days after the date the same was due, and if on a prior occasion in the twelve (12) month period prior to the date such installment was due an installment of rent was paid more than fifteen (15) days after the same was due, then Tenant shall pay Landlord a late payment fee equal to five (5%) percent of the overdue payment.

4.4 Security Deposit. Upon signing this Lease, Tenant shall provide Landlord with a standby irrevocable letter of credit issued by a bank reasonably satisfactory to Landlord and in commercially reasonable form in an amount equal to \$13,725 Said letter of credit shall be held by Landlord as security for the faithful performance by Tenant of all the terms of this Lease by said Tenant to be observed and performed. The security deposit shall not be mortgaged, assigned, transferred or encumbered by Tenant without the written consent of Landlord and any such act on the part of Tenant shall be without force and effect and shall not be binding upon Landlord. The letter of credit shall provide for a term of not less than ninety (90) days after the stated expiration date of this Lease, or if for a shorter term, then unless it is renewed or replaced at least 60 days prior to its maturing, Landlord may draw down the letter of credit in full and hold the same as a cash security deposit hereunder.

If the Fixed Rent or Additional Rent payable hereunder shall be overdue and unpaid or should Landlord make payments on behalf of the Tenant, or Tenant breach any of its obligations under this Lease, then Landlord may after all applicable grace/notice periods have expired without such rent being paid or such breach being cured to the reasonable satisfaction of Landlord, at its option and without prejudice to any other remedy which Landlord may have on account thereof, draw down on such letter of credit in such amounts as may be necessary to compensate Landlord toward the payment of Fixed Rent, Additional Rent or other sums or loss or damage sustained by Landlord due to such breach on the part of Tenant; and Tenant shall forthwith upon demand restore said security to the original sum. Should Tenant comply with all of said terms and promptly pay all of the rentals as they fall due and all other sums payable by Tenant to Landlord, such letter of credit shall duly expire.

In the event of bankruptcy or other creditor-debtor proceedings against Tenant, all securities shall be deemed to be applied first to the payment of rent and other charges due Landlord for all periods prior to the filing of such proceedings.

4.5 Electricity Charge. In addition to the Annual Fixed Rent, the Tenant shall pay to the Landlord \$1.75 per square foot per year for electricity for lights and plugs in the Premises. Payments shall be made in equal monthly installments, in advance, during the term hereof. The cost per square foot shall increase annually if electric costs increase.

ARTICLE 5.
Landlord's Covenants

5.1 Affirmative Covenants. Landlord covenants with Tenant:

5.1.1 Heat and Air-Conditioning. To furnish to the Premises, heat and air-conditioning, reserving the right, at any time, to change energy or heat sources, (provided that Landlord shall use commercially reasonable efforts not to unreasonably interfere with Tenant's business or otherwise inconvenience Tenant) sufficient to maintain the Premises at comfortable temperatures as generally maintained in comparable office buildings within the geographic area in which the Building is located (subject to all federal, state and local regulations relating to the provision of heat).

5.1.2 Electricity. To furnish to the Premises, separately metered electricity for Tenant's Permitted Uses in amounts adequate for general office purposes. If Tenant shall require electricity in excess of reasonable quantities for Tenant's Permitted Uses and if (i) in the reasonable judgment of a qualified electrical engineer, Landlord's facilities are inadequate for such excess requirements, or (ii) such excess use shall result in an additional burden on the Building utilities systems and additional cost to Landlord on account thereof, as the case may be, (a) Tenant shall, upon demand, reimburse Landlord for such additional cost, as aforesaid, or (b) Landlord, upon written request, and at the sole cost and expense of Tenant, will furnish and install such additional wire, conduits, feeders, switchboards and appurtenances as reasonably may be required to supply such additional requirements of Tenant (if electricity therefor is then available to Landlord), provided that the same shall be permitted by applicable laws and insurance regulations and shall not cause permanent damage or injury to the Building or cause or create a dangerous or hazardous condition or entail excessive or unreasonable alterations or repairs.

5.1.3 Cleaning; Water. To provide cleaning to the Premises in accordance with cleaning and janitorial standards set forth in Exhibit C; and to furnish hot and cold water for the kitchenette included in the Premises and ordinary cleaning, lavatory and toilet facilities.

5.1.4 Elevator; Lighting. To furnish elevator service from the lobby to the Premises; and to provide adequate lighting to public and common areas of the Building comparable to that supplied to other office buildings within the geographic area in which the Building is located.

5.1.5 Repairs. Except as otherwise expressly provided herein, to make such repairs and replacements to the roof, exterior walls, floor slabs and other structural components of the Building, and to the common areas (including pavement and parking area lighting), facilities and plumbing, electrical, heating, ventilating and air-conditioning systems of the Building (including but not limited to any repairs or replacements defined as a capital expenditure above) as may be necessary to keep them in good repair and condition (exclusive of equipment installed by Tenant and except for those repairs required to be made by Tenant pursuant to Section 6.1.3 hereof and repairs or replacements occasioned by any willful act or negligence of Tenant, its servants, agents, customers, contractors, employees, invitees, or licensees).

5.2 Interruption. Landlord shall be under no responsibility or liability for failure or interruption of any of the above described services, repairs or replacements caused by a Force Majeure Event; provided, that Landlord uses commercially reasonable efforts to cure such failure or interruption and Landlord's negligence or misconduct did not contribute to the same. Provided that Landlord uses commercially reasonable efforts to cure such failure or interruption and Landlord's negligence or misconduct did not contribute to the same, such Force Majeure Event shall not be construed as an eviction of Tenant, actual or constructive, nor shall Tenant be released from prompt fulfillment of any of its covenants under this Lease.

5.3 Outside Services. In the event Tenant wishes to provide outside services for the Premises over and above those services to be provided by Landlord as set forth herein, Tenant shall first obtain the prior written approval of Landlord for the installation and/or utilization of such services, which approval shall not be unreasonably withheld or delayed. ("Outside services" shall include, but shall not be limited to, cleaning services, television, so-called "canned music" services, security services and the like.) In the event Landlord approves the installation and/or utilization of such services, such installation and utilization shall be at Tenant's sole cost, risk and expense. Landlord acknowledges that Tenant, subject to Landlord's approval, not to be unreasonably withheld, as to the identity of the provider or the method of installation, shall have the right to have the following within the Premises: vending, catering, security guard service and security system.

ARTICLE 6.
Tenant's Additional Covenants

6.1 Affirmative Covenants. Tenant covenants at all times during the Term and for such further time (prior or subsequent thereto) as Tenant occupies the Premises or any part thereof:

6.1.1 Perform Obligations. To perform promptly all of the obligations of Tenant set forth in this Lease; and to pay when due the Fixed Rent and Additional Rent and all charges, rates and other sums which by the terms of this Lease are to be paid by Tenant.

6.1.2 Repair and Maintenance. Except as otherwise provided herein, to maintain the Premises in neat order and condition and to perform all maintenance of any equipment installed by Tenant; to keep all glass in windows and doors of the Premises (except glass in the exterior walls of the Building) whole and in good condition with glass of the same quality as that injured or broken; and to make as and when needed as a result of misuse by, or neglect of Tenant or Tenant's servants, employees, agents, invitees or licensees or otherwise, all repairs necessary, which repairs and replacements shall be in quality and class equal to the original work. Landlord, upon default of Tenant hereunder and upon prior notice to Tenant, may elect, at the reasonable expense of Tenant, to perform all such cleaning and maintenance and to make any such repairs or to repair any damage or injury to the Building or the Premises caused by moving property of Tenant in or out of the Building, or by installation or removal of furniture or other property, or by misuse by, or neglect of Tenant or Tenant's servants, employees, agents, contractors, customers, patrons, invitees, or licensees.

6.1.3 Compliance with Law. The Tenant will not use or occupy, or permit any portion of the Premises to be used or occupied (a) in violation of any law, ordinance, order, rule, regulation, certificate of occupancy, or other governmental requirement, or (b) for any disreputable business or purpose, or (c) in any manner or for any business or purpose that creates risks of fire or other hazards, or that would, in any way violate, suspend, void or increase the rate of fire or liability or any other insurance of any kind at any time carried by Landlord on the Building in which the Premises are located. The Tenant will comply with all laws, ordinances, orders, rules, regulations or other governmental requirements relating to the use, condition or occupancy of the Premises and all rules, orders, regulations and requirements of the board of fire underwriters, or other similar body, having jurisdiction over the Building. The Tenant may defer compliance so long as the validity of any such law, ordinance, order or regulation shall be contested by Tenant in good faith and by appropriate legal proceedings, if Tenant first gives Landlord appropriate assurance or security against any loss, cost or expense on account thereof. Landlord acknowledges that the Premises are currently free of any violation of any governmental order or regulation.

Any increase in the cost of insurance carried by Landlord attributable to Tenant's activities, property or improvements in the Premises or Tenant's failure to observe its obligations under this Lease will be payable by Tenant to Landlord, from time to time, on demand or on account of or based upon anything whatsoever done on the Premises, except if the same was caused by the negligence, fault or misconduct of Landlord, its agents, servants or employees. In respect of all of the foregoing, Tenant shall indemnify Landlord from and against all costs, expenses (including reasonable attorneys' fees), and liabilities incurred in or in connection with any such claim, action or proceeding brought thereon; and, in case of any action or proceeding brought against Landlord by reason of any such claim, Tenant, upon notice from Landlord and at Tenant's expense, shall resist or defend such action or proceeding and employ counsel therefor reasonably satisfactory to Landlord.

6.1.4 Indemnification by Tenant. To the extent permitted by law to save Landlord harmless, and to exonerate and indemnify Landlord from and against any and all claims, liabilities or penalties asserted by or on behalf of any person, firm, corporation or public authority on account of injury, death, damage or loss to person or property in or upon the Premises arising out of the use or occupancy of the Premises by Tenant or by any person claiming by, through or under Tenant (including, without limitation, all patrons, employees and customers of Tenant), or arising out of any delivery to or service supplied to the Premises, or on account of or based upon anything whatsoever done on the Premises, except if the same was caused by the negligence, fault or misconduct of Landlord, its agents, servants or employees. In respect of all of the foregoing, Tenant shall indemnify Landlord from and against all costs, expenses (including reasonable attorneys' fees), and liabilities incurred in or in connection with any such claim, action or proceeding brought thereon; and, in case of any action or proceeding brought against Landlord by reason of any such claim, Tenant, upon notice from Landlord and at Tenant's expense, shall resist or defend such action or proceeding and employ counsel therefor reasonably satisfactory to Landlord.

6.1.5 Indemnification by Landlord. To the extent permitted by law to save Tenant harmless, and to exonerate and indemnify Tenant from and against any and all claims, liabilities or penalties asserted by or on behalf of any person, firm, corporation or public authority on account of injury, death, damage or loss to person or property caused by Landlord, its agents, servants or employees. In respect of all of the foregoing, Landlord shall indemnify Tenant from and against all costs, expenses (including reasonable attorneys' fees), and liabilities incurred in or in connection with any such claim, action or proceeding brought thereon; and, in case of any action or proceeding brought against Tenant by reason of any such claim, Landlord, upon notice from Tenant and at Landlord's expense, shall resist or defend such action or proceeding and employ counsel therefor reasonably satisfactory to Tenant.

