UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended December 31, 2015

OR

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

For the transition period from ___ to ___

Commission file number 001-35023

iBio, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**26-2797813**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
600 Madison Avenue, Suite 1601, New York, NY	**10022**
(Address of principal executive offices)	(Zip Code)

(302) 355-0650
(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. (Check one):

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

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

Shares of Common Stock outstanding as of February 19, 2016: 82,609,410

iBio, Inc.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

iBio, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(In Thousands, except share and per share amounts)

	December 31, 2015 (Unaudited)	June 30, 2015 (See Note 2)
Assets		
Current assets:		
Cash	**$ 6,732**	$ 9,494
Accounts receivable - trade	**202**	445
Accounts receivable - unbilled	**15**	-
Prepaid expenses and other current assets	**252**	182
Total current assets	**7,201**	10,121
Fixed assets, net of accumulated depreciation	**14**	13
Intangible assets, net of accumulated amortization	**2,201**	2,360
Total Assets	**$ 9,416**	$ 12,494
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable (related party of $178 and $153 as of December 31, 2015 and June 30, 2015, respectively)	**$ 1,334**	$ 1,104
Accrued expenses	**188**	159
Deferred revenue	**16**	-
Total Liabilities	**1,538**	1,263
Commitments and Contingencies		
Stockholders' Equity		
Preferred stock - no par value; 1,000,000 shares authorized; no shares issued and outstanding	**-**	-
Common stock - $0.001 par value; 175,000,000 shares authorized; 77,325,410 and 77,205,410 shares issued and outstanding as of December 31, 2015 and June 30, 2015, respectively	**77**	77
Additional paid-in capital	**59,712**	59,006
Accumulated other comprehensive loss	**(33)**	(25)
Accumulated deficit	**(51,878)**	(47,827)
Total Stockholders' Equity	**7,878**	11,231
Total Liabilities and Stockholders' Equity	**$ 9,416**	$ 12,494

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

iBio, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations and Comprehensive Loss
(Unaudited; In Thousands, except per share amounts)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2015	2014	**2015**	2014
Revenues	**$ 134**	$ 367	**$ 294**	$ 1,186
Operating expenses:				
Research and development (related party of $252, $258, $478 and $480)	**704**	731	**1,255**	1,916
General and administrative (related party of $78, 0, $78, 0)	**1,684**	1,302	**3,106**	2,352
Total operating expenses	**2,388**	2,033	**4,361**	4,268
Operating loss	**(2,254)**	(1,666)	**(4,067)**	(3,082)
Other income:				
Interest income	**2**	3	**4**	4
Royalty income	**6**	10	**12**	15
Total other income	**8**	13	**16**	19
Net loss	**$ (2,246)**	$ (1,653)	**$ (4,051)**	$ (3,063)
Comprehensive loss:				
Net loss	**$ (2,246)**	$ (1,653)	**$ (4,051)**	$ (3,063)
Other comprehensive income (loss)	**1**	(11)	**(8)**	(14)
Comprehensive loss	**$ (2,245)**	$ (1,664)	**$ (4,059)**	$ (3,077)
Loss per common share - basic and diluted	**$ (0.03)**	$ (0.02)	**$ (0.05)**	$ (0.04)
Weighted-average common shares outstanding - basic and diluted	**77,326**	70,957	**77,316**	68,408

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

iBio, Inc. and Subsidiaries
Condensed Consolidated Statement of Stockholders' Equity
Six Months Ended December 31, 2015
(Unaudited; In Thousands)

	Common Stock		Additional Paid-In	Accumulated Other Comprehensive	Accumulated	
	Shares	Amount	Capital	Loss	Deficit	Total
Balance as of July 1, 2015	77,206	$ 77	$ 59,006	$ (25)	$ (47,827)	$ 11,231
Exercise of warrants	120	-	63	-	-	63
Share-based compensation	-	-	643	-	-	643
Foreign currency translation adjustments	-	-	-	(8)	-	(8)
Net loss	-	-	-	-	(4,051)	(4,051)
Balance as of December 31, 2015	77,326	$ 77	$ 59,712	$ (33)	$ (51,878)	$ 7,878

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

iBio, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(Unaudited; In Thousands)

	Six Months Ended December 31,	
	2015	2014
Cash flows from operating activities:		
Net loss	**$ (4,051)**	$ (3,063)
Adjustments to reconcile net loss to net cash used in operating activities:		
Share-based compensation	**643**	466
Amortization of intangible assets	**182**	178
Depreciation	**2**	2
Loss on abandonment of intangible assets	**17**	30
Changes in operating assets and liabilities		
Accounts receivable - trade	**243**	(379)
Accounts receivable - unbilled	**(15)**	(338)
Prepaid expenses and other current assets	**(70)**	(160)
Accounts payable	**190**	664
Accrued expenses	**29**	407
Deferred revenue	**16**	-
Net cash used in operating activities	**(2,814)**	(2,193)
Cash flows from investing activities:		
Additions to intangible assets	**-**	(85)
Purchases of fixed assets	**(5)**	(15)
Net cash used in investing activities	**(5)**	(100)
Cash flows from financing activities:		
Sale of common stock	**-**	5,212
Proceeds from exercise of warrants	**63**	867
Net cash provided by financing activities	**63**	6,079
Effect of exchange rate changes	**(6)**	(13)
Net (decrease) increase in cash	**(2,762)**	3,773
Cash - beginning of period	**9,494**	3,590
Cash - end of period	**$ 6,732**	$ 7,363
Schedule of non-cash activities:		
Unpaid intangible assets included in accounts payable - net	**$ 40**	$ 23
Unpaid intangible assets included in accrued expenses - net	**$ -**	$ (12)

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

iBio, Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Nature of Business

iBio, Inc. and Subsidiaries ("iBio" or the "Company") is a biotechnology company focused on the commercialization of its proprietary plant-based protein expression technologies - the iBioLaunch™ platform for vaccines and therapeutic proteins and the iBioModulator™ platform for vaccine enhancement – and on developing and commercializing select biopharmaceutical product candidates. The advantages of iBio's technology include the ability to manufacture therapeutic proteins that are difficult or commercially infeasible to produce with conventional methods, and reduced production time, capital and operating costs for biopharmaceuticals.

iBio was established as a public company in August 2008 as the result of a spinoff from Integrated BioPharma, Inc. The Company operates in one business segment under the direction of its Executive Chairman. The Company's wholly-owned and majority-owned subsidiaries are as follows:

iBioDefense Biologics LLC ("iBioDefense") – iBioDefense, a wholly-owned subsidiary, is a Delaware limited liability company formed in July 2013 to explore development and commercialization of defense-specific applications of the Company's proprietary technology. iBioDefense has not commenced any activities to date.

iBio Peptide Therapeutics LLC ("iBio Peptide") – iBio Peptide, a wholly-owned subsidiary, is a Delaware limited liability company formed in November 2013. iBio Peptide has not commenced any activities to date.

iBIO DO BRASIL BIOFARMACÊUTICA LTDA. ("iBio Brazil") – iBio Brazil is a subsidiary organized in Brazil in which the Company has a 99% interest. iBio Brazil was formed to manage and expand the Company's business activities in Brazil. The activities of iBio Brazil are intended to include coordination and expansion of the Company's existing relationship with Fundacao Oswaldo Cruz/FioCruz ("FioCruz") beyond the current Yellow Fever Vaccine program (see Note 6) and development of biosimilar products with private sector participants for the Brazilian market. iBio Brazil commenced operations during the first quarter of the fiscal year ended June 30, 2015.

iBio CMO LLC ("iBio CMO") – iBio CMO is a Delaware limited liability company formed on December 16, 2015 to develop and manufacture plant-made pharmaceuticals. As of December 31, 2015, the Company owned 100% of iBio CMO. On January 13, 2016, the Company entered into a contract manufacturing joint venture with an affiliate of Eastern Capital Limited ("Eastern"), a stockholder of the Company (the "Eastern Affiliate"). The Eastern Affiliate contributed $15 million in cash for a 30% interest in iBio CMO. The Company retained a 70% interest in iBio CMO and contributed a royalty bearing license which grants iBio CMO a non-exclusive license to use the Company's proprietary technology for research purposes and an exclusive U.S. license for manufacturing purposes. The Company retained the exclusive right to grant product licenses to those who wish to sell or distribute products made using the Company's technology.

iBio CMO's operations will take place in Bryant, Texas in a facility controlled by another affiliate of Eastern (the "Second Eastern Affiliate") as sublandlord. The facility is a 139,000 square foot Class A life sciences building on the campus of Texas A&M University, designed and equipped for plant-made manufacture of biopharmaceuticals. The Second Affiliate granted iBio CMO a 35-year sublease for the facility (see Note 12). Commercial operations commenced in January 2016. iBio CMO expects to operate on the basis of three parallel lines of business: (1) Development and manufacturing of third party products; (2) Development and production of iBio's proprietary product(s) for treatment of fibrotic diseases; and (3) Commercial technology transfer services.

2. Basis of Presentation

Interim Financial Statements
The accompanying unaudited condensed consolidated financial statements have been prepared from the books and records of the Company and include all normal and recurring adjustments which, in the opinion of management, are necessary for a fair presentation in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") for interim financial information and Rule 8-03 of Regulation S-X promulgated by the U.S. Securities and Exchange Commission. Accordingly, these interim financial statements do not include all of the information and footnotes required for complete annual financial statements. Interim results are not necessarily indicative of the results that may be expected for the full year. Interim unaudited condensed consolidated financial statements should be read in conjunction with the audited financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the year ended June 30, 2015, from which the accompanying condensed consolidated balance sheet dated June 30, 2015 was derived.

Principles of Consolidation
The condensed consolidated financial statements include the accounts of the Company and its wholly-owned and majority-owned subsidiaries. All intercompany balances and transactions have been eliminated as part of the consolidation.

Use of Estimates
The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates include the valuation of intellectual property, legal and contractual contingencies and share-based compensation. Although management bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, actual results could differ from these estimates.