6.1.6 Landlord's Right to Enter. To permit Landlord and its agents to enter into and examine the Premises, to show the Premises (only during the final 6 months of then current term; provided that Tenant did not exercise its right to renew pursuant to Section 2.3 above) and to make repairs to the Premises. Except in emergencies, such entry shall be after reasonable notice to Tenant and at reasonable times.

6.1.7 Personal Property at Tenant's Risk. All of the furnishings, fixtures, equipment, effects and property of every kind, nature and description of Tenant and of all persons claiming by, through or under Tenant which, during the continuance of this Lease or any occupancy of the Premises by Tenant or anyone claiming under Tenant, may be on the Premises, shall be at the sole risk and hazard of Tenant and if the whole or any part thereof shall be destroyed or damaged by fire, water or otherwise, or by the leakage or bursting of water pipes, steam pipes, or other pipes, by theft or from any other cause, no part of said loss or damage is to be charged to or to be borne by Landlord, unless caused by the negligence, fault or misconduct of the Landlord except that Landlord shall in no event be indemnified or held harmless or exonerated from any liability to Tenant or to any other person, for any injury, loss, damage or liability to the extent prohibited by law.

6.1.8 Yield Up. At the expiration of the Term or earlier termination of this Lease: to surrender all keys to the Premises; to remove all of its trade fixtures and personal property in the Premises; to remove such installations made by it as Landlord may request (provided that the Landlord notified the Tenant that such alterations must be removed at the time such alterations were approved by the Landlord) and all Tenant's signs wherever located; to repair all damage caused by such removal and to yield up the Premises broom-clean and in the same good order and repair in which Tenant is obliged to keep and maintain the Premises by the provisions of this Lease subject to reasonable wear and tear and damage by fire or other casualty. Any property not so removed after notice to Tenant shall be deemed abandoned and may be removed and disposed of by Landlord in such manner as Landlord shall determine and Tenant shall pay Landlord the reasonable cost and expense incurred by it in effecting such removal and disposition and in making any incidental repairs and replacements to the Premises and for use and occupancy during the period after the expiration of the Term and prior to its performance of its obligations under this subsection 6.1.7. Tenant shall further indemnify Landlord against all loss, cost and damage resulting from Tenant's failure and delay in surrendering the Premises as above provided.

6.1.9 Holdover. If the Tenant remains in the Premises beyond the expiration or earlier termination of this Lease, such holding over shall be without right and shall not be deemed to create any tenancy, but the Tenant shall be a tenant at sufferance only at a daily rate of rent equal to one hundred fifty percent (150%) times the rent and other charges in effect under this Lease as of the day prior to the date of expiration of this Lease.

6.1.10 Rules and Regulations. To comply with all reasonable Rules and Regulations of general applicability to all tenants of the Building hereafter made by Landlord, of which Tenant has been given written notice; Landlord shall not be liable to Tenant for the failure of other tenants of the Building to conform to such Rules and Regulations. The Landlord agrees to use reasonable efforts to see to it that other tenants of the Building conform to such Rules and Regulations.

6.1.11 Estoppel Certificate. Upon not less than fifteen (15) days' prior written request by Landlord, to execute, acknowledge and deliver to Landlord a statement in writing certifying that this Lease is unmodified and in full force and effect and that Tenant has no defenses, offsets or counterclaims against its obligations to pay the Fixed Rent and Additional Rent and any other charges and to perform its other covenants under this Lease (or, if there have been any modifications, that the Lease is in full force and effect as modified and stating the modifications and, if there are any defenses, offsets or counterclaims, setting them forth in reasonable detail), and the dates to which the Fixed Rent and Additional Rent and other charges have been paid. Any such statement delivered pursuant to this subsection 6.1.10 may be relied upon by any prospective purchaser or mortgagee of the Premises, or any prospective assignee of such mortgage. Upon not less than fifteen (15) days' prior written request by Tenant, Landlord agrees to execute, acknowledge and deliver to Tenant a similar estoppel certificate, including a statement as to whether Tenant is in default, in a form reasonably acceptable to Landlord.

6.2 Negative Covenants. Tenant covenants at all times during the Term and such further time (prior or subsequent thereto) as Tenant occupies the Premises or any part thereof:

6.2.1 Assignment and Subletting. Not to assign or sublet all or any portion of the Premises without the prior written consent of the Landlord which consent shall not be unreasonably withheld or delayed. In the event Landlord consents to a subletting or assignment of all or any portion of the Premises, it shall be a condition of any such subletting or assignment that the sublessee or assignee agree in writing with Landlord to be bound by each and every term, covenant and condition contained in this Lease. Tenant shall have the right, without Landlord's consent, to assign this Lease to an entity controlling, controlled by or under common control with Tenant or to a corporation into which Tenant is merged or consolidated so long as, on the completion of such merger, consideration, acquisition or assumption, the successor has a net worth not less than the Tenant's net worth, immediately prior to such merger, consolidation, acquisition or assumption. No assignment or subletting shall relieve the Tenant of its obligations hereunder. It shall be a condition to any assignment that the assignee shall agree to be bound by all obligations of the Tenant coming due after such assignment and that Landlord may rely on such agreement.

If for any assignment or sublease consented to by Landlord hereunder Tenant receives rent or other consideration, either initially or over the Term of the assignment or sublease in excess of the rent called for hereunder, or in case of sublease of part, in excess of such rent fairly allocable to the part, after appropriate adjustments to assure that all other payments called for hereunder are appropriately taken into account and after deduction for reasonable expenses of Tenant in connection with the assignment or sublease, to pay to Landlord as additional rent fifty (50%) percent of the excess of each such payment of rent or other consideration received by Tenant promptly after its receipt.

6.2.2 Nuisance. Not to injure, deface or otherwise harm the Premises; nor commit any nuisance; nor permit in the Premises any vending machine (except such as is used for the sale of merchandise to employees of Tenant) or inflammable fluids or chemicals (except such as are customarily used in connection with standard office equipment); nor permit any cooking to such extent as requires special exhaust venting; nor permit the emission of any objectionable noise or odor; nor make, allow or suffer any waste; nor make any use of the Premises which is contrary to any law or ordinance or which will invalidate any of Landlord's insurance; nor conduct any auction, fire, "going out of business" or bankruptcy sales.

6.2.3 Hazardous Wastes and Materials. Not to dispose of any hazardous wastes, hazardous materials or oil on the Premises or the Property, or into any of the plumbing, sewage, or drainage systems thereon, and to indemnify and save Landlord harmless from all claims, liability, loss or damage arising on account of the use or disposal by Tenant (or any person claiming by, through or under Tenant including, without limitation, all customers, employees and suppliers of Tenant) of hazardous wastes, hazardous materials or oil, including, without limitation, liability under any federal, state, or local laws, requirements and regulations, or damage to any of the aforesaid systems. Tenant shall comply with all governmental reporting requirements with respect to hazardous wastes, hazardous materials and oil, and shall deliver to Landlord copies of all reports filed with governmental authorities with respect to same.

6.2.4 Floor Load; Heavy Equipment. Not to place a load upon any floor of the Premises exceeding the floor load per square foot area which such floor was designed to carry and which is allowed by law, which for purposes of this subsection, is 125 lbs. per square foot. Landlord reserves the right to prescribe the weight and position of all heavy business machines and equipment, including safes, which shall be placed so as to distribute the weight. Business machines and mechanical equipment which cause vibration or noise shall be placed and maintained by Tenant at Tenant's expense in settings sufficient to absorb and prevent vibration, noise and annoyance. Tenant shall not move any safe, heavy machinery, heavy equipment, freight or fixtures into or out of the Premises except in such manner and at such time as Landlord shall in each instance authorize.

6.2.5 Installation, Alterations or Additions. Not to make any installations, alterations or additions in, to or on the Premises not to permit the making of any holes (other than by small nails and screws for hanging pictures and the like) or for the purpose of running telephone and data communications wiring in the walls, partitions, ceilings or floors without on each occasion obtaining the prior written consent of Landlord, and then only pursuant to plans and specifications approved in writing by Landlord in advance in each instance; Tenant shall pay promptly when due the entire cost of any work to the Premises undertaken by Tenant so that the Premises shall at all times be free of liens for labor and materials, and at Landlord's request Tenant shall furnish to Landlord a bond or other security acceptable to Landlord assuring that any work commenced by Tenant will be completed in accordance with the plans and specifications theretofore approved by Landlord and assuring that the Premises will remain free of any mechanics' lien or other encumbrance arising out of such work. In any event, Tenant shall forthwith bond against or discharge any mechanics' liens or other encumbrances that may arise out of such work. Tenant shall procure all necessary licenses and permits at Tenant's sole expense before undertaking such work. All such work shall be done in a good and workmanlike manner employing materials of good quality and so as to conform with all applicable zoning, building, fire, health and other codes, regulations, ordinances and laws. Tenant shall save Landlord harmless and indemnified from all injury, loss, claims or damage to any person or property occasioned by or arising out of such work; provided, that in the event of a third party claim, Tenant shall have the right to defend such claim with counsel reasonably acceptable to Landlord.

6.2.6 Abandonment. Not to abandon or vacate the Premises during the Term, except that a temporary cessation of Tenant's business upon the Premises shall not be considered abandonment or vacation where such cessation is caused by (i) Tenant's employee vacation policy; (ii) temporary labor or economic conditions, war or acts of God; or (iii) repairs, renovations or improvements conducted in accordance with the terms of this Lease.

6.2.7 Signs. No signs or blinds may be put on or in any window by Tenant or on the Building's facade without the prior written consent of Landlord. Any signs or lettering in the public corridors or on the doors must be submitted to Landlord for written approval before installation which shall not be unreasonably withheld or delayed. Said submissions must be professionally drawn to scale. Neither Landlord's name, nor the name of the Building shall be used without Landlord's consent in any advertising material (except on business stationery or as an address in advertising matter) nor shall any such name, as aforesaid, be used in any undignified, confusing, detrimental or misleading manner.

6.2.8 Parking and Storage. Tenant, its employees, visitors and guests shall park in designated areas only and agrees not to store any vehicles on the Property for more than twenty four (24) hours without permission from the Landlord. Landlord will provide parking for Tenant and other tenants of the Building on a first come, first served basis at a ratio of 3.4 parking spaces per 1,000 rentable square feet of space within the Building without charge to Tenant.

ARTICLE 7.
Casualty, Eminent Domain

7.1 Termination. In the event that greater than fifty percent (50%) of the Building or the Lot shall be taken by any public authority or for any public use or destroyed by the action of any public authority (a "Taking"), then this Lease may be terminated by either Landlord or Tenant effective on the effective date of the Taking. In the event that the Premises shall be destroyed or damaged by fire or casualty (a "Casualty") and, if Landlord's architect, engineer or contractor shall determine that it will require in excess of one hundred eighty (180) days from the date of the Casualty to restore the Premises, this Lease may be terminated by either Landlord or Tenant by notice to the other within thirty (30) days after the casualty. In the case of a Taking, such election, which may be made notwithstanding the fact that Landlord's entire interest may have been divested, shall be made by the giving of notice by Landlord or Tenant to the other within thirty (30) days after Landlord or Tenant, as the case may be, shall receive notice of the Taking

7.2 Restoration. In the event of a Taking or a Casualty, if neither Landlord nor Tenant exercises the election to terminate provided in Section 7.1, this Lease shall continue in force and a just proportion of the Fixed Rent and other charges hereunder, according to the nature and extent of the damages sustained by the Premises, but not in excess of an equitable portion of the net proceeds of insurance recovered by Landlord under the rental insurance carried pursuant to Section 4.2.3, shall be abated until the Premises, or what may remain thereof, shall be put by Landlord in proper condition for use subject to zoning and building laws or ordinances then in existence, which, unless Landlord or Tenant has exercised its option to terminate pursuant to Section 7.1, Landlord covenants to do with reasonable diligence at Landlord's expense. Landlord's obligations with respect to restoration shall not require Landlord to expend more than the net proceeds of insurance recovered or damages awarded for such Casualty or Taking and made available for restoration by Landlord's mortgagees. "Net proceeds of insurance recovered or damages awarded" refers to the gross amount of such insurance or damages less the reasonable expenses of Landlord in connection with the collection of the same, including, without limitation, fees and expenses for legal and appraisal services.

7.3 Award. Irrespective of the form in which recovery may be had by law, all rights to damages or compensation shall belong to Landlord in all cases. Tenant hereby grants to Landlord all of Tenant's rights to such damages and compensation and covenants to deliver such further assignments thereof as Landlord may from time to time request.

ARTICLE 8.
Defaults

8.1 Events of Default. (a) If Tenant shall default in the performance of any of its obligations to pay the Fixed Rent or Additional Rent hereunder and if such default shall continue for ten (10) days after written notice from Landlord designating such default or if within thirty (30) days after written notice from Landlord to Tenant specifying any other default or defaults Tenant has not commenced diligently to correct the default or defaults so specified or has not thereafter diligently pursued such correction to completion, or (b) if any assignment of the Lease shall be made by Tenant or any guarantor of Tenant for the benefit of creditors, or (c) if Tenant's Leasehold interest shall be taken on execution, or (d) if a lien or other involuntary encumbrance is filed against Tenant's Leasehold interest, and is not discharged within ten (10) days thereafter, or (e) if a petition is filed by Tenant or any guarantor of Tenant for liquidation, or for reorganization or an arrangement under any provision of any bankruptcy law or code as then in force and effect, or (f) if an involuntary petition under any of the provisions of any bankruptcy law or code is filed against Tenant or any guarantor of Tenant and such involuntary petition is not dismissed within sixty (60) days thereafter, then, and in any of such cases, Landlord and the agents and servants of Landlord may, to the extent permitted by applicable law, in addition to and not in derogation of any remedies for any preceding breach of covenant, immediately or at any time thereafter without demand or notice and with or without process of law (forcibly, if necessary) enter into and upon the Premises or any part thereof in the name of the whole or mail a notice of termination addressed to Tenant, and repossess the same as of Landlord's former estate and expel Tenant and those claiming through or under Tenant and remove its and their effects (forcibly, if necessary) without being deemed guilty of any manner of trespass and without prejudice to any remedies which might otherwise be used for arrears of rent or prior breach of covenant, and upon such entry or mailing as aforesaid this Lease shall terminate, Tenant hereby waiving all statutory rights to the Premises (including without limitation rights of redemption, if any, to the extent such rights may be lawfully waived) and Landlord, without notice to Tenant, may store Tenant's effects, and those of any person claiming through or under Tenant, at the expense and risk of Tenant, and, if Landlord so elects, may sell such effects at public auction or private sale and apply the net proceeds to the payment of all sums due to Landlord from Tenant, if any, and pay over the balance, if any, to Tenant.

8.2 Remedies. In the event that this Lease is terminated under any of the provisions contained in Section 8.1 or shall be otherwise terminated for breach of any obligation of Tenant, Tenant covenants to pay punctually to Landlord all the sums and to perform all the obligations which Tenant covenants in this Lease to pay and to perform in the same manner and to the same extent and at the same time as if this Lease had not been terminated. In calculating the amounts to be paid by Tenant pursuant to the preceding sentence Tenant shall be credited with the net proceeds of any rent obtained by Landlord by reletting the Premises, after deducting all Landlord's reasonable expense in connection with such reletting, including, without limitation, all repossession costs, brokerage commissions, fees for legal services and expenses of preparing the Premises for such reletting (excluding the cost of any buildout incurred for any new tenant), it being agreed by Tenant that Landlord may (i) relet the Premises or any part or parts thereof, for a term or terms which may at Landlord's option be equal to or less than or exceed the period which would otherwise have constituted the balance of the Term and may grant such concessions and free rent as Landlord in its sole judgment considers advisable or necessary to relet the same and (ii) make such alterations, repairs and decorations in the Premises as Landlord in its sole judgment considers advisable or necessary to relet the same, and no action of Landlord in accordance with the foregoing or failure to relet or to collect rent under reletting shall operate or be construed to release or reduce Tenant's liability as aforesaid. In lieu of the foregoing, Landlord may elect to recover, and Tenant shall pay forthwith to Landlord, as compensation, the excess of the total rent reserved for the residue of the Term over the rental value of the Premises for said residue of the Term discounted at the then discount rate of the Federal Reserve Bank of Boston. In calculating the rent reserved there shall be included, in addition to the Fixed Rent and Additional Rent, the value of all other considerations agreed to be paid or performed by Tenant for said residue. Landlord agrees to use commercially reasonable efforts to mitigate damages.

8.3 Remedies Cumulative. Any and all rights and remedies which Landlord or Tenant may have under this Lease, and at law and in equity, shall be cumulative and shall not be deemed inconsistent with each other, and any two or more of all such rights and remedies may be exercised at the same time insofar as permitted by law.

8.4 Landlord's Right to Cure Defaults. Landlord may, but shall not be obligated to, cure, at any time, after written notice to Tenant as required by Section 8.1, any default by Tenant under this Lease; and whenever Landlord so elects, all costs and expenses incurred by Landlord, including reasonable attorneys' fees, in curing a default shall be paid, as Additional Rent, by Tenant to Landlord on demand, together with lawful interest thereon from the date of payment by Landlord to the date of payment by Tenant.

8.5 Effect of Waivers of Default. Any consent or permission by either party hereunder to any act or omission which otherwise would be a breach of any covenant or condition herein, shall not in any way be held or construed (unless expressly so declared) to operate so as to impair the continuing obligation of any covenant or condition herein, or otherwise, except as to the specific instance, operate to permit similar acts or omissions.

8.6 No Waiver, Etc. The failure of either party hereunder to seek redress for violation of, or to insist upon the strict performance of, any covenant or condition of this Lease shall not be deemed a waiver of such violation nor prevent a subsequent act, which would have originally constituted a violation. The receipt by Landlord of rent with knowledge of the breach of any covenant of this Lease shall not be deemed to have been a waiver of such breach by Landlord. No consent or waiver, express or implied, by either party hereunder to or of any breach of any agreement or duty shall be construed as a waiver or consent to or of any other breach of the same or any other agreement or duty.

8.7 No Accord and Satisfaction. No acceptance by Landlord of a lesser sum than the Fixed Rent, Additional Rent or any other charge then due shall be deemed to be other than on account of the earliest installment of such rent or charge due, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent or other charge be deemed an accord and satisfaction, and Landlord may accept such check of payment without prejudice to Landlord's right to recover the balance of such installment or pursue any other remedy in this Lease provided.

ARTICLE 9.
Rights of Mortgage Holders

9.1 Rights of Mortgage Holders. The word "mortgage" as used herein includes mortgages, deeds of trust or other similar instruments evidencing other voluntary liens or encumbrances, and modifications, consolidations, extensions, renewals, replacements and substitutes thereof. The word "holder" shall mean a mortgagee, and any subsequent holder or holders of a mortgage. Until the holder of a mortgage shall enter and take possession of the Property for the purpose of foreclosure, such holder shall have only such rights of Landlord as are necessary to preserve the integrity of this Lease as security. Upon entry and taking possession of the Property for the purpose of foreclosure, such holder shall have all the rights of Landlord. No such holder of a mortgage shall be liable either as mortgagee or as assignee, to perform, or be liable in damages for failure to perform, any of the obligations of Landlord unless and until such holder shall enter and take possession of the Property for the purpose of foreclosure. Upon entry for the purpose of foreclosure, such holder shall be liable to perform all of the obligations of Landlord.

The covenants and agreements contained in this Lease with respect to the rights, powers and benefits of a holder of a mortgage (particularly, without limitation thereby, the covenants and agreements contained in this Section 9.1) constitute a continuing offer to any person, corporation or other entity, which by accepting a mortgage subject to this Lease, assumes the obligations herein set forth with respect to such holder; such holder is hereby constituted a party of this Lease as an obligee hereunder to the same extent as though its name were written hereon as such; and such holder shall be entitled to enforce such provisions in its own name. Tenant agrees on request of Landlord to execute and deliver from time to time any agreement which may be necessary to implement the provisions of this Section 9.1.

9.2 Lease Superior or Subordinate to Mortgages. It is agreed that the rights and interest of Tenant under this Lease shall be (i) subject or subordinate to any present or future mortgage or mortgages and to any and all advances to be made thereunder, and to the interest of the holder thereof in the Premises or any property of which the Premises are a part if Landlord shall elect by notice to Tenant to subject or subordinate the rights and interest of Tenant under this Lease to such mortgage or (ii) prior to any present or future mortgage or mortgages, if Landlord shall elect, by notice to Tenant, to give the rights and interest of Tenant under this Lease priority to such mortgage; in the event of either of such elections and upon notification by Landlord to that effect, the rights and interest of Tenant under this Lease should be deemed to be subordinate to, or have priority over, as the case may be, said mortgage or mortgages, irrespective of the time of execution or time of recording of any such mortgage or mortgages (provided that, in the case of subordination of this Lease to any future mortgages, the holder thereof agrees (i) to abide by the terms and conditions of this Lease and (ii) not to disturb the possession of Tenant so long as Tenant is not in default hereunder). Tenant agrees it will, upon request of Landlord, execute, acknowledge and deliver any and all instruments deemed by Landlord necessary or desirable to give effect to or notice of such subordination or priority. Any mortgage to which this Lease shall be subordinated may contain such terms, provisions and conditions as the holder deems usual or customary.

At the request of Tenant, Landlord shall obtain on Tenant's behalf an agreement from any present holder of a mortgage on the Property that such holder, in exercising any of its rights under such mortgage, shall not disturb the possession or any other rights of Tenant under this Lease and that such mortgagee will accept Tenant as Tenant of the Premises under the terms and conditions of this Lease so long as Tenant performs its obligations hereunder and agrees to attorn to such mortgagee.