Revenue Recognition
The Company recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable, and collectability is reasonably assured. Deferred revenue represents billings to a customer to whom the services have not yet been provided.

Foreign Currency
The Company accounts for foreign currency translation pursuant to FASB ASC 830, "*Foreign Currency Matters*." The functional currency of iBio Brazil is the Brazilian Real. Under FASB ASC 830, all assets and liabilities are translated into United States dollars using the current exchange rate at the end of each fiscal period. Revenues and expenses are translated using the average exchange rates prevailing throughout the respective periods. All transaction gains and losses from the measurement of monetary balance sheet items denominated in Reals are reflected in the statement of operations as appropriate. Translation adjustments are included in accumulated other comprehensive loss.

Liquidity
The Company's primary sources of liquidity are cash on hand and cash available from the sale of common stock of the Company. At this time, cash flows from operating activities represent net outflows for operating expenses and expenses for technology and product development. As of December 31, 2015, the Company had $6.7 million in cash on hand and the proceeds from Eastern share purchase agreements which is expected to support the Company's activities at least through December 31, 2016.

Since its spin-off from Integrated BioPharma, Inc. in August 2008, the Company has incurred significant losses and negative cash flows from operations. As of December 31, 2015, the Company's accumulated deficit was $51.9 million and had used $2.8 million in cash for operating activities for the six months ended December 31, 2015. The Company has historically financed its activities through the sale of common stock and warrants. Through December 31, 2015, the Company has dedicated most of its financial resources to investing in its iBioLaunch™ and iBioModulator™ platforms, its proprietary candidates for treatment of fibrotic diseases, advancing its intellectual property, and general and administrative activities.

On May 15, 2015, the Company entered into a common stock purchase agreement with Aspire Capital Fund, LLC ("Aspire Capital") pursuant to which the Company has the option to require Aspire Capital, upon and subject to the terms of the agreement, to purchase up to $15 million of its common stock, over a three-year term. No shares have been sold under the 2015 Facility as of the date of the filing of this report. See Note 7 for a further description of the agreement.

Coincident with the entry into the iBio CMO joint venture, Eastern agreed to acquire 10 million shares of the Company's common stock at $0.622 per share. The closing for the sale of 3,500,000 of such shares occurred on January 25, 2016. The issuance of the remaining 6,500,000 shares is subject to the approval of the Company's stockholders. In addition, Eastern agreed to, and on January 25, 2016 did, exercise warrants it previously acquired to purchase 1,784,000 shares of the Company's common stock at $0.53 per share. As of the date of the filing of this report, the Company has received $15 million for the capitalization of iBio CMO and approximately $3.1 million from Eastern for the acquisition of 3,500,000 shares of common stock and the exercise of the warrants. See Note 7 for a further description of the transactions.

The Company plans to fund its future business operations using cash on hand, through proceeds from the sale of additional equity or other securities, including sales of common stock to Aspire Capital pursuant to the common stock purchase agreement entered into on May 15, 2015, and through proceeds realized in connection with license and collaboration arrangements. The Company cannot be certain that such funding will be available on favorable terms or available at all. To the extent that the Company raises additional funds by issuing equity securities, its stockholders may experience significant dilution.

The Company's financial statements were prepared under the assumption that the Company will continue as a going concern. If the Company is unable to raise funds when required or on favorable terms, this assumption may no longer be operative, and the Company may have to: a) significantly delay, scale back, or discontinue the product application and/or commercialization of its proprietary technologies; b) seek collaborators for its technology and product candidates on terms that are less favorable than might otherwise be available; c) relinquish or otherwise dispose of rights to technologies, product candidates, or products that it would otherwise seek to develop or commercialize; or d) possibly cease operations.

3. Summary of Significant Accounting Policies

The Company's significant accounting policies are described in Note 3 of the Notes to Financial Statements in the Annual Report on Form 10-K for the year ended June 30, 2015.

In May 2014, ASU No. 2014-09, "*Revenue from Contracts with Customers*" ("ASU 2014-09") was issued. The amendments in ASU 2014-09 affect any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless contracts are within the scope of other standards (e.g., insurance contracts or lease contracts). This ASU will supersede the revenue recognition requirements in ASC 605, "*Revenue Recognition*," and most industry-specific guidance, and creates an ASC 606, "*Revenue from Contracts with Customers*."

The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, an entity should apply the following steps:

Step 1: Identify the contract(s) with a customer.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

ASU 2014-09 was scheduled to be effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. Early application is not permitted. In August 2015, the FASB issued ASU 2015-14, *"Revenue from Contracts with Customers (Topic 606): Deferral of Effective Date"* ("ASU 2015-14") which defers the effective date of ASU 2014-09 by one year. ASU 2014-09 is now effective for annual reporting periods after December 15, 2017 including interim periods within that reporting period. Earlier application is permitted only as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period. The Company is currently evaluating the effects of adopting ASU 2014-09 on its consolidated financial statements.

In June 2014, ASU 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*" ("ASU No. 2014-12") was issued. ASU No. 2014-12 requires that a performance target that affects vesting and that could be achieved after the requisite service period is treated as a performance condition. An entity should recognize compensation cost in the period in which it becomes probable that the performance target will be achieved and should represent the compensation cost attributable to the periods for which the requisite service has already been rendered. If the performance target becomes probable of being achieved before the end of the requisite service period, the remaining unrecognized compensation cost should be recognized prospectively over the remaining requisite service period. The total amount of compensation cost recognized during and after the requisite service period should reflect the number of awards that are expected to vest and should be adjusted to reflect those awards that ultimately vest. ASU 2014-12 becomes effective for interim and annual periods beginning on or after December 15, 2015. Early adoption is permitted. The Company is currently evaluating the effects of adopting ASU 2014-12 on its consolidated financial statements but the adoption is not expected to have a significant impact on the Company's consolidated financial statements.

In June 2014, ASU 2014-15, "*Presentation of Financial Statements – Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*" ("ASU No. 2014-15") was issued. Before the issuance of ASU 2014-15, there was no guidance in U.S. GAAP about management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern or to provide related footnote disclosures. This guidance is expected to reduce the diversity in the timing and content of footnote disclosures. ASU 2014-15 requires management to assess an entity's ability to continue as a going concern by incorporating and expanding upon certain principles that are currently in U.S. auditing standards as specified in the guidance. ASU 2014-15 becomes effective for the annual period ending after December 15, 2016 and for annual and interim periods thereafter. Early adoption is permitted. The Company is currently evaluating the effects of adopting ASU 2014-15 on its consolidated financial statements but the adoption is not expected to have a significant impact on the Company's consolidated financial statements.

In January 2015, the FASB issued ASU 2015-01, "*Income Statement - Extraordinary and Unusual Items (Subtopic 225-20): Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items"* ("ASU 2015-01"). ASU 2015-01 eliminates the concept of an extraordinary item from accounting principles generally accepted in the United States of America. As a result, an entity will no longer be required to segregate extraordinary items from the results of ordinary operations, to separately present an extraordinary item on its income statement, net of tax, after income from continuing operations or to disclose income taxes and earnings-per-share data applicable to an extraordinary item. However, ASU 2015-01 will still retain the presentation and disclosure guidance for items that are unusual in nature and occur infrequently. ASU 2015-01 becomes effective for interim and annual periods beginning on or after December 15, 2015. Early adoption is permitted. The Company is currently evaluating the effects of adopting ASU 2015-01 on its consolidated financial statements but the adoption is not expected to have a significant impact on the Company's consolidated financial statements.

In April 2015, the FASB issued ASU 2015-03, "*Interest – Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs*" ("ASU 2015-03") as part of its initiative to reduce complexity in accounting standards (the Simplification Initiative). The FASB received feedback that having different balance sheet presentation requirements for debt issuance costs and debt discount and premium creates unnecessary complexity. Recognizing debt issuance costs as a deferred charge (that is, an asset) also is different from the guidance in International Financial Reporting Standards, which requires that transaction costs be deducted from the carrying value of the financial liability and not recorded as separate assets. Additionally, the requirement to recognize debt issuance costs as deferred charges conflicts with the guidance in FASB Concepts Statement No. 6, "*Elements of Financial Statements*," which states that debt issuance costs are similar to debt discounts and in effect reduce the proceeds of borrowing, thereby increasing the effective interest rate. FASB Concepts Statement No. 6 further states that debt issuance costs cannot be an asset because they provide no future economic benefit. To simplify presentation of debt issuance costs, the amendments in this update require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in this update. For public business entities, the amendments in this update are effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. The Company will evaluate the effects of adopting ASU 2015-03 if and when it is deemed to be applicable.

In November 2015, the FASB issued ASU 2015-17, "*Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes*" ("ASU 2015-17"). ASU 2015-17 requires deferred tax assets and liabilities to be classified as noncurrent in the consolidated balance sheet. ASU 2015-17 becomes effective for interim and annual reporting periods beginning after December 15, 2016. Early adoption is permitted. A reporting entity should apply the amendment prospectively or retrospectively. The Company is currently evaluating the effects of adopting ASU 2015-17 on its consolidated financial statements.

In January 2016, the FASB issued ASU 2016-01, "*Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*" ("ASU 2016-01"). The amendments require all equity investments to be measured at fair value with changes in the fair value recognized through net income (other than those accounted for under the equity method of accounting or those that result in consolidation of the investee). The amendments also require an entity to present separately in other comprehensive income the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk when the entity has elected to measure the liability at fair value in accordance with the fair value option for financial instruments. In addition, the amendments eliminate the requirement to disclose the fair value of financial instruments measured at amortized cost for entities that are not public business entities and the requirement to disclose the method(s) and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost on the balance sheet for public business entities. This guidance is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The Company will evaluate the effects of adopting ASU 2016-01 if and when it is deemed to be applicable.

Management does not believe that any other recently issued, but not yet effective, accounting standard if currently adopted would have a material effect on the accompanying financial statements.

4. Financial Instruments and Fair Value Measurement

The carrying values of cash, accounts receivable, prepaid expenses and other current assets, accounts payable and accrued expenses in the Company's condensed consolidated balance sheets approximated their fair values as of December 31, 2015 and June 30, 2015 due to their short-term nature.

5. Intangible Assets

The Company has two categories of intangible assets – intellectual property and patents. Intellectual property consists of technology for producing targeted proteins in plants for the development and manufacture of novel vaccines and therapeutics for humans and certain veterinary applications (the "Technology") acquired in December 2003 from Fraunhofer USA Inc., acting through its Center for Molecular Biotechnology ("Fraunhofer"), pursuant to a Technology Transfer Agreement, as amended (the "TTA"). Patents consist of payments for services and fees related to the further development and protection of the Company's patent portfolio.

In January 2014, the Company entered into a license agreement with a U.S. university whereby iBio acquired exclusive worldwide rights to certain issued and pending patents covering specific candidate products for the treatment of fibrosis (the "Licensed Technology"). The license agreement provides for payment by the Company of a license issue fee, annual license maintenance fees, reimbursement of prior patent costs incurred by the university, payment of a milestone payment upon regulatory approval for sale of a first product, and annual royalties on product sales. In addition, the Company has agreed to meet certain diligence milestones related to product development benchmarks. As part of its commitment to the diligence milestones, the Company successfully commenced production of a plant-made peptide comprising the Licensed Technology before March 31, 2014. The next milestone – filing a New Drug Application with the FDA covering the Licensed Technology –became due on December 1, 2015. A six-month extension was granted until June 1, 2016 under the license agreement.

The Company accounts for intangible assets at their historical cost and records amortization utilizing the straight-line method based upon their estimated useful lives. Patents are amortized over a period of ten years and other intellectual property is amortized over a period from 16 to 23 years. The Company reviews the carrying value of its intangible assets for impairment whenever events or changes in business circumstances indicate the carrying amount of such assets may not be fully recoverable. Evaluating for impairment requires judgment, and recoverability is assessed by comparing the projected undiscounted net cash flows of the assets over the remaining useful life to the carrying amount. Impairments, if any, are based on the excess of the carrying amount over the fair value of the assets. There were no impairment charges during the six months ended December 31, 2015 and 2014.

The following table summarizes by category the gross carrying value and accumulated amortization of intangible assets (in thousands):

	December 31, 2015 (Unaudited)	**June 30, 2015**
Intellectual property – gross carrying value	**$ 3,100**	$ 3,100
Patents – gross carrying value	**2,198**	2,181
	5,298	5,281
Intellectual property – accumulated amortization	**(1,854)**	(1,776)
Patents – accumulated amortization	**(1,243)**	(1,145)
	(3,097)	(2,921)
Net intangible assets	**$ 2,201**	$ 2,360

Amortization expense was $91,000 and $90,000 for the three months ended December 31, 2015 and 2014, respectively, and for the six months ended December 31, 2015 and 2014, amortization expense was $182,000 and $178,000, respectively. For both the three and six months ended December 31, 2015, the Company incurred losses on the abandonment of patents of approximately $17,000. For both the three and six months ended December 31, 2014, the Company incurred losses on the abandonment of patents of approximately $30,000.

6. Significant Vendor

Fraunhofer was the Company's most significant vendor. The accounts payable balance includes amounts due Fraunhofer of approximately $202,000 and $445,000 as of December 31, 2015 and June 30, 2015, respectively. For the three months ended December 31, 2015 and 2014, research and development expenses related to Fraunhofer were approximately $119,000 and $367,000, respectively. For the six months ended December 31, 2015 and 2014, research and development expenses related to Fraunhofer were approximately $279,000 and $1,186,000, respectively. See Note 12 – Commitments and Contingencies.

In September 2013, the Company and Fraunhofer completed the Terms of Settlement for the TTA Seventh Amendment (the "Settlement Agreement"), the significant terms of which are as follows:

- The Company's liabilities to Fraunhofer in the amount of approximately $2.9 million as of June 30, 2013 were released and terminated;
- The Company's obligation under the TTA, prior to the Settlement Agreement, to make three $1 million payments to Fraunhofer in April 2013, November 2013, and April 2014 (the "Guaranteed Annual Payments") was terminated and replaced with an undertaking to engage Fraunhofer to perform at least $3 million in work requested and as directed by iBio before December 31, 2015. See Note 12 – Commitments and Contingencies for additional information;
- The Company terminated and released Fraunhofer from the obligation to make further financial contributions toward the enhancement, improvement and expansion of iBio's technology in an amount at least equal to the Guaranteed Annual Payments. In addition, the Company terminated and released Fraunhofer from the obligation to further reimburse iBio for certain past and future patent-related expenses;
- The Company's obligation to remit to Fraunhofer minimum annual royalty payments in the amount of $200,000 was terminated. Instead the Company will be obligated to remit royalties to Fraunhofer only on technology license revenues that iBio actually receives and on revenues from actual sales by iBio of products derived from the Company's technology until the later of November 2023 or until such time as the aggregate royalty payments total at least $4 million;
- The rate at which the Company will be obligated to pay royalties to Fraunhofer on iBioLaunch ™ and iBioModulator ™ license revenues received was reduced from 15% to 10%; and
- Any and all other claims of each party to any other amounts due at June 30, 2013 were mutually released.

The effect of the Settlement Agreement was the elimination of approximately $1.7 million of accrued expenses and $1.2 million of accounts payable from the Company's books, as well as a $1 million reduction in prepaid expenses and an approximately $1.9 million positive impact on earnings resulting from the reversal of expenses incurred by the Company under the terms of the previous agreement. This $1.9 million is composed of credits of $1.04 million to research and development expenses, $0.7 million to general and administrative expenses, and $122,000 to interest expense, respectively.

On January 4, 2011, the Company entered into the Collaboration and License Agreement (the "CLA") which is a three party agreement involving the Company, Fraunhofer and FioCruz, a public entity, member of the Indirect Federal Public Administration and linked to the Health Ministry of Brazil, acting through its unit Bio-Manguinhos. The CLA provides for the development of a yellow fever vaccine to be manufactured and distributed within Latin America and Africa by FioCruz. The CLA was supplemented by a bilateral agreement between iBio and Fraunhofer dated December 27, 2010 in which the Company engaged Fraunhofer as a contractor to provide the research and development services (both, together, the "Agreement"). The services are billed to FioCruz at Fraunhofer's cost, so revenue is equivalent to expense and there is no profit.

On June 12, 2014, FioCruz, Fraunhofer and iBio executed an amendment to the Agreement (the "Amended Agreement") which provides for revised research and development, work plans, reporting, objectives, estimated budget, and project billing process. For the three months ended December 31, 2015 and 2014, under the Amended Agreement, the Company recognized revenue of $119,000 and $367,000, respectively, for work performed for FioCruz pursuant to the Amended Agreement by the Company's subcontractor, Fraunhofer, and recognized research and development expenses of the same amount due Fraunhofer for that work. For the six months ended December 31, 2015 and 2014, under the Amended Agreement, the Company recognized revenue of $279,000 and $1,186,000, respectively

On March 17, 2015 the Company filed a Verified Complaint in the Court of Chancery of the State of Delaware against Fraunhofer and Vidadi Yusibov, Fraunhofer's Executive Director. See Note 12 - Lawsuits for additional information.

7. Stockholders' Equity

Preferred Stock
The Company's Board of Directors is authorized to issue, at any time, without further stockholder approval, up to 1 million shares of preferred stock. The Board of Directors has the authority to fix and determine the voting rights, rights of redemption and other rights and preferences of preferred stock. As of December 31, 2015 and June 30, 2015, there were no shares of preferred stock issued and outstanding.

Common Stock
As of December 31, 2015 and June 30, 2015, the Company was authorized to issue up to 175 million shares of common stock, of which approximately 77.3 and 77.2 million shares were issued and outstanding, respectively. As of December 31, 2015, the Company had reserved up to 15 million shares of common stock for incentive compensation (stock options and restricted stock) and approximately 6.0 million shares of common stock for the exercise of warrants.

Issuances of common stock were as follows:

Aspire Capital – 2015 Facility

On May 15, 2015, the Company entered into a common stock purchase agreement (the "2015 Aspire Purchase Agreement") with Aspire Capital, pursuant to which the Company has the option to require Aspire Capital to purchase up to an aggregate of $15.0 million of shares of the Company's common stock (the "Purchase Shares") upon and subject to the terms of the 2015 Aspire Purchase Agreement. In consideration for entering into the purchase agreement, Aspire Capital received a commitment fee of 450,000 shares (the "Commitment Shares").

On any business day after the Commencement Date (as defined below) and over the 36-month term of the 2015 Aspire Purchase Agreement, the Company has the right, in its sole discretion, to present Aspire Capital with a purchase notice (each, a "Purchase Notice") directing Aspire Capital to purchase up to 200,000 Purchase Shares per business day; however, no sale pursuant to such a Purchase Notice may exceed five hundred thousand dollars ($500,000) per business day, unless the Company and Aspire Capital mutually agree. The Company and Aspire Capital also may mutually agree to increase the number of shares that may be sold to as much as an additional 2,000,000 Purchase Shares per business day. The purchase price per Purchase Share pursuant to such Purchase Notice (the "Purchase Price") is the lower of (i) the lowest sale price for the Company's common stock on the date of sale or (ii) the average of the three lowest closing sale prices for the Company's common stock during the 10 consecutive business days ending on the business day immediately preceding the purchase date. The applicable Purchase Price will be determined prior to delivery of any Purchase Notice.