ARTICLE 10.
Miscellaneous Provisions

10.1 Notices from One Party to the Other. All notices required or permitted hereunder shall be in writing and addressed, if to the Tenant, at the Original Notice Address of Tenant or such other address as Tenant shall have last designated by notice in writing to Landlord, if to Landlord, at the Original Notice Address of Landlord or such other address as Landlord shall have last designated by notice in writing to Tenant. Any notice shall be deemed duly given when mailed to such address postage prepaid, by registered or certified mail, return receipt requested, or when delivered to such address by hand or by Federal Express or comparable overnight courier.

10.2 Quiet Enjoyment. Landlord agrees that upon Tenant's paying the rent and performing and observing the agreements, conditions and other provisions on its part to be performed and observed, Tenant shall and may peaceably and quietly have, hold and enjoy the Premises during the Term hereof without any manner of hindrance or molestation from Landlord or anyone claiming under Landlord, subject, however, to the terms of this Lease.

10.3 Lease not to be Recorded. Tenant agrees that it will not record this Lease. Both parties shall, upon the request of either, execute and deliver a notice or short form of this Lease in such form, if any, as may be permitted by applicable statute.

10.4 Limitation of Landlord's Liability. The term "Landlord" as used in this Lease so far as covenants or obligations to be performed by Landlord are concerned, shall be limited to mean and include only the owner or owners at the time in question of the Property, and in the event of any transfer or transfers of title to said Property, the Landlord (and in case of any subsequent transfers or conveyances, the then grantor) shall be concurrently freed and relieved from and after the date of such transfer or conveyance of all liability as respects the performance of any covenants or obligations on the part of the Landlord contained in this Lease thereafter to be performed, it being intended hereby that the covenants and obligations contained in this Lease on the part of Landlord, shall, subject as aforesaid, be binding on the Landlord, its successors and assigns, only during and in respect of their respective successive periods of ownership of said Leasehold interest or fee, as the case may be. Notwithstanding the foregoing (1) Landlord shall not be released from its obligations under this Lease unless the transferee agrees in writing, for the benefit of the Tenant, to assume Landlord's obligations under the Lease from and after the date of transfer; and (2) if Landlord assigns its interest in this Lease as additional security, this assignment shall not release Landlord from its obligations under this Lease. Tenant, its successors and assigns, shall not assert nor seek to enforce any claim for breach of this Lease against any of Landlord's assets other than Landlord's interest in the Property and in the rents, issues and profits thereof, and Tenant agrees to look solely to such interest for the satisfaction of any liability or claim against Landlord under this Lease, it being specifically agreed that in no event whatsoever shall Landlord (which term shall include, without limitation, any general or limited partner, trustees, beneficiaries, officers, directors, or stockholders of Landlord) ever be personally liable for any such liability. Landlord hereby covenants and represents that it is as of the date of this Lease the sole owner of the Building and the Property.

10.5 Acts of God. In any case where either party hereto is required to do any act, then delays caused by or resulting from a Force Majeure Event shall not be counted in determining the time during which work shall be completed, whether such time be designated by a fixed date, a fixed time or a "reasonable time", and such time shall be deemed to be extended by the period of such delay; provided that the affected party uses commercially reasonable efforts to minimize such delay and the affected party's negligence or misconduct did not contribute to the same. However, Force Majeure should not delay the payment of rent.

10.6 Landlord's Default. Landlord shall not be deemed to be in default in the performance of any of its obligations hereunder unless it shall fail to perform such obligations and such failure shall continue for a period of thirty (30) days or such additional time as is reasonably required to correct any such default after written notice has been given by Tenant to Landlord specifying the nature of Landlord's alleged default.

10.6.1 Landlord's Default - Tenant's Remedy. If Tenant is prevented from using and does not use, all or part of the Premises as a result of Landlord's default and, if the default continues for five consecutive business days after Landlord's receipt of notice from Tenant of the alleged default, the Fixed Rent and Additional Rent payable under this Lease shall be abated or reduced from that 5 day period for such time that Tenant continued to be prevented from using, and does not use, the affected area of the Premises, in the proportion that the affected area bears to the total rentable area of the Premises.

10.7 After Hours and Holiday Heating and Air Conditioning. Heating and air conditioning can be provided to Tenant during evenings, weekends and holidays provided that the Landlord receives at least twenty four (24) hours prior written notice from the Tenant of the need for heat or air conditioning. The charge for such service is thirty five (\$35.00) dollars per hour which amount is subject to increase as utility costs increase. Any charges for this service shall be due and payable on the first of the following month.

10.8 Applicable Law and Construction. This Lease shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts and, if any provisions of this Lease shall to any extent be invalid, the remainder of this Lease shall not be affected thereby. There are no oral or written agreements between Landlord and Tenant affecting this Lease. This Lease may be amended, and the provisions hereof may be waived or modified only by instruments in writing executed by Landlord and Tenant. The titles of the several Articles and Sections contained herein are for convenience only and shall not be considered in construing this Lease. Unless repugnant to the context, the words "Landlord" and "Tenant" appearing in this Lease shall be construed to mean those named above and their respective heirs, executors, administrators, successors and assigns, and those claiming through or under them respectively. If there be more than one tenant the obligations imposed by this Lease upon Tenant shall be joint and several.

10.9 Brokerage. Landlord and Tenant represent to each other that they have not dealt with any real estate brokers or sales representatives other than CB Richard Ellis/Whittier Partners ("Brokers") in connection with this Lease. Landlord agrees to indemnify and hold harmless Tenant, and Tenant agrees to indemnify and hold harmless Landlord from and against all threatened or asserted claims, liabilities, costs or damages (including reasonable attorney's fees and disbursements) which they may incur as a result of a breach of this representation. Landlord agrees to pay Broker commission(s) in accordance with a separate written agreement.

IN WITNESS WHEREOF, the parties hereby have executed this Indenture of Lease in multiple copies, each to be considered an original hereof, as a sealed instrument on the day and year noted in Exhibit I as the Execution Date.

LANDLORD:

RIVER RIDGE LIMITED PARTNERSHIP

Cornerstone Corporation
Its Managing Agent

By: /s/ Paul E. Tryder

Paul E. Tryder
President

TENANT:

CORBUS PHARMACEUTICALS, INC.

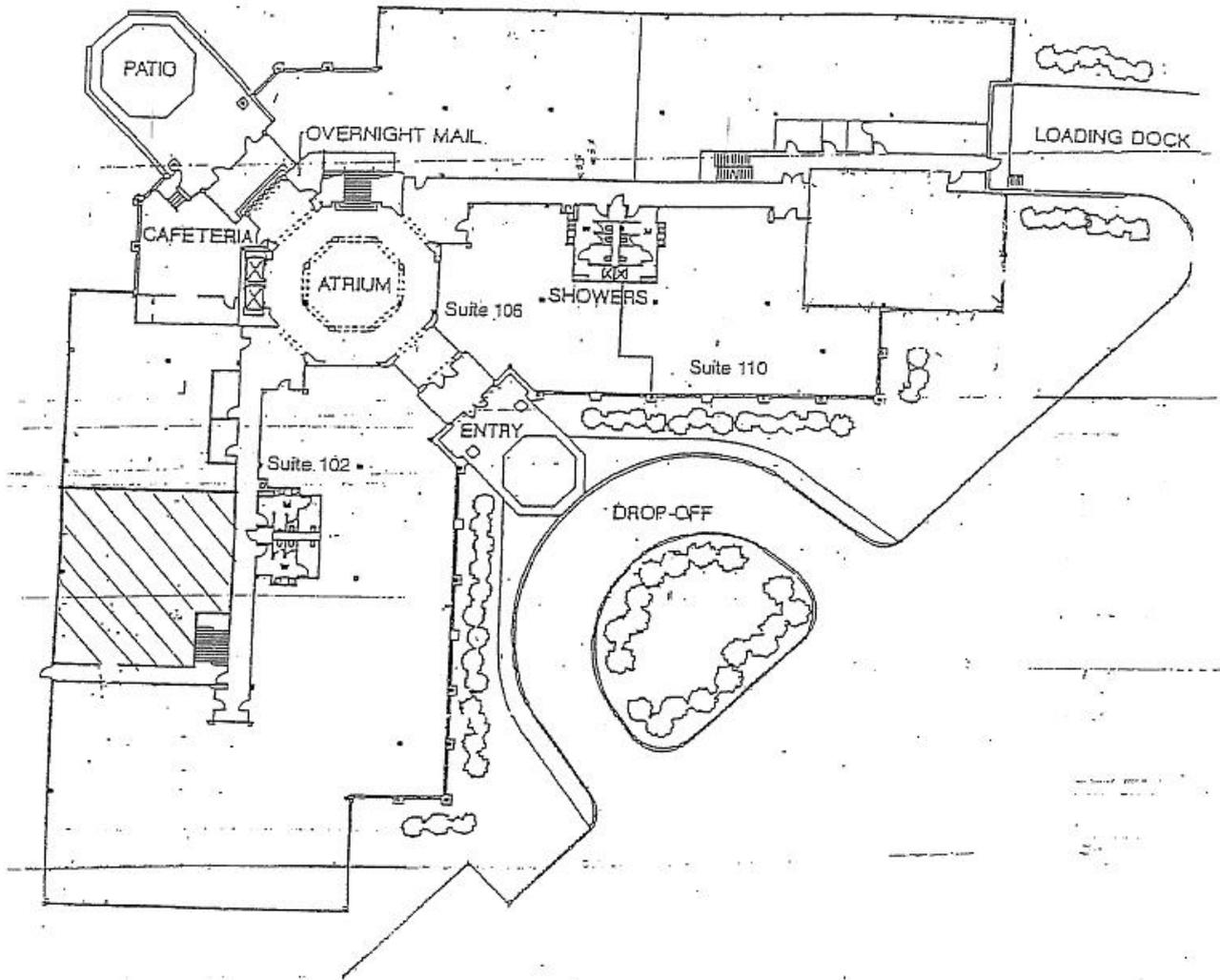
By: /s/ Yuval Cohen

Yuval Cohen
Chief Executive Officer

EXHIBIT A

PLAN SHOWING THE PREMISES

EXHIBIT A



First Floor Plan

100 River Ridge Drive
Norwood, Massachusetts



EXHIBIT B

HOLIDAY SCHEDULE FOR 100 RIVER RIDGE DRIVE

MONTH	HOLIDAY
January	New Years Day
February	Presidents' Day
April	Patriot's Day
May	Memorial Day
July	Independence Day
September	Labor Day
October	Columbus Day
November	Thanksgiving Day
December	Christmas Day

No heating, air conditioning or janitorial service will be provided on these days.

EXHIBIT D

RULES AND REGULATIONS

1. The sidewalks, entrances, passages, courts, elevators, vestibules, stairways, corridors or halls shall not be obstructed or encumbered by any tenant or used for any purpose other than ingress and egress to and from the Premises.

2. No awnings or other projections shall be attached to the outside walls of the Building without the prior written consent of Landlord, which shall not be unreasonably withheld or delayed. No curtains, blinds, shades, screens or plants shall be attached to or hung in, or used in connection with, any window or door of the Premises without the prior written consent of Landlord, which shall not be unreasonably withheld or delayed. Such awnings, projections, curtains, plants, blinds, shades, screens or other fixtures must be of a quality, type, design and color, and attached in the manner approved by Landlord.

3. A building directory listing Tenant's name and location will be maintained in the main lobby of the Building by and at the expense of Landlord and the number of such listings shall be at the discretion of Landlord. No sign, advertisement, notice or other lettering shall be exhibited, inscribed, painted or affixed by any Tenant on any part of the outside of the Premises or the Building or so as to be visible from outside the Building. No sign, advertisement, notice or other lettering shall be exhibited, inscribed, painted or affixed by any Tenant on any part of the inside of the Premises or the Building without the prior written consent of Landlord which shall not be unreasonably withheld or delayed. In the event of the violation of the foregoing by any Tenant, Landlord may remove same without any liability, and may charge the expense incurred by such removal to the Tenant or Tenants violating this rule. Interior signs on doors and directory tablet shall be inscribed, painted or affixed for each Tenant, at each Tenant's expense, and shall be of a size, color and style acceptable to Landlord.

4. The sashes, sash doors, skylights, windows and doors that reflect or admit light and air into the halls, passageways or other public places in the Building shall not be covered or obstructed by any Tenant, nor shall any bottles, parcels or other articles be placed on the windowsills.

5. No show cases or other articles shall be put in front of, or affixed to any part of the exterior of the Building, nor placed in the lobby, halls, corridors, vestibules or fire escapes, stairways or mechanical rooms.

6. The water and wash closets and other plumbing fixtures shall not be used for any purposes other than those for which they were constructed, and no sweepings, rubbish, rags or other substance shall be thrown therein. All damages resulting from any misuses of the fixtures shall be borne by the Tenant who, or whose servants, employees, agents, visitors or licensees, shall have caused the same.

7. Tenant shall not mark, paint, drill into, or in any way deface any part of the Premises or the Building of which they form a part, except in connection with hanging artwork, furnishings or decorations. No boring, cutting or stringing of wires shall be permitted, except with the prior written consent of Landlord, and as Landlord may direct. Tenant shall not lay linoleum, or other similar floor covering, so that the same shall come in contact with the floor of the Premises, and, if linoleum or other similar floor covering is desired to be used, an interlining of builder's deadening felt shall be first affixed to the floor by a paste or other material, soluble in water, the use of cement or other similar adhesive material being expressly prohibited.

8. No, vehicles or animals of any kind shall be brought in or kept about the Premises, and no cooking shall be done or permitted by Tenant on the Premises except for preparation of beverages and heating foods and liquids in a microwave oven. Tenant shall not cause or permit any unusual or objectionable odors to be produced upon or permeate from the Premises.

9. No space in the Building, except as provided in individual leases, shall be used for manufacturing, for the storage of merchandise or for the sale of merchandise, goods or property of any kind at auction.

10. Tenant shall not make, or permit to be made, any unseemly or disturbing noises or disturb or interfere with occupants of this or neighboring buildings or premises or those having business with them whether by the use of any musical instrument, radio, talking machine, unmusical noise, whistling, singing, or in any other way. Tenant shall not throw anything out of doors, windows, skylights or down the passage ways.

11. Tenant, including any of Tenant's servants, employees, agents, visitors, or licensees, shall not at any time bring or keep upon the Premises any inflammable, combustible or explosive fluid, chemical or substance, except to those normally used or kept in business offices.

12. No additional locks or bolts of any kind shall be placed upon any of the doors or windows by Tenant, nor shall any changes be made in existing locks or the mechanism thereof without the prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed. Tenant must, upon the termination of its tenancy, restore to Landlord all keys (properly labeled) of stores, offices and toilet rooms, either furnished to, or otherwise procured by Tenant and in the event of the loss of any keys, so furnished, Tenant shall pay Landlord the cost thereof. In the event any locks are inoperable upon the termination of the tenancy, the Tenant shall pay for repair thereof unless caused by Landlord's negligence.

13. All removals, or the carrying in or out of any safes, freight, furniture or bulky matter of any description must take place during the hours which Landlord or its agents may reasonably determine from time to time; and in the event Landlord incurs any expenses, including costs for overtime wages for building personnel, in connection with said removals or carrying in or out, said expenses shall be paid by Tenant. Landlord reserves the right to inspect all freight to be brought into the Building and to exclude from the Building all freight which violates any of these Rules and Regulations or the lease of which these Rules and Regulations are a part.

14. Tenant shall not occupy or permit any portion of the Premises demised to him to be occupied for the possession, storage, manufacture or sale of liquor, or of any illegal or hazardous substance except for those normally used or kept in business offices.

15. Landlord shall have the right to prohibit any advertising by any Tenant which, in Landlord's reasonable opinion, tends to impair the reputation of the Building or its desirability as a building for offices, and upon written notice from Landlord, Tenant shall refrain from or discontinue such advertising. Tenant shall not use the name of the Building or its owner in any advertising without the express consent in writing of Landlord.

16. Tenant shall not install or permit the installation or use of any machines dispensing goods for sale, including without limitation foods, beverages, cigarettes or cigars. No food or beverage shall be carried in the public halls and elevators of the Building except in closed containers.

17. The Premises shall not be used for lodging or sleeping or for any immoral or illegal purpose.

18. Canvassing, soliciting and peddling in the Building is prohibited and each Tenant shall cooperate to prevent the same by notifying Landlord. Landlord reserves the right to inspect any parcel or package being removed from the Building by Tenant, its employees, representatives and business invitees.

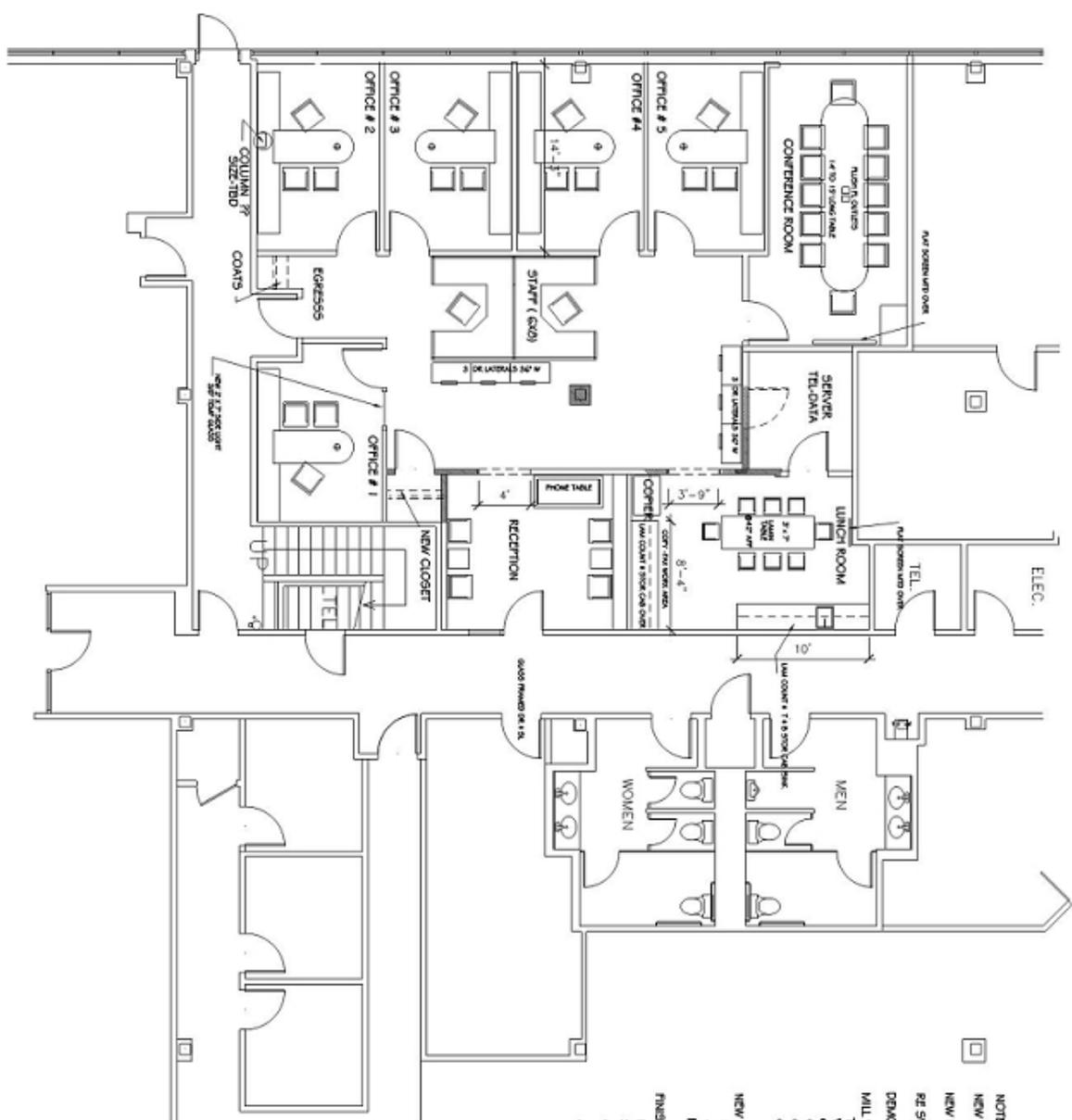
19. There shall not be used in any space or in the public halls of the Building, either by a Tenant or by jobbers or others in the delivery of or receipt of merchandise, any hand trucks, except those equipped with rubber tires and side guards.

EXHIBIT E

DESCRIPTION OF LANDLORD'S WORK

Prior to June 15, 2014, the Landlord shall, at its expense using building standard materials, in the area so designated on the attached plan, complete the following work.

- 1) Modify the Premises in accordance with the attached plan supplied as Exhibit F.
- 2) Paint all new walls-color to be selected by Tenant.
- 3) Supply and install new vinyl flooring in reception area and kitchen area -color to be selected by Tenant. There will be an allowance of \$5.00 per square foot.
- 4) Supply and install new carpet in office area(s)-color to be selected by Tenant. There will be an allowance of \$35.00 per square yard installed.
- 5) Replace all ceiling tiles with 2'x2' Armstrong "Dune" tiles.
- 6) Supply and install new 2'x2' indirect/direct light fixtures in office area(s) and recessed light fixtures in the conference room and reception area.
- 7) Construct a kitchenette as shown on plan. There will be an allowance of \$5,000.00 for cabinets/countertop installed.



- NOTES:
- NEW B.S. CARPET & BASE
- NEW BS ACQU CEL & LIGHTING
- RE SWITCH TO NEW PLAN
- DNAC & NEW CONST AS SHOWN

MILL WORK:

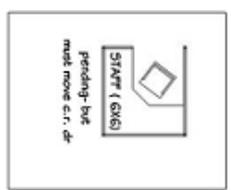
- T-8 KITCHEN CABINETS
- WE FINISHED COUNTER
- COPY AREA - COUNTER - OPEN BELOW
- CLOSED CABINETS OVER
- OPEN SHELVING OVER
- CLOSETS: 2 SETS SHELVY FOLDS

NEW ELECT. OUTLETS:

- 1 SET FLUSH R. OUTLETS
- 4 DD 20 AMP OUTLETS
- 14 TO 16 @ 110V OUTLETS

FRESHERS:

- RECEPTION - SHAW OR EQ VINYL WOOD PLANK
- SERVER - COPPER & KITCHEN - SHEET VINYL
- ALL OTHER AREAS - B.S. CARPET
- ALL AREAS - NEW PAINT



GENERAL NOTES

NO.	DATE	REVISION
1	11-14-88	ISSUED FOR PERMITS
2	12-15-88	ISSUED FOR CONSTRUCTION

EXISTING & NEW
 WALL PLUMBING AND ELECTRICAL
 WORK SHOWN IN THIS PLAN
 IS TO BE VERIFIED BY THE
 CONTRACTOR BEFORE WORK
 BEGINS.