In addition, on any date on which the Company submits a Purchase Notice to Aspire Capital for at least 150,000 Purchase Shares and the closing sale price of the Company's common stock is higher than $0.40, the Company also has the right, in its sole discretion, to present Aspire Capital with a volume-weighted average price purchase notice (each, a "VWAP Purchase Notice") directing Aspire Capital to purchase an amount of the Company's common stock equal to up to 35% of the aggregate shares of common stock traded on the next business day (the "VWAP Purchase Date"), subject to a maximum number of shares determined by the Company (the "VWAP Purchase Share Volume Maximum"). The purchase price per Purchase Share pursuant to such VWAP Purchase Notice (the "VWAP Purchase Price") shall be the lesser of the closing sale price of the Company's common stock on the VWAP Purchase Date or 97% of the volume weighted average price for the Company's common stock traded on the VWAP Purchase Date if the aggregate shares to be purchased on that date does not exceed the VWAP Purchase Share Volume Maximum, or the portion of such business day until such time as the sooner to occur of (1) the time at which the aggregate shares traded has exceeded the VWAP Purchase Share Volume Maximum, or (2) the time at which the sale price of the Company's common stock falls below the VWAP Minimum Price Threshold (to be appropriately adjusted for any reorganization, recapitalization, non-cash dividend, stock split, reverse stock split or other similar transaction). The "VWAP Minimum Price Threshold" is the greater of (i) 80% of the closing sale price of the Company's common stock on the business day immediately preceding the VWAP Purchase Date or (ii) such higher price as set forth by the Company in the VWAP Purchase Notice.

The number of Purchase Shares covered by and timing of each Purchase Notice or VWAP Purchase Notice are determined at the Company's discretion. The aggregate number of shares that the Company can sell to Aspire Capital under the 2015 Aspire Purchase Agreement may in no case exceed 15,343,406 shares of our common stock (which is equal to approximately 19.99% of the common stock outstanding on the date of the 2015 Aspire Purchase Agreement, including the 450,000 Commitment Shares issued to Aspire Capital in consideration for entering into the 2015 Aspire Purchase Agreement) (the "Exchange Cap"), unless (i) shareholder approval is obtained to issue more, in which case the Exchange Cap will not apply; provided that at no time shall Aspire Capital (together with its affiliates) beneficially own more than 19.99% of the Company's common stock.

The 2015 Aspire Purchase Agreement contains customary representations, warranties, covenants, closing conditions and indemnification and termination provisions. Sales under the 2015 Aspire Purchase Agreement could commence only after certain conditions were satisfied (the date on which all requisite conditions have been satisfied being referred to as the "Commencement Date"), which conditions included the delivery to Aspire Capital of a prospectus supplement covering the Commitment Shares and the Purchase Shares, approval for listing on NYSE MKT of the Purchase Shares and the Commitment Shares, the issuance of the Commitment Shares to Aspire Capital, and the receipt by Aspire Capital of a customary opinion of counsel and other certificates and closing documents. Either party had the option to terminate the 2015 Aspire Purchase Agreement in the event the Commencement Date had not occurred by July 1, 2015. The 2015 Aspire Purchase Agreement may be terminated by the Company at any time, at its discretion, without any cost or penalty.

The Company's net proceeds will depend on the Purchase Price, the VWAP Purchase Price and the frequency of the Company's sales of Purchase Shares to Aspire Capital; subject to the maximum $15.0 million available amount. The Company's delivery of Purchase Notices and VWAP Purchase Notices will be made subject to market conditions, in light of the Company's capital needs from time to time. The Company expects to use proceeds from sales of Purchase Shares for general corporate purposes and working capital requirements.

In connection with the 2015 Aspire Purchase Agreement, the Company also entered into a Registration Rights Agreement (the "Registration Rights Agreement") with Aspire Capital, dated May 15, 2015. The Registration Rights Agreement provides, among other things, a requirement to register the sale of the Commitment Shares and the Purchase Shares to Aspire Capital pursuant to the Company's existing shelf registration statement (the "Registration Statement"). The Company further agreed to keep the Registration Statement effective and to indemnify Aspire Capital for certain liabilities in connection with the sale of the Securities under the terms of the Registration Rights Agreement. On May 29, 2015, the Company filed a prospectus supplement to the Company's existing Registration Statement on Form S-3, registering $15.0 million of the Company's common stock that it may issue and sell to Aspire Capital from time to time pursuant to the 2015 Aspire Purchase Agreement, together with the 450,000 Commitment Shares issued to Aspire Capital in consideration for entering into the 2015 Aspire Purchase Agreement.

No shares have been sold under the 2015 Facility as of the date of the filing of this report.

Eastern – Share Purchase Agreements

On January 13, 2016, the Company entered into a share purchase agreement with Eastern pursuant to which Eastern agreed to purchase 3,500,000 shares of the Company's common stock at a price of $0.622 per share. The Company received proceeds of $2,177,000 and the shares were issued on January 25, 2016. In addition, Eastern agreed to exercise warrants it had previously acquired to purchase 1,784,000 shares of the Company's common stock at an exercise price of $0.53 per share. The Company received proceeds of $945,520 from the exercise of the warrants and the shares were issued on January 25, 2016.

On January 13, 2016, the Company entered into a separate share purchase agreement with Eastern pursuant to which Eastern agreed to purchase 6,500,000 shares of the Company's common stock at a price of $0.622 per share, subject to the approval of the Company's stockholders. The Company will seek stockholder approval of the issuance of these shares at a stockholders' meeting to be held as promptly as practicable following the date of the agreement. Once the shares are issued, there is a three-year standstill agreement that will take effect which will restrict additional acquisitions of the Company's common stock by Eastern and its controlled affiliates to limit its beneficial ownership of the Company's outstanding shares of common stock to a maximum of 38%, absent the approval by a majority of the Company's board of directors.

Warrants

The Company has historically financed its operations through the sale of common stock and warrants, sold together as units.

The following table summarizes all warrant activity for the six months ended December 31, 2015:

	Warrants	Weighted-average Exercise Price
Outstanding as of July 1, 2015	6,633,324	$ 1.38
Exercised	(120,000)	$ 0.53
Expired	(4,699,324)	$ 2.09
Outstanding and exercisable as of December 31, 2015	1,814,000	$ 0.53

Exercises of Warrants

During the period from July 1, 2015 to September 30, 2015, the Company issued 120,000 shares of common stock for the exercise of warrants and received proceeds of approximately $63,000. No warrants were exercised from October 1, 2015 to December 31, 2015.

As discussed above, in January 2016, Eastern exercised warrants to acquire 1,784,000 shares of the Company's common stock. After such exercise, 30,000 warrants remain outstanding and exercisable.

8. Earnings (Loss) Per Common Share

Basic earnings (loss) per common share is computed by dividing the net income (loss) allocated to common stockholders by the weighted-average number of shares of common stock outstanding during the period. For purposes of calculating diluted earnings (loss) per common share, the denominator includes both the weighted-average number of shares of common stock outstanding during the period and the number of common stock equivalents if the inclusion of such common stock equivalents is dilutive. Dilutive common stock equivalents potentially include stock options and warrants using the treasury stock method. The following table summarizes the components of the earnings (loss) per common share calculation (in thousands, except per share amounts):

	Three Months ended December 31,		Six Months ended December 31,	
	2015	2014	**2015**	2014
Basic and diluted numerator:				
Net loss	**$ (2,246)**	$ (1,653)	**$ (4,051)**	$ (3,063)
Basic and diluted denominator:				
Weighted-average common shares outstanding	**77,326**	70,957	**77,316**	68,408
Per share amount	**$ (0.03)**	$ (0.02)	**$ (0.05)**	$ (0.04)

For the three and six months ended December 31, 2015 and 2014, the Company incurred net losses which cannot be diluted; therefore, basic and diluted loss per common share is the same. As of December 31, 2015, shares issuable which could potentially dilute future earnings included approximately 12.1 million stock options and 1.8 million warrants. As of December 31, 2014, shares issuable which could potentially dilute future earnings included approximately 9.7 million stock options and 6.6 million warrants.

9. Share-Based Compensation

The following table summarizes the components of share-based compensation expense in the condensed consolidated statements of operations (in thousands):

	Three Months Ended December 31,	
	2015	2014
Research and development	**$ 4**	$ (20)
General and administrative	**310**	233
Totals	**$ 314**	$ 213

	Six Months Ended December 31,	
	2015	2014
Research and development	**$ 9**	$ -
General and administrative	**634**	466
Totals	**$ 643**	$ 466

Stock Options

On August 12, 2008, the Company adopted the iBioPharma 2008 Omnibus Equity Incentive Plan (the "Plan") for employees, officers, directors and external service providers. The original Plan provided that the Company may grant options to purchase stock and/or make awards of restricted stock up to an aggregate amount of 10 million shares. On December 18, 2013, the Plan was amended to increase the number of shares reserved for awards under the Plan from 10 million to 15 million. As of December 31, 2015, there were approximately 2.9 million shares of common stock reserved for future issuance under the Plan. Stock options granted under the Plan may be either incentive stock options (as defined by Section 422 of the Internal Revenue Code of 1986, as amended) or non-qualified stock options at the discretion of the Board of Directors. Vesting of service awards occurs ratably on the anniversary of the grant date over the service period, generally three or five years, as determined at the time of grant. Vesting of performance awards occurs when the performance criteria have been satisfied. The Company uses historical data to estimate forfeiture rates.

On September 4, 2015, the Company granted stock options to members of the Board of Directors, officers and employees to purchase 2.55 million shares of common stock. These options vest ratably on the anniversary of the date of grant over a three to five year service period, expire ten years from the date of grant, and have an exercise price of $1.72 per share.

The following table summarizes all stock option activity during the six months ended December 31, 2015:

	Stock Options	Weighted-average Exercise Price	Weighted-average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding as of July 1, 2015	9,523,334	$ 1.22	6.6	$ 1,848
Granted	2,550,000	1.72		
Outstanding as of December 31, 2015	12,073,334	$ 1.32	6.8	$ 461
Vested and, as of December 31, 2015, expected to vest	12,010,937	$ 1.32	6.8	$ 460
Exercisable as of December 31, 2015	7,413,357	$ 1.32	5.6	$ 404

The weighted-average grant date fair value of stock options granted during the six months ended December 31, 2015 was $0.63 per share. As of December 31, 2015, there was approximately $2.1 million of total unrecognized compensation cost related to non-vested stock options that the Company expects to recognize over a weighted-average period of 2.2 years.