EXISTING AND
 PROPOSED PLUM &
 SCHEM OF WORK

RESTROOM
 FIRST FLOOR
 100 DIVERS ROAD DRIVE
 HANNOVER, MASS

DATE: 11-14-88
 DRAWN BY: [Signature]
 CHECKED BY: [Signature]
 SCALE: A-1

FIRST AMENDMENT TO LEASE

WHEREAS, River Ridge Limited Partnership (the "Landlord") entered into a lease dated May 30, 2014, (the "Lease") with Corbus Pharmaceuticals, Inc. (the "Tenant"); and

WHEREAS, the Tenant has agreed to lease additional space from the Landlord and extend the term of the Lease; and

WHEREAS, the Landlord and Tenant desire to amend the Lease as necessary in order to include the additional space and to extend the Lease.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein and in the Lease contained, the parties hereto hereby agree to the following amendment(s) to the Lease effective as of the New Commencement Date and continuing for a period of five (5) years. It is contemplated by the Landlord and Tenant that such work will be completed on or before December 1, 2015. Upon the completion of the work, Landlord and Tenant shall confirm the New Commencement Date in writing.

- 1.) Tenant shall relocate its business operation(s) from the first floor (the "Original Space") as shown on Exhibit A to space adjacent to the Original Space located on the first floor (the "Relocation Space") as shown in Exhibit B annexed hereto.
- 2.) The definition of the Premises set forth in Exhibit I of the Lease is amended to read as follows:

"Premises - 6,326 rentable square feet on the first floor as shown on Exhibit B attached hereto."

- 3.) The Annual Fixed Rent and Monthly Fixed Rent contained in Article I is amended to read as follows:

Annual Fixed	Year 1	Year 2	Year 3	Year 4	Year 5
Rent Rate:	\$ 145,498.00	\$ 148,661.00	\$ 151,824.00	\$ 154,987.00	\$ 158,150.00

Monthly Fixed	Year 1-3	Year 4	Year 5	Year 6	Year 7
Rent Rate:	\$ 12,124.83	\$ 12,388.42	\$ 12,652.00	\$ 12,915.58	\$ 13,179.17

- 4.) The amount of Tenant's Percentage is Amended to read as follows:

"6.22%"

- 5.) The Security Deposit in Article I is amended to read as follows:

“The Security Deposit in the amount of \$36,375.00 shall be held and disposed of as provided in Section 4.4. The Security Deposit is being delivered to Landlord in the form of a Letter of Credit in the amount of the Security Deposit and the term “Security Deposit” includes, without limitation, the unapplied proceeds of any Letter of Credit delivered to Landlord from time to time pursuant to Section 4.4. The Letter of Credit shall be a standby irrevocable letter of credit, payable on sight, which shall have an expiration date no earlier than October 31, 2020 and shall be issued by a bank and be upon such form as are satisfactory to Landlord in all respects.

6.) Both Landlord and Tenant agree the Term of this lease shall be further extended for five (5) years beginning on the New Commencement Date.

7.) Prior to The Commencement Date, the Landlord shall cause to be performed, construction to the Premises (“Landlord’s Work”) as shown on plans drawn by Fredley R. Chitel Space Planning and Interior Design dated 6/29/2015 (the “Plans”) shown on Exhibit E annexed hereto, description of Landlord’s Work to the Relocation Space. Landlord’s work shall be done diligently in a good and workmanlike manner employing materials of good quality and so as to conform with all applicable zoning, building, fire, health and other codes, regulations, ordinances and laws.

8.) The second to last sentences of Section 3.2 shall be deleted in its entirety and replaced with the following:

“Tenant will be responsible for contributing sixty three thousand two hundred sixty (\$63,260.00) dollars toward the cost of the improvements. Tenant shall pay this cost on the New Commencement Date

9.) The first sentence of Section 4.4 shall be deleted in its entirety and replace with the following:

“Upon signing this Lease, Tenant shall provide Landlord with a standby irrevocable letter of credit issued by a bank reasonably satisfactory to Landlord and in a commercially reasonable form in an amount equal to \$36,375.00”

10.) Item #6 of Section 4.2.4 shall apply to the Relocation Space.

11.) Section 4.5 of the Lease shall be deleted in its entirety.

12.) All obligations of the Tenant under the Lease as to the Original Space shall terminate as of the New Commencement Date (provided however, Tenant shall remain responsible for its proportionate share of Operating Costs Excess and real estate taxes included in Operating Costs Excess attributable to such space for that part of the year Tenant occupied the Original Space.

13.) Capitalized terms, not otherwise herein defined shall have the meaning for such terms described in the Lease.

14.) In all other respects, the terms and provisions of the Lease are hereby ratified and confirmed and remain in full force and effect.

IN WITNESS WHEREOF, the Landlord and Tenant hereby have executed this First Amendment to Lease, as a sealed instrument on this 27th day of August, 2015.

LANDLORD: RIVER RIDGE LIMITED PARTNERSHIP

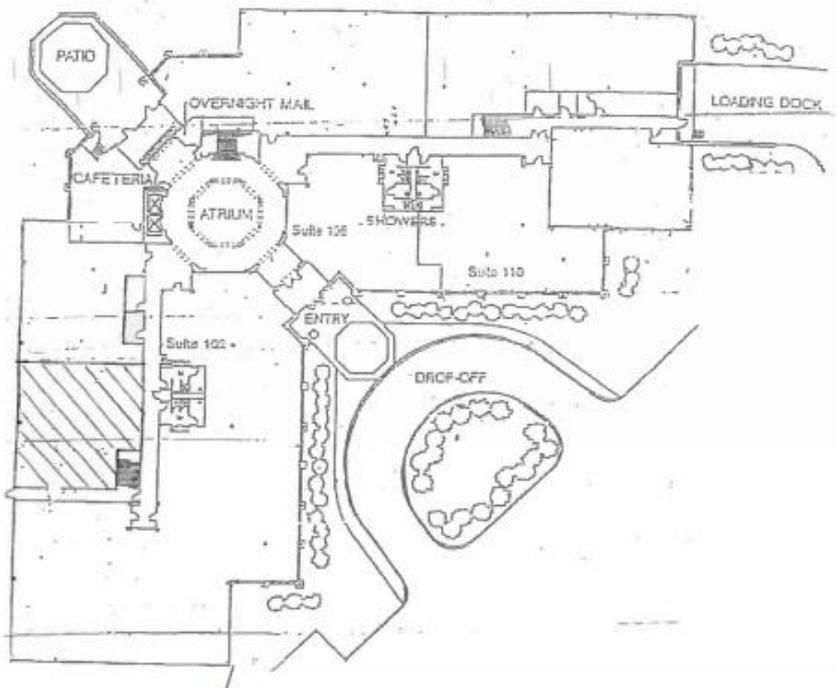
By: Cornerstone Corporation
Its: Managing Agent

By: /s/ Paul E. Tryder
President

TENANT: CORBUS PHARMACEUTICALS, INC.

By: /s/ Yuval Cohen
Yuval Cohen
Chief Executive Officer

EXHIBIT A
ORIGINAL SPACE



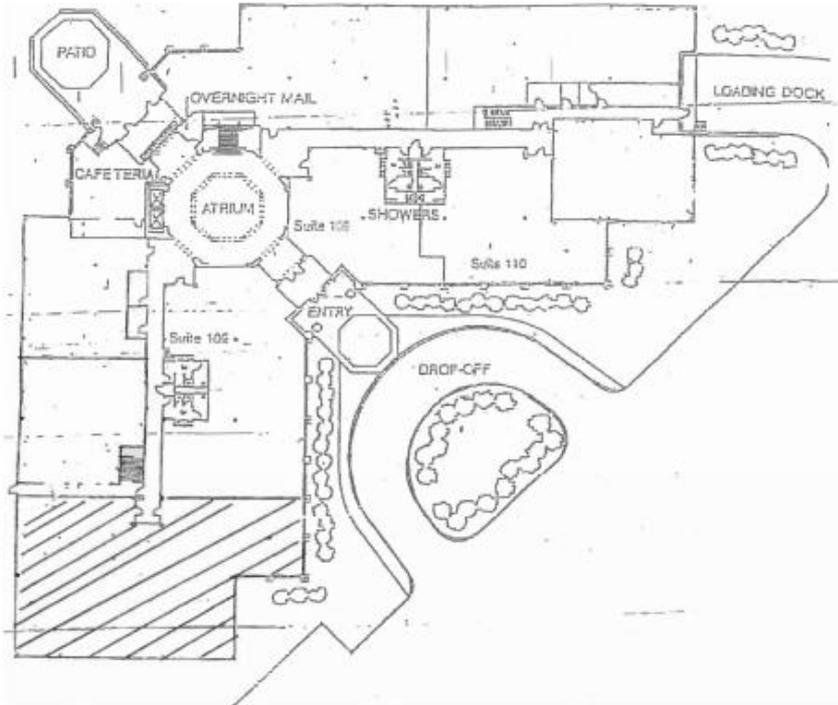
First Floor Plan

100 River Ridge Drive
Norwood, Massachusetts



EXHIBIT B

RELOCATION SPACE



First Floor Plan

100 RiverRidge Drive,
Norwood, Massachusetts

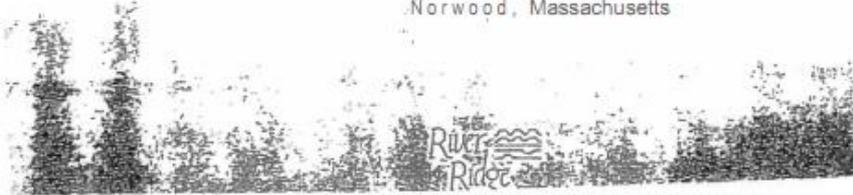


EXHIBIT E

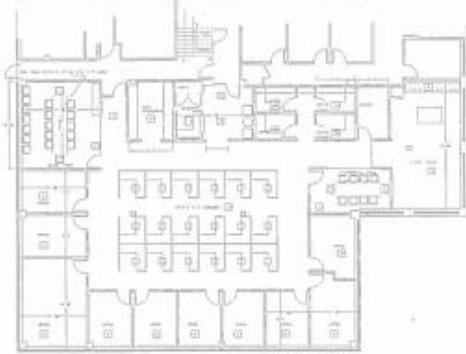
DESCRIPTION OF LANDLORD'S WORK

Prior to the Commencement Date, the Landlord shall, using building standard materials, in the area so designated on the attached plan, completed the following work:

1. Remove existing carpet.
 2. Remove existing VCT flooring in kitchen area.
 3. Patch wall(s) as necessary and repaint - color to be selected by Tenant.
 4. Modify the space in accordance with the plan drawn by Fredley R. Chitel Space Planning and Interior Design date June 29, 2015.
 5. Supply and install new direct/indirect light fixtures.
 6. Supply and install new ceiling tiles, manufactured by Armstrong "Dune".
 7. Supply and install new vinyl planks in reception area, new VCT in kitchen and copy area and carpet tiles in offices and conference areas.
 8. Supply and install fiberglass insulation over top of existing partitions as shown on plan.
-



EXISTING CONDITIONS AND RENOVATION PLAN
SHEET 1-1



PROPOSED FLOOR & FURNITURE PLAN
SHEET 1-2

NO.	DESCRIPTION	QTY	UNIT	PRICE
1	CONCRETE FLOOR	100	SQ. FT.	1.50
2	CEILING	100	SQ. FT.	2.00
3	WALLS	100	SQ. FT.	3.00
4	DOORS	10	EA.	50.00
5	WINDOWS	20	EA.	30.00
6	STAIRS	1	EA.	1000.00
7	ELECTRICAL	100	HR.	15.00
8	PLUMBING	100	HR.	15.00
9	MECHANICAL	100	HR.	15.00
10	PAINT	100	SQ. FT.	2.00
11	FURNITURE	100	EA.	10.00
12	LABOR	100	HR.	15.00
13	PERMITS	1	EA.	500.00
14	INSURANCE	1	EA.	100.00
15	CONTINGENCY	10	PERCENT	1000.00
16	TOTAL			10000.00

GENERAL NOTES

1. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE BUILDING CODES AND SPECIFICATIONS.
2. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND INSURANCE.
3. ALL MATERIALS AND WORKMANSHIP SHALL BE SUBJECT TO INSPECTION AND APPROVAL BY THE ARCHITECT.
4. THE CONTRACTOR SHALL MAINTAIN ACCESS TO ALL ADJACENT AREAS AT ALL TIMES.
5. ALL UTILITIES SHALL BE LOCATED AND MARKED PRIOR TO ANY EXCAVATION WORK.
6. THE CONTRACTOR SHALL PROTECT ALL EXISTING UTILITIES AND STRUCTURES NOT TO BE REMOVED.
7. ALL DEMOLITION WORK SHALL BE DONE IN ACCORDANCE WITH LOCAL ORDINANCES.
8. THE CONTRACTOR SHALL MAINTAIN PROPER SAFETY AND SECURITY OF THE WORK AREA.
9. ALL WASTE MATERIALS SHALL BE PROPERLY DISPOSED OF AT AN APPROVED LOCATION.
10. THE CONTRACTOR SHALL MAINTAIN RECORDS OF ALL WORK DONE AND SUBMIT THEM TO THE ARCHITECT UPON COMPLETION.

PROJECT INFORMATION

PROJECT NO. 12345
 SHEET NO. 1-1
 DATE: 10/20/2023

**EXISTING & DEMO PLAN
 PROPOSED PLAN
 SCHEME B**

**CREW
 FIRST FLOOR
 100 WORK HOURS
 HOURS/PRICE**

**NO. HOURS
 TOTAL
 PRICE**

A-1

SECOND AMENDMENT TO LEASE

WHEREAS, River Ridge Limited Partnership (the “Landlord”) entered into a lease dated May 30, 2014, (the “Lease”) with Corbus Pharmaceuticals, Inc. (the “Tenant”); and

WHEREAS, on August 27, 2015 the Landlord and Tenant executed a First Amendment to Lease; and

WHEREAS, the Landlord and Tenant desire to amend the Lease in certain aspects.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein and in the Lease contained, the parties hereto hereby agree to the following:

- 1.) The New Commencement Date (for the Relocation Space) is February 1, 2016 and shall terminate on January 31, 2021.
- 2.) The last two sentences of Section 3.2 shall be deleted in its entirety and replaced with the following:

“Tenant will be responsible for contributing one hundred eleven thousand two hundred twenty (\$111,220.00) dollars toward the cost of the improvements. Tenant shall pay this cost on the Commencement Date”

- 3.) Capitalized terms, not otherwise herein defined shall have the meaning for such terms described in the Lease.
 - 4.) In all other respects, the terms and provisions of the Lease are hereby ratified and confirmed and remain in full force and effect.
-

IN WITNESS WHEREOF, the Landlord and Tenant hereby have executed this Second Amendment to Lease, as a sealed instrument on this 30th day of March, 2016.

LANDLORD: RIVER RIDGE LIMITED PARTNERSHIP

By: Cornerstone Corporation
Its: Managing Agent

By: */s/ Paul E. Tryder*

Paul E. Tryder
President

TENANT: CORBUS PHARMACEUTICALS, INC.

By: */s/ Yuval Cohen*

Yuval Cohen
Chief Executive Officer

THIRD AMENDMENT TO LEASE

WHEREAS, River Ridge Limited Partnership (the “Landlord”) entered into a lease dated May 30, 2014, (the “Lease”) with Corbus Pharmaceuticals, Inc. (the “Tenant”); and

WHEREAS, on August 27, 2015 the Landlord and Tenant executed a First Amendment to Lease; and

WHEREAS, on March 30, 2016 the Landlord and Tenant executed a Second Amendment to Lease; and

WHEREAS, the Tenant has agreed to rent additional space from the Landlord; and

WHEREAS, the Landlord and Tenant desire to amend the Lease as necessary in order to include the additional space,

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein and in the Lease contained, the parties hereto hereby agree to the expansion of the Premises to include 4,088 rentable square feet on the first floor (the “Expansion Space”) as shown on Exhibit A annexed hereto and to the following amendment(s) in the Lease which shall become effective upon the completion of work, which Landlord and Tenant shall mutually agree upon. It is contemplated by the Landlord and Tenant that such work will be completed on or before October 1, 2016. Landlord and Tenant shall confirm the Commencement Date in writing.

1.) As of the Commencement Date the following terms contained in the Lease shall be amended to read as follows:

“Premises-approximately 10,414 rentable square feet on the first floor as shown on Exhibit B attached hereto.”

2.) The Annual Fixed Rent and Monthly Fixed Rent contained in Article I is amended to read as follows:

	10/1/16- 1/31/17	2/1/17-1/31/18	2/1/18-1/31/19	2/1/19-1/31/20	2/1/20-1/31/21
Annual Fixed Rent	\$ 79,840.67	\$ 244,729.00	\$ 249,936.00	\$ 255,143.00	\$ 260,350.00
Monthly Fixed Rent	\$ 19,960.16	\$ 20,394.08	\$ 20,828.00	\$ 21,261.91	\$ 21,695.83

3.) The amount of Tenant’s Percentage is amended to read as follows: “10.24%”

4.) The Security Deposit in Article I is amended to read as follows:

“The Security Deposit in the amount of \$50,000.00 shall be held and disposed of as provided in Section 4.4. The Security Deposit is being delivered to Landlord in the form of a Letter of Credit in the amount of the Security Deposit and the term “Security Deposit” includes, without limitation, the unapplied proceeds of any Letter of Credit delivered to Landlord from time to time pursuant to Section 4.4. The Letter of Credit shall be a standby irrevocable letter of credit, payable on sight, which shall have an expiration date no earlier than January 31, 2021 and shall be issued by a bank and be upon such form as are satisfactory to Landlord in all respects.”

5.) Landlord will provide a Tenant Improvement Allowance of \$50,000.00 for Tenant's use of improving the Premises. Such Allowance to be used for hard and soft costs for the Tenant Improvement work. Landlord will be responsible for Tenant's buildout and Tenant will be responsible for buildout costs in excess of the \$50,000.00 allowance. In the event Tenant does not use all of the \$50,000 Tenant Improvement Allowance to improve the Expansion Space, Tenant shall be able to apply such unused portion of the Tenant Improvement Allowance toward a future lease with Landlord.

6.) Prior to the Commencement Date, the Landlord shall cause to be performed, the improvements as shown on the attached plan as shown on Exhibit D. annexed hereto

7.) The first sentence of Section 4.4 shall be deleted in its entirety and replace with the following:

"Upon signing this Lease, Tenant shall provide Landlord with a standby irrevocable letter of credit issued by a bank reasonably satisfactory to Landlord and in a commercially reasonable form in an amount equal to \$50,000.00"

8.) Item #6 of Section 4.2.4 of the Lease shall apply to the Expansion Space

9.) Capitalized terms, not otherwise herein defined shall have the meaning for such terms described in the Lease.

10.) This lease amendment and the obligations of the parties hereto are contingent upon the Landlord obtaining from GlaxoSmithKline Consumer Healthcare LP. an executed written agreement terminating its Lease for the Premises.

11.) In all other respects, the terms and provisions of the Lease are hereby ratified and confirmed and remain in full force and effect.

IN WITNESS WHEREOF, the Landlord and Tenant hereby have executed this Third Amendment to Lease, as a sealed instrument on this 13th day of September, 2016.

LANDLORD: RIVER RIDGE LIMITED PARTNERSHIP

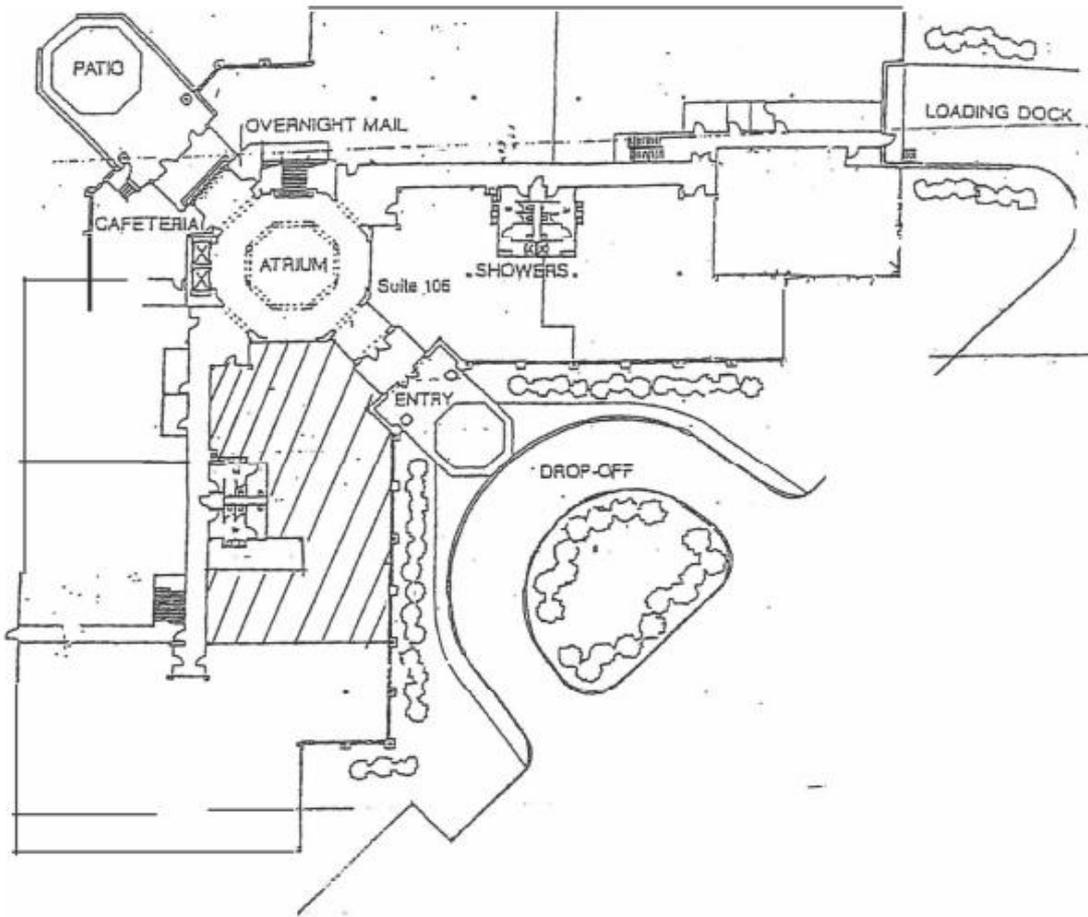
By: Cornerstone Corporation
Its: Managing Agent

By: /s/ Paul Tryder
President

TENANT: CORBUS PHARMACEUTICALS, INC.