The Company estimated the fair value of options granted using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	2.13%
Dividend yield	0%
Volatility	112.17%
Expected term (in years)	9

10. Related Party Transactions

Novici Biotech, LLC

In January 2012, the Company entered into an agreement with Novici Biotech, LLC ("Novici") in which iBio's President is a minority stockholder. Novici performs laboratory feasibility analyses of gene expression, protein purification and preparation of research samples. The accounts payable balance includes amounts due to Novici of approximately $100,000 and $153,000 at December 31, 2015 and June 30, 2015, respectively. Research and development expenses related to Novici were approximately $252,000 and $258,000 for the three months ended December 31, 2015 and 2014, respectively, and approximately $478,000 and $480,000 for the six months ended December 31, 2015 and 2014, respectively.

Agreements with Eastern Capital Limited and its Affiliates.

As discussed above, on January 13, 2016, the Company entered into a share purchase agreement with Eastern Capital Limited ("Eastern"), a stockholder of the Company, pursuant to which Eastern agreed to purchase the 6,500,000 shares of the Company's common stock (the "Eastern Shares"), for a purchase price of $0.622 per share (the "6.5M Purchase Agreement"), subject to the approval of the Company's stockholders. On the same day that the Company entered into the 6.5M Purchase Agreement, it also entered into a separate share purchase agreement pursuant to which Eastern agreed to purchase 3,500,000 shares of its common stock (the "3.5M Purchase Agreement") for a purchase price of $0.622 per share (the "3.5M Purchase Agreement" and together with the 6.5M Purchase Agreement, the "Purchase Agreements"). Stockholder approval was not required for the issuance of the 3,500,000 shares of the Company's common stock pursuant to the 3.5M Purchase Agreement and the sale of those shares was completed on January 25, 2016. Simultaneously with the issuance of shares under the 3.5M Purchase Agreement, Eastern exercised warrants, dated April 26, 2013, which Eastern acquired previously, to purchase 1,784,000 shares of common stock for a purchase price of $0.53 per share.

Concurrently with the execution of the Purchase Agreements, iBio entered into a contract manufacturing joint venture with an affiliate of Eastern to develop and manufacture plant-made pharmaceuticals through iBio's recently formed subsidiary, iBio CMO. The Eastern Affiliate contributed $15.0 million in cash to iBio CMO, for a 30% interest in iBio CMO. iBio retained a 70% equity interest in iBio CMO. As the majority equity holder, iBio has the right to appoint a majority of the members of the Board of Managers that manages the iBio CMO joint venture. Specified material actions by the joint venture require the consent of iBio and the Eastern Affiliate. iBio contributed to the capital of iBio CMO a royalty bearing license, which grants iBio CMO a non-exclusive license to use the iBio's proprietary technology, including the iBioLaunch technology, for research purposes and an exclusive U.S. license for manufacturing purposes. iBio retains all other rights in its intellectual property, including the right for itself to commercialize products based on its proprietary technology or to grant licenses to others to do so.

In connection with the joint venture, the Second Eastern Affiliate, which controls the subject property as sublandlord, granted iBio CMO a 35-year sublease of a Class A life sciences building in Bryan, Texas, on the campus of Texas A&M University, designed and equipped for plant-made manufacture of biopharmaceuticals. The accounts payable balance at December 31, 2015 includes amounts due to the Second Eastern Affiliate of approximately $78,000. General and administrative expenses related to Second Eastern Affiliate were approximately $78,000 for the three months and six months ended December 31, 2015. The terms of the sublease are described in Note 12.

A three year standstill agreement (the "Standstill Agreement") that will take effect upon issuance of the Eastern Shares pursuant to the 6.5M Purchase Agreement will restrict additional acquisitions of iBio common stock by Eastern and its controlled affiliates to limit its beneficial ownership of the Company's outstanding shares of common stock to a maximum of 38%, absent approval by a majority of the Company's Board of Directors.

Operating Lease with Minority Stockholder
Effective January 1, 2015, the Company is leasing office space on a month-to-month basis from an entity owned by a minority stockholder of the Company for approximately $2,000 per month.

11. Income Taxes

The Company recorded no income tax expense for the six months ended December 31, 2015 and 2014 because the estimated annual effective tax rate was zero. As of December 31, 2015, the Company continues to provide a valuation allowance against its net deferred tax assets since the Company believes it is more likely than not that its deferred tax assets will not be realized.

12. Commitments and Contingencies

Agreements
Under the terms of the Settlement Agreement described in Note 6 – Significant Vendor, the Company undertook to engage Fraunhofer for at least $3 million in work requested and directed by iBio before December 31, 2015. Effective January 31, 2014, the Company terminated a $1.5 million research services agreement with Fraunhofer after having engaged Fraunhofer to perform $0.5 million in research and development services.

On June 12, 2014, FioCruz, Fraunhofer and iBio executed an amendment to the CLA (the "Amended Agreement") to create a new research and development plan for the development of a recombinant yellow fever vaccine providing revised reporting, objectives, estimated budget, and project billing process. Under the CLA and bilateral agreement between iBio and Fraunhofer dated December 27, 2010, Fraunhofer, which has been engaged to act as the Company's subcontractor for performance of research and development services for the new research and development plan, will bill FioCruz directly on behalf of the Company at the rates, amounts and times provided in the Amended Agreement, and the proceeds of such billings and only the proceeds will be paid to Fraunhofer for its services so the Company's expense is equal to its revenue and no profit is recognized for these activities under the Amended Agreement. For the year ended June 30, 2015, $2.1 million in research and development services were performed by Fraunhofer for the Company pursuant to the amended CLA. As of December 31, 2015, the total engagement of Fraunhofer for work requested by iBio is $3.0 million. See Note 6 - Significant Vendor for additional information. In addition to the foregoing, the Company sought to engage Fraunhofer for substantial additional other work, but Fraunhofer did not respond to the Company's requests for proposals for such work

Under the terms of the TTA (described in Note 6 – Significant Vendor) and for a period of 15 years: 1) the Company shall pay Fraunhofer one percent (1%) of all receipts derived by the Company from sales of products produced utilizing the Technology and ten percent (10%) of all receipts derived by the Company from licensing the Technology to third parties. The Company will be obligated to remit royalties to Fraunhofer only on technology license revenues that iBio actually receives and on revenues from actual sales by iBio of products derived from the Company's technology until the later of November 2023 or until such time as the aggregate royalty payments total at least $4 million. All new intellectual property invented by Fraunhofer during the period of the TTA is owned by and is required to be transferred to iBio.

On January 14, 2014 (the "Effective Date"), the Company entered into an exclusive worldwide License Agreement ("LA") with the University of Pittsburgh ("UP") covering all of the U.S. and foreign patents and patent applications and related intellectual property owned by UP pertinent to the use of endostatin peptides for the treatment of fibrosis. The Company paid an initial license fee of $20,000 and is required to pay all of UP's patent prosecution costs that were incurred prior to, totaling $30,627, and subsequent to the Effective Date. On each anniversary date the Company is to pay license fees ranging from $25,000 to $150,000 for the first five years and $150,000 on each subsequent anniversary date until the first commercial sale of the licensed technology. Beginning with commercial sales of the technology or approval by the FDA or foreign equivalent, the Company will be required to pay milestone payments, royalties and a percentage of any non-royalty sublicense income to UP.

On December 30, 2013, the Company entered into a Project Agreement with the Medical University of South Carolina ("MUSC") providing for the performance of research and development services by MUSC related to peptides for the treatment of fibrosis. The agreement requires the Company to make payments totaling $78,000 through December 1, 2014 and provides the Company with certain intellectual property rights. Effective September 1, 2014, the Company and MUSC executed an Amendment to the agreement. The Amendment extended the term of the agreement to December 31, 2015 and increased the total payments due MUSC from the Company by $161,754. The parties have orally agreed to further extend the Project Agreement through December 31, 2016 with total payments in 2016 not to exceed 2015 payments, and are confirming the extension in a written amendment.

New Lease

As discussed above, iBio CMO is leasing its facility in Bryant, Texas from the Second Affiliate under a 35-year sublease. iBio CMO began operations at the facility on December 22, 2015 pursuant to agreements between iBio CMO and the Second Affiliate granting iBio CMO temporary rights to access the facility. These temporary agreements were superseded by the Sublease Agreement, dated January 13, 2016, between iBio CMO and the Second Affiliate (the "sublease"). The 35-year term of the sublease may be extended by iBio CMO for a ten year period, so long as iBio CMO is not in default under the sublease. Under the sublease, iBio CMO is required to pay base rent at an annual rate of $2,100,000, paid in equal quarterly installments on the first day of each February, May, August and November. The base rent is subject to increase annually in accordance with increases in the Consumer Price Index. The base rent under the Second Affiliate's ground lease for the property is subject to adjustment, based on an appraisal of the property, in 2030 and upon any extension of the ground lease. The base rent under the sublease will be increased by any increase in the base rent under the ground lease as a result of such adjustments. In addition to the base rent, iBio CMO is required to pay, for each calendar year during the term, a portion of the total gross sales for products manufactured or processed at the facility, equal to 7% of the first $5,000,000 of gross sales, 6% of gross sales between $5,000,001 and $25,000,000, 5% of gross sales between $25,000,001 and $50,000,000, 4% of gross sales between $50,000,001 and $100,000,000, and 3% of gross sales between $100,000,001 and $500,000,000. However, if for any calendar year period from January 1, 2018 through December 31, 2019, iBio CMO's applicable gross sales are less than $5,000,000, or for any calendar year period from and after January 1, 2020, its applicable gross sales are less than $10,000,000, then iBio CMO is required to pay the amount that would have been payable if it had achieved such minimum gross sales and shall pay no less than the applicable percentage for the minimum gross sales for each subsequent calendar year. iBio CMO is responsible for all costs and expenses in connection with the ownership, management, operation, replacement, maintenance and repair of the property under the sublease.

Lawsuits

On October 22, 2014, the Company filed a Verified Complaint in the Court of Chancery of the State of Delaware against PlantForm Corporation ("PlantForm") and PlantForm's president seeking equitable relief and damages based upon PlantForm's interference with several contracts between the Company and Fraunhofer USA's Center for Molecular Biotechnology unit ("Fraunhofer") and one of the Company's consultants and misappropriating the Company's intellectual property including trade secrets and know-how. On May 14, 2015, after mediation ordered and supervised by the Chancery Court, PlantForm represented and agreed that all drug development and manufacturing activities of PlantForm with Fraunhofer had ceased and would not be renewed at least until after the termination of the Company's litigation regarding similar subject matter with Fraunhofer, and all of the accrued claims between the Company and PlantForm and its President were voluntarily dismissed with prejudice.

On March 17, 2015 the Company filed a Verified Complaint in the Court of Chancery of the State of Delaware against Fraunhofer and Vidadi Yusibov ("Yusibov"), Fraunhofer's Executive Director, seeking monetary damages and equitable relief based on Fraunhofer's material and continuing breaches of their contracts with the Company. On September 16, 2015, the Company voluntarily dismissed its action against Yusibov, without prejudice, and thereafter on September 29, 2015, the Company filed a Verified Amended Complaint against Fraunhofer alleging material breaches by Fraunhofer of its agreements with the Company and seeking monetary damages and equitable relief against Fraunhofer. Briefing has been completed on a motion to dismiss filed by Fraunhofer in lieu of filing an answer to the complaint. Fraunhofer also has moved for a protective order in connection with certain discovery served by iBio. At the Court's suggestion, the parties have agreed to brief, before the Court decides the motion for protective order, their respective positions on the scope of iBio's rights under the parties' agreements. The Company is unable to predict the ultimate outcome of this action at this time.

On October 24, 2014, a putative class action captioned *Juan Pena, Individually and on Behalf of All Others Similarly Situated v. iBio, Inc. and Robert B. Kay* was filed in the United States District Court for the District of Delaware. The action alleged that the Company and its Chief Executive Officer made certain statements in violation of federal securities laws and sought an unspecified amount of damages. On February 23, 2015, the Court issued an order appointing a new lead plaintiff. On April 6, 2015, the plaintiffs filed an amended class action complaint in the same matter captioned *Vamsi Andavarapu, Individually And On Behalf Of All Others Situated v. iBio, Inc., Robert B. Kay, and Robert Erwin*. The action alleged that the Company, its Chief Executive Officer, and its President made certain statements in violation of federal securities laws and sought an unspecified amount of damages. On May 6, 2015, the Company, Mr. Kay, and Mr. Erwin filed a motion to dismiss the amended class action complaint. On September 15, 2015, after voluntary mediation, the Plaintiffs and the Company reached an agreement-in-principle to settle the action. On December 16, 2015, the Plaintiffs and the Company entered a Stipulation and Agreement of Settlement that provides, among other things, for settlement payments totaling $1,875,000 in exchange for the releases described therein. That stipulation was filed with the Court on December 18, 2015 and, on December 22, 2015, the Court entered an order preliminarily approving the settlement and scheduling a final settlement hearing for April 21, 2016. The terms of the settlement are subject to final approval by the Court. The Company expects that the settlement will be funded by the Company's insurance carrier.

On December 4, 2015, a putative derivative action captioned *Savage, Derivatively on Behalf of iBio, Inc., Plaintiff, v. Robert B. Kay, Arthur Y. Elliott, James T. Hill, Glenn Chang, Philip K. Russell, John D. McKey, and Seymour Flug, Defendants, and iBio, Inc., Nominal Defendant* was filed in the Supreme Court of the State of New York, County of New York. The action alleges that the Company and its management made misstatements about the Company's business resulting either from (i) a failure by iBio's directors to establish a system of controls over the Company's disclosures, or (ii) the directors' consciously ignoring "red flags" relating to disclosures, and seeks to recover an unspecified amount of damages. The net amount of any recovery would be property of the Company. On January 15, 2016, the defendants filed a motion to dismiss all claims against them. Plaintiff's opposition to the motion is due on or before February 22, 2016, and defendants have until March 14, 2016 to file a reply to the opposition.

13. Segment Reporting

As discussed above, iBio Brazil began operations in the first quarter of fiscal 2015. In accordance with FASB ASC 280, "*Segment Reporting*," the Company discloses financial and descriptive information about its reportable geographic segments. Geographic segments are components of an enterprise about which separate financial information is available and regularly evaluated by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

Three months ended December 31, 2015	**United States**	**Brazil**	**Total**
Net revenues	**$ 134**	**$ -**	**$ 134**
Research and development expenses	**704**	**-**	**704**
General and administrative expenses	**1,678**	**6**	**1,684**
Operating loss	**(2,248)**	**(6)**	**(2,254)**

Three months ended December 31, 2014	**United States**	**Brazil**	**Total**
Net revenues	$ 367	$ -	$ 367
Research and development expenses	731	-	731
General and administrative expenses	1,272	30	1,302
Operating loss	(1,636)	(30)	(1,666)

Six months ended December 31, 2015	**United States**	**Brazil**	**Total**
Net revenues	**$ 294**	**$ -**	**$ 294**
Research and development expenses	**1,255**	**-**	**1,255**
General and administrative expenses	**3,094**	**12**	**3,106**
Operating loss	**(4,055)**	**(12)**	**(4,067)**

Six months ended December 31, 2014	**United States**	**Brazil**	**Total**
Net revenues	$ 1,186	$ -	$ 1,186
Research and development expenses	1,916	-	1,916
General and administrative expenses	2,301	51	2,352
Operating loss	(3,031)	(51)	(3,082)

Total Assets for the Business Segments	**United States**	**Brazil**	**Total**
December 31, 2015 (unaudited)	**$ 9,391**	**$ 25**	**$ 9,416**
June 30, 2015	12,448	46	12,494

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

The following information should be read together with the financial statements and the notes thereto and other information included elsewhere in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K for the year ended June 30, 2015. Unless the context requires otherwise, references in this Quarterly Report on Form 10-Q to "iBio," the "Company," "we," "us," or "our" and similar terms mean iBio, Inc.

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. For this purpose, any statements contained herein regarding our strategy, future operations, financial position, future revenues, projected costs and expenses, prospects, plans and objectives of management, other than statements of historical facts, are forward-looking statements. The words "anticipate", "believe", "estimate", "may", "plan", "will", "would" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Such statements reflect our current views with respect to future events. Because these forward-looking statements involve known and unknown risks and uncertainties, actual results, performance or achievements could differ materially from those expressed or implied by these forward-looking statements for a number of important reasons, including those discussed in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this Quarterly Report on Form 10-Q, as well as in the section titled "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended June 30, 2015. We cannot guarantee any future results, levels of activity, performance or achievements. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this Quarterly Report on Form 10-Q as anticipated, believed, estimated or expected. The forward-looking statements contained in this Quarterly Report on Form 10-Q represent our estimates as of the date of this Quarterly Report on Form 10-Q (unless another date is indicated) and should not be relied upon as representing our expectations as of any other date. While we may elect to update these forward-looking statements, we specifically disclaim any obligation to do so.

Overview

We are a biotechnology company focused on commercializing our proprietary platform technologies, iBioLaunch™ and iBioModulator™, and developing select product candidates based upon these platforms. iBioLaunch is a proprietary, transformative platform technology for development and production of biologics using transient gene expression in hydroponically grown, unmodified green plants. iBioModulator is a proprietary technology platform that is designed to improve the potency and duration of effect of both prophylactic and therapeutic vaccines produced with any recombinant expression technology including iBioLaunch.

Stated simply, iBioLaunch harnesses the natural protein production capability that plants use to sustain their own growth, and directs it instead to produce proteins that constitute the active pharmaceutical ingredients in vaccines and biopharmaceuticals. The platform's ability to produce a wide array of biologics is evidenced by, among other things, our validated pipeline of iBioLaunch-produced product candidates. The iBio pipeline includes products against fibrotic diseases, vaccines, enzyme replacements, monoclonal antibodies, and recombinant versions of marketed products that are currently derived from human blood plasma.

In addition to the broad array of biological products that can be produced with iBioLaunch, we believe this technology offers other advantages that are not available with conventional manufacturing systems. These anticipated advantages may include reduced production time and lower capital and operating costs. In May 2013, the speed of iBioLaunch production was demonstrated when a third party laboratory using the iBioLaunch platform was able, in a 21 day period from receipt of antigen sequence information to purification of recombinant protein, to successfully produce a vaccine candidate for the newly emerged H7N9 influenza virus. We believe the successful production of this vaccine candidate demonstrates, among other things, that it is possible to utilize the iBioLaunch platform to produce vaccine doses for emergency use against pandemic and bioterrorism threats in weeks rather than the months necessary with the use of engineered or attenuated virus strains. Further, we believe that the capital investment required to construct facilities that will manufacture proteins on the iBioLaunch platform will be substantially less than the capital investment which would be required for the construction of similar capacity facilities utilizing conventional manufacturing methods dependent upon animal cells, bacterial fermenters and chicken eggs. Additionally, operating costs in a manufacturing facility using the iBioLaunch platform are expected to be reduced significantly in comparison to conventional manufacturing processes due to the rapid nature of the iBioLaunch production cycle and the elimination of the expenses associated with the operation and maintenance of bioreactors, fermenters, sterile liquid handling systems and other expensive equipment which is not required in connection with the use of the iBioLaunch platform.

The ability of the iBioLaunch platform to manufacture proteins that are difficult or impossible to produce on a commercially practicable basis with conventional manufacturing systems has been demonstrated by the production of antigens for vaccine candidates for both hookworm and malaria. These iBioLaunch-produced vaccine candidates are being developed by the Sabin Institute and the Bill and Melinda Gates Foundation, respectively. Phase 1 clinical trials for each have commenced.

In addition to the clinical development of these vaccine candidates, Bio-Manguinhos/FioCruz, or FioCruz, a unit of the Oswaldo Cruz Foundation, a central agency of the Ministry of Health of Brazil, is sponsoring the development an iBioLaunch-produced yellow fever vaccine to replace the vaccine it currently makes in chicken eggs for the populations of Brazil and more than 20 other nations. These advances are occurring subsequent to the demonstration of safety of iBioLaunch-produced vaccine candidates against each of the H1N1 "Swine" flu virus and the H5N1 avian flu virus in successfully completed Phase 1 clinical trials.