By: /s/ Sean Moran
Chief Financial Officer

EXHIBIT A

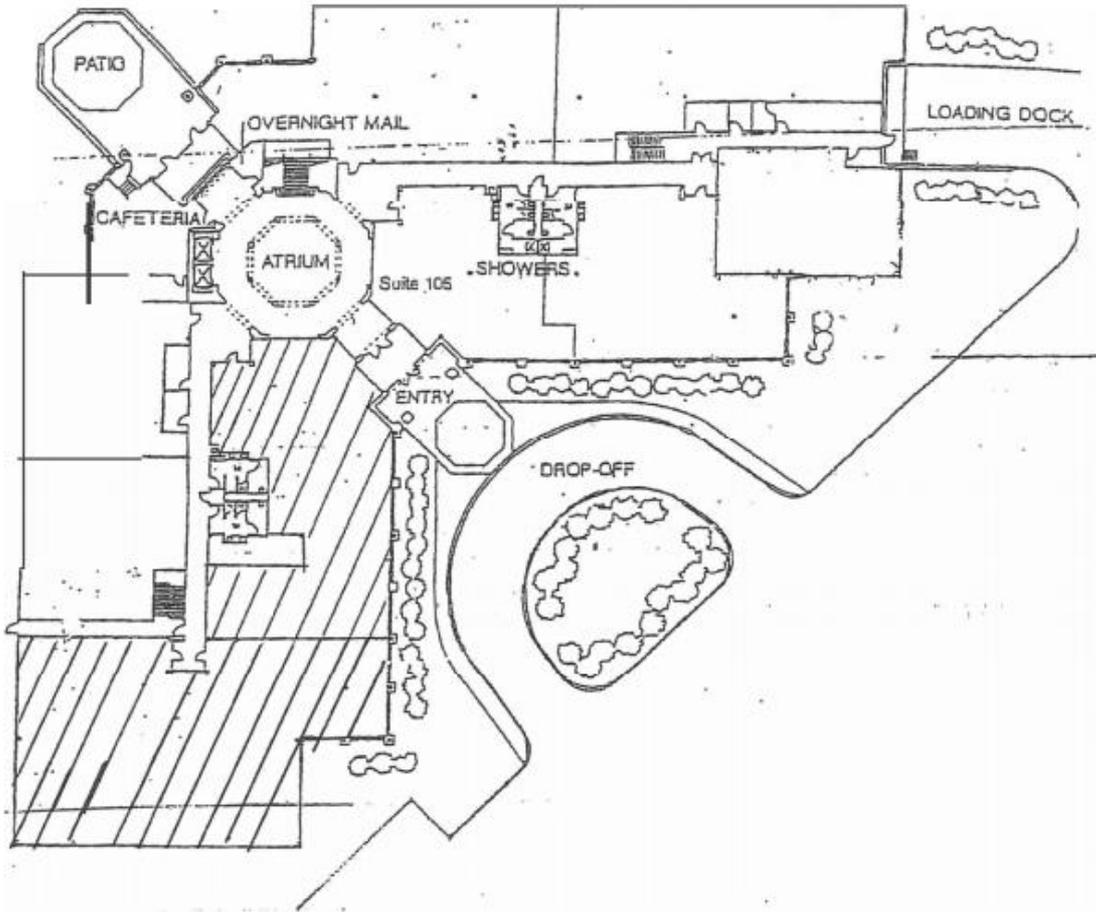


First Floor Plan

100 River Ridge Drive
Norwood, Massachusetts



EXHIBIT B



First Floor Plan
100 River Ridge Drive
Norwood, Massachusetts



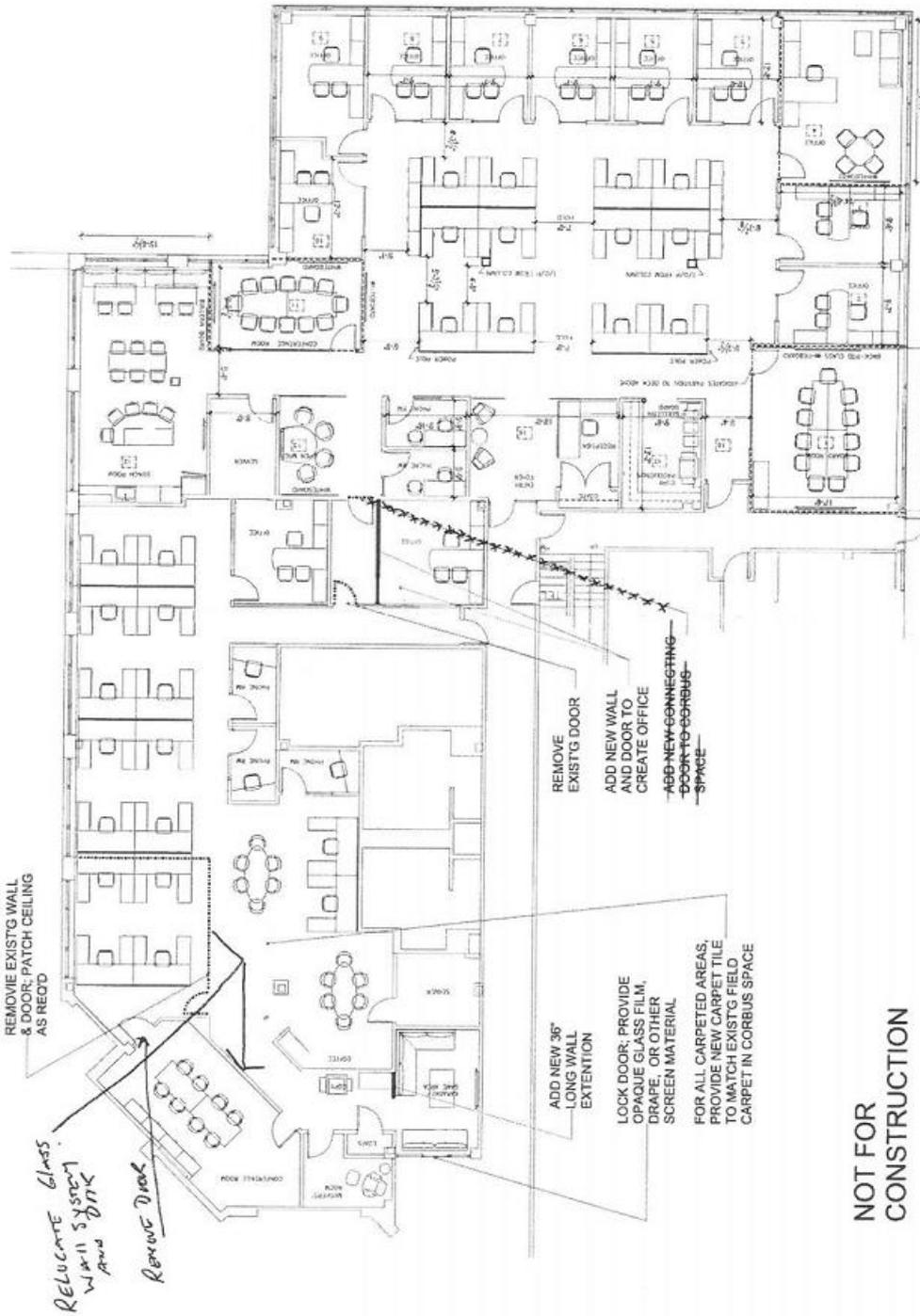
EXHIBIT D

DESCRIPTION OF WORK

Prior to the Commencement Date, the Landlord shall using building standard materials, In the area so designated on the attached plan, complete the following work:

1. Remove existing carpet.
 2. Patch wall(s) as necessary and repaint-all walls color(s) to be selected by Tenant.
 3. Modify the space in accordance with the attached plan.
 4. Patch ceiling as necessary.
 5. Supply and install carpet tile to match existing field in Corbus space.
 6. Connect the Expansion Space to the existing Corbus space.
 7. Remove existing tile in the kitchen and replace with wallboard.
-

EXHIBIT D



NOT FOR CONSTRUCTION

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT
TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Yuval Cohen, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended September 30, 2016 of Corbus Pharmaceuticals Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting

Date: November 10, 2016

/s/ Yuval Cohen

Yuval Cohen
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT
TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Sean M. Moran, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended September 30, 2016 of Corbus Pharmaceuticals Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 10, 2016

/s/ Sean Moran

Sean Moran

Chief Financial Officer

(Principal Financial Officer and Chief Accounting Officer)

**Certification of Chief Executive Officer Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

This Certification is being filed pursuant to 18 U.S.C. Section 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002. This Certification is included solely for the purposes of complying with the provisions of Section 906 of the Sarbanes-Oxley Act and is not intended to be used for any other purpose. In connection with the accompanying Quarterly Report on Form 10-Q of Corbus Pharmaceuticals Holdings, Inc. for the quarter ended September 30, 2016, each of the undersigned hereby certifies in his capacity as an officer of Corbus Pharmaceuticals Holdings, Inc. that to such officer's knowledge:

(1) The Quarterly 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 Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 10, 2016

By: /s/ Yuval Cohen
Yuval Cohen
Chief Executive Officer
(Principal Executive Officer)

**Certification of Chief Financial Officer Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

This Certification is being filed pursuant to 18 U.S.C. Section 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002. This Certification is included solely for the purposes of complying with the provisions of Section 906 of the Sarbanes-Oxley Act and is not intended to be used for any other purpose. In connection with the accompanying Quarterly Report on Form 10-Q of Corbus Pharmaceuticals Holdings, Inc. for the quarter ended September 30, 2016, each of the undersigned hereby certifies in his capacity as an officer of Corbus Pharmaceuticals Holdings, Inc. that to such officer's knowledge:

(1) The Quarterly 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 Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 10, 2016

By: /s/ Sean Moran

Sean Moran

Chief Financial Officer

(Principal Financial Officer and Chief Accounting Officer)