We developed our iBioModulator technology based on the use of a modified form of the cellulose degrading enzyme lichenase, or LicKM, from *Clostridium thermocellum*, a thermophilic and anaerobic bacterium. iBioModulator enables an adjuvant component to be fused directly to preferred recombinant antigens to create a single protein for use in vaccine applications. Multiple proteins or antigenic domains of proteins can be fused to various portions of LicKM to enhance vaccine performance.

The iBioModulator platform has been shown to be applicable to a range of vaccine proteins and can significantly modify the immune response to a vaccine in two important ways. Animal efficacy studies have demonstrated that it can increase the strength of the initial immune response to a vaccine antigen (as measured by antibody titer) and also extend the duration of the immune response. These results suggest the possibility that use of the iBioModulator platform may lower vaccine antigen requirements and enable fewer doses to establish prolonged protective immunity. We believe that the ability to provide better immune response and longer-term protection with fewer or zero booster inoculations would add significant value to a vaccine by reducing the overall costs and logistical difficulties of its use.

Our near-term focus is to realize two key objectives: (1) the establishment of additional business arrangements pursuant to which commercial, government and not-for-profit licensees will utilize iBioLaunch and iBioModulator in connection with the production and development of therapeutic proteins and vaccine products; and (2) the further development of select product candidates based upon or enhanced by our technology platforms. These objectives are the core components of our strategy to commercialize the proprietary technology we have developed and validated.

Our strategy to engage in partnering and out-licensing of our technology platforms seeks to preserve the opportunity for iBio to share in the successful development and commercialization of product candidates by our licensees while enhancing our own capital and financial resources for development, alone or through commercial alliances with others, of high-potential product candidates based upon our platforms. In addition to financial resources we may receive in connection with the license of our platform technologies, we believe that successful development by third party licensees of iBioLaunch-derived and iBioModulator-enhanced product candidates will further validate our technology, increase awareness of the advantages that may be realized by the use of such platforms and promote broader adoption of our technologies by additional third parties.

The advancement of iBioLaunch-derived and iBioModulator-enhanced product candidates is a key element of our strategy. We believe that selecting and developing products which individually have substantial commercial value and are representative of classes of pharmaceuticals that can be successfully produced using either or both of our technology platforms will allow us to maximize the near and longer term value of each platform while exploiting individual product opportunities. To realize this result, we are currently advancing designated product candidates through the preclinical phase of development and undertaking the studies required for submission of Investigational New Drug Applications, or INDs. The most advanced product candidate we are currently internally advancing through preclinical IND enabling studies is a proprietary recombinant protein we call IBIO-CFB03 for treatment of idiopathic pulmonary fibrosis, systemic sclerosis, and potentially other fibrotic diseases. To the extent that we anticipate the opportunity to realize additional value, we may elect to further the development of this or other product candidates through the early stages of clinical development before seeking to license the product candidate to other industry participants for late stage clinical development and if successful, commercialization.

On December 16, 2015, we formed iBio CMO, LLC ("iBio CMO"), a Delaware limited liability corporation, to develop and manufacture plant-made pharmaceuticals. As of December 31, 2015, we owned 100% of iBio CMO. On January 13, 2016, we entered into a contract manufacturing joint venture with an affiliate of Eastern Capital Limited ("Eastern"), a stockholder of the Company (the "Eastern Affiliate"). The Eastern Affiliate contributed $15 million in cash for a 30% interest in iBio CMO. We retained a 70% interest in iBio CMO and contributed a royalty bearing license which grants iBio CMO a non-exclusive license to use our proprietary technology for research purposes and an exclusive U.S. license for manufacturing purposes. We retained the exclusive right to grant product licenses to those who wish to sell or distribute products made using our technology.

iBio CMO's operations will take place in Bryant, Texas in a facility controlled by another affiliate of Eastern (the "Second Eastern Affiliate") as sublandlord. The facility is a Class A life sciences building on the campus of Texas A&M University, designed and equipped for plant-made manufacture of biopharmaceuticals. The Second Affiliate granted iBio CMO a 35-year sublease for the facility. Commercial operations commenced in January 2016. iBio CMO expects to operate on the basis of three parallel lines of business: (1) Development and manufacturing of third party products; (2) Development and production of iBio's proprietary product(s) for treatment of fibrotic diseases; and (3) Commercial technology transfer services.

Proprietary iBio technologies have been used to advance development of certain products that have been commercially infeasible to develop with conventional technologies such as Chinese hamster ovary cell systems and microbial fermentation methods. They can be used to create and operate manufacturing facilities at substantially lower capital and operating costs. These include development and manufacture of both vaccine and therapeutic product candidates. iBio CMO plans to promote commercial collaborations with third parties on the basis of these technology advantages and to work with customers to achieve laboratory scale technical milestones that can form the basis of longer-term manufacturing business arrangements. iBio itself will be a client of iBio CMO for further IND advancement of its proprietary products beginning with IBIO-CFB03 for the treatment of a range of fibrotic diseases. iBio will work with iBio CMO on the production of IBIO-CFB03 for clinical trials and, with clinical success, for commercial launch.

Due to the lower capital and operating cost requirements for pharmaceutical production via iBio technology versus legacy methods, certain corporations and governments that have not already established manufacturing capacity for biologic products are client prospects for both development and for commercial technology transfer services to enable autonomous manufacturing in the market being served. For example, in Brazil, iBio has been collaborating with the Oswaldo Cruz Foundation (Fiocruz) to develop a recombinant yellow fever vaccine based on iBio technology. iBio's contract with Fiocruz provides for commercial technology transfer services as the product candidates enters human clinical trials. Over time, iBio expects to work closely with iBio CMO to provide such technology transfer services for a variety of both commercial and government clients.

Results of Operations

Comparison of Three Months ended December 31, 2015 ("2015") versus December 31, 2014 ("2014")

Revenue
Gross revenue for 2015 and 2014 was approximately $134,000 and $367,000, respectively, a decrease of $233,000.

Revenue has been attributable to technology services provided to Bio-Manguinhos/FioCruz ("FioCruz") in connection with the development by FioCruz of a yellow fever vaccine using our iBioLaunch™ technology. To fulfill our obligations, we engaged Fraunhofer USA Inc. ("Fraunhofer") as a subcontractor to perform the services required. During 2013, the Company, FioCruz and Fraunhofer were awaiting approval by the Brazilian government of a contract amendment reflecting the agreed modifications to the work plan. During this waiting period, no revenues were recognized by the Company in connection with services provided to FioCruz through the subcontract arrangement with Fraunhofer. In June 2014, the Company, FioCruz and Fraunhofer amended their Collaboration and License Agreement reflecting the agreed modifications to the work plan and work was resumed by Fraunhofer for the Company to continue development of a yellow fever vaccine using the Company's iBioLaunch ™ technology. In 2015, revenue was lower due to laboratory tasks performed pursuant to the agreement with FioCruz nearing completion, in some cases being completed, and therefore requiring less total work than previously necessary.

Research and development expenses
Research and development expenses for 2015 were approximately $704,000, as compared to approximately $731,000 for 2014, a decrease of approximately $27,000. Research and development expenses in 2014 include a reconciliation for services rendered prior to October 1, 2014. In 2015, expenses were lower also due to changes in the laboratory work performed reflective of progress in the research.

General and administrative expenses
General and administrative expenses for 2015 were approximately $1,684,000, as compared to approximately $1,302,000 for 2014, an increase of approximately $382,000. General and administrative expenses principally include officer and employee salaries and benefits, legal and accounting fees, insurance, consulting services, investor and public relations services, and other costs associated with being a publicly traded company. The increase was primarily due to increases in legal expenses of approximately $278,000 and expenses related to iBio CMO operations which commenced in December 2015 of approximately $102,000.

Other income
Other income for 2015 and 2014 was approximately $8,000 and $13,000, respectively. Other income consists of interest and royalty income.

Results of Operations - Comparison of Six Months ended December 31, 2015 ("2015") versus December 31, 2014 ("2014")

Revenue
Gross revenue for 2015 and 2014 was approximately $294,000 and $1,186,000, respectively, a decrease of $892,000.

Revenue has been attributable to technology services provided to Bio-Manguinhos/FioCruz ("FioCruz") in connection with the development by FioCruz of a yellow fever vaccine using our iBioLaunch™ technology. To fulfill our obligations, we engaged Fraunhofer USA Inc. ("Fraunhofer") as a subcontractor to perform the services required. During 2013, the Company, FioCruz and Fraunhofer were awaiting approval by the Brazilian government of a contract amendment reflecting the agreed modifications to the work plan. During this waiting period, no revenues were recognized by the Company in connection with services provided to FioCruz through the subcontract arrangement with Fraunhofer. In June 2014, the Company, FioCruz and Fraunhofer amended their Collaboration and License Agreement reflecting the agreed modifications to the work plan and work was resumed by Fraunhofer for the Company to continue development of a yellow fever vaccine using the Company's iBioLaunch ™ technology. In 2015, revenue was lower due to laboratory tasks performed pursuant to the agreement with FioCruz nearing completion, in some cases being completed, and therefore requiring less total work than previously necessary.

Research and development expenses
Research and development expenses for 2015 were approximately $1,255,000, as compared to approximately $1,916,000 for 2014, a decrease of approximately $661,000. Research and development expenses in 2014 include a reconciliation for services rendered prior to October 1, 2014. In 2015, expenses were lower also due to changes in the laboratory work performed reflective of progress in the research.

General and administrative expenses
General and administrative expenses for 2015 were approximately $3,106,000, as compared to approximately $2,352,000 for 2014, an increase of approximately $754,000. General and administrative expenses principally include officer and employee salaries and benefits, legal and accounting fees, insurance, consulting services, investor and public relations services, and other costs associated with being a publicly traded company. The increase was primarily due to increases in legal expenses of $568,000 and expenses related to iBio CMO operations which commenced in December 2015 of approximately $102,000.

Other income
Other income for 2015 and 2014 was approximately $16,000 and $19,000, respectively. Other income consists of interest and royalty income.

Liquidity and Capital Resources

As of December 31, 2015, we had cash of $6.7 million as compared to $9.5 million as of June 30, 2015. The decrease in cash was primarily attributable to funding the loss for the period.

Net Cash Used in Operating Activities
Operating activities used $2.8 million in cash for the six months ended December 31, 2015.

Net Cash Used in Investing Activities
For the six months ended December 31, 2015, net cash used in investing activities was approximately $5,000 for additions to fixed assets.

Net Cash Provided by Financing Activities
For the six months ended December 31, 2015, net cash provided by financing activities was $63,000, which represented the exercise of warrants for 120,000 shares of common stock.

Funding Requirements
We have incurred significant losses and negative cash flows from operations since our spinoff from Integrated BioPharma, Inc. in August 2008. As of December 31, 2015, our accumulated deficit was approximately $51.9 million, and we used approximately $2.8 million of cash for operating activities for the six months ended December 31, 2015. As of December 31, 2015, cash on hand of approximately $6.7 million and the proceeds from Eastern share purchase agreements was expected to support the Company's activities at least through December 31, 2016.

We have historically financed our activities through the sale of common stock and warrants. We plan to fund our future business operations using cash on hand, through proceeds from the sale of additional equity and other securities and through proceeds realized in connection with license and collaboration arrangements and operation of the Company's new subsidiary, iBio CMO.

On May 15, 2015, we entered into a common stock purchase agreement (the "2015 Aspire Purchase Agreement") with Aspire Capital Fund, LLC, an Illinois limited liability company (referred to below as "Aspire Capital") pursuant to which we have the option to require Aspire Capital to purchase up to an aggregate of $15.0 million of shares of our common stock (the "Purchase Shares") upon and subject to the terms of the 2015 Aspire Purchase Agreement. The description of the 2015 Aspire Purchase Agreement and other information included under the heading "Aspire Capital – 2015 Facility" set forth in Note 7 of the condensed consolidated financial statements included in this report is incorporated into this Item 2 by reference.

No shares have been sold under the 2015 Aspire Purchase Agreement as of the date of the filing of this report. Despite the proceeds that we may receive pursuant to the 2015 Aspire Purchase Agreement, we may still need additional capital to fully implement our business, operating and development plans for periods beyond December 31, 2016.

On November 20, 2014, we filed with the Securities and Exchange Commission a Registration Statement on Form S-3 under the Securities Act, which was declared effective by the Securities and Exchange Commission on December 2, 2014. This registration statement allows us, from time to time, to offer and sell shares of common stock, shares of preferred stock, debt securities, units comprised of shares of common stock, preferred stock, debt securities and warrants in any combination, and warrants to purchase common stock, preferred stock, debt securities and/or units, up to a maximum aggregate amount of $100 million of such securities. On May 29, 2015, we filed a prospectus supplement to the Registration Statement registering $15.0 million of our common stock that we may issue and sell to Aspire Capital from time to time pursuant to the 2015 Aspire Purchase Agreement, together with the 450,000 Commitment Shares issued to Aspire Capital in consideration for entering into the 2015 Aspire Purchase Agreement. We currently have no other firm agreements with any third parties for the sale of our securities pursuant to this registration statement. We cannot be certain that funding will be available on favorable terms or available at all. To the extent that we raise additional funds by issuing equity securities, our stockholders may experience significant dilution. If we are unable to raise funds when required or on favorable terms, we may have to: a) significantly delay, scale back, or discontinue the product application and/or commercialization of our proprietary technologies; b) seek collaborators for our technology and product candidates on terms that are less favorable than might otherwise be available; c) relinquish or otherwise dispose of rights to technologies, product candidates, or products that we would otherwise seek to develop or commercialize; or d) possibly cease operations.

On January 13, 2016, the Company entered into a contract manufacturing joint venture with an affiliate (the "Eastern Affiliate") of Eastern Capital Limited ("Eastern"), a stockholder of the Company. The Eastern Affiliate contributed $15 million in cash for a 30% interest in the Company's subsidiary iBio CMO LLC ("iBio CMO"). The Company retained a 70% interest in iBio CMO and contributed a royalty bearing license which grants iBio CMO a non-exclusive license to use the Company's proprietary technology for research purposes and an exclusive U.S. license for manufacturing purposes. On January 13, 2016, the Company also entered into share purchase agreements with Eastern pursuant to which Eastern agreed to purchase 10 million shares of the Company's common stock at $0.622 per share. The closing for the sale of 3,500,000 of such shares occurred on January 25, 2016. The issuance of the remaining 6,500,000 shares is subject to the approval of the Company's stockholders. In addition, Eastern agreed to exercise warrants it previously acquired to purchase 1,784,000 shares of the Company's common stock at $0.53 per share. As of the date of the filing of this report, iBio CMO has received $15 million for the capitalization of iBio CMO and the Company has received approximately $3.1 million from Eastern for the acquisition of 3,500,000 shares of common stock and the exercise of the warrants. Prior to the issuance of the shares of common stock pursuant to the 3.5M Purchase Agreement, Eastern beneficially owned approximately 30% of the Company's common stock, as reported in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2015, filed with the SEC on October 13, 2015, calculated in accordance with the SEC's beneficial ownership rules. As of the closing of the 3.5M Purchase Agreement and the simultaneous exercise of by Eastern of its warrants to purchase iBio common stock, Eastern beneficially owned slightly less than 33% of the Company's outstanding shares of common stock. See Note 7 for a further description of the transactions.

Off-Balance Sheet Arrangements

As part of our ongoing business, we do not participate in transactions that generate relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities (SPEs), which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually limited purposes. As of December 31, 2015, we were not involved in any SPE transactions.

Critical Accounting Policies and Estimates

A critical accounting policy is one that is both important to the portrayal of a company's financial condition and results of operations and requires management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain.

Our condensed consolidated financial statements are presented in accordance with U.S. GAAP for interim financial information, and all applicable U.S. GAAP accounting standards effective as of December 31, 2015 have been taken into consideration in preparing the condensed consolidated financial statements. The preparation of condensed consolidated financial statements requires estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and related disclosures. Some of those estimates are subjective and complex, and, consequently, actual results could differ from those estimates. The following accounting policies and estimates have been highlighted as significant because changes to certain judgments and assumptions inherent in these policies could affect our condensed consolidated financial statements:

- Valuation of intellectual property;
- Legal and contractual contingencies;
- Research and development expenses; and
- Share-based compensation expenses.

We base our estimates, to the extent possible, on historical experience. Historical information is modified as appropriate based on current business factors and various assumptions that we believe are necessary to form a basis for making judgments about the carrying value of assets and liabilities. We evaluate our estimates on an on-going basis and make changes when necessary. Actual results could differ from our estimates.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, under the direction of our Executive Chairman and our Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") as of December 31, 2015. Based upon that evaluation, our Executive Chairman and our Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of December 31, 2015.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, during the quarter ended December 31, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

Lawsuits
On March 17, 2015 the Company filed a Verified Complaint in the Court of Chancery of the State of Delaware against Fraunhofer and Vidadi Yusibov ("Yusibov"), Fraunhofer's Executive Director, seeking monetary damages and equitable relief based on Fraunhofer's material and continuing breaches of their contracts with the Company. On September 16, 2015, the Company voluntarily dismissed its action against Yusibov, without prejudice, and thereafter on September 29, 2015, the Company filed a Verified Amended Complaint against Fraunhofer alleging material breaches by Fraunhofer of its agreements with the Company and seeking monetary damages and equitable relief against Fraunhofer. Briefing has been completed on a motion to dismiss filed by Fraunhofer in lieu of filing an answer to the complaint. Fraunhofer also has moved for a protective order in connection with certain discovery served by iBio. At the Court's suggestion, the parties have agreed to brief, before the Court decides the motion for protective order, their respective positions on the scope of iBio's rights under the parties' agreements. The Company is unable to predict the ultimate outcome of this action at this time.

On October 24, 2014, a putative class action captioned *Juan Pena, Individually and on Behalf of All Others Similarly Situated v. iBio, Inc. and Robert B. Kay* was filed in the United States District Court for the District of Delaware. The action alleged that the Company and its Chief Executive Officer made certain statements in violation of federal securities laws and sought an unspecified amount of damages. On February 23, 2015, the Court issued an order appointing a new lead plaintiff. On April 6, 2015, the plaintiffs filed an amended class action complaint in the same matter captioned *Vamsi Andavarapu, Individually And On Behalf Of All Others Situated v. iBio, Inc., Robert B. Kay, and Robert Erwin*. The action alleged that the Company, its Chief Executive Officer, and its President made certain statements in violation of federal securities laws and sought an unspecified amount of damages. On May 6, 2015, the Company, Mr. Kay, and Mr. Erwin filed a motion to dismiss the amended class action complaint. On September 15, 2015, after voluntary mediation, the Plaintiffs and the Company reached an agreement-in-principle to settle the action. On December 16, 2015, the Plaintiffs and the Company entered a Stipulation and Agreement of Settlement that provides, among other things, for settlement payments totaling $1,875,000 in exchange for the releases described therein. That stipulation was filed with the Court on December 18, 2015 and, on December 22, 2015, the Court entered an order preliminarily approving the settlement and scheduling a final settlement hearing for April 21, 2016. The terms of the settlement are subject to final approval by the Court. The Company expects that the settlement will be approved by the Court and funded by the Company's insurance carrier.

On December 4, 2015, a putative derivative action captioned *Savage, Derivatively on Behalf of iBio, Inc., Plaintiff, v. Robert B. Kay, Arthur Y. Elliott, James T. Hill, Glenn Chang, Philip K. Russell, John D. McKey, and Seymour Flug, Defendants, and iBio, Inc., Nominal Defendant* was filed in the Supreme Court of the State of New York, County of New York. The action alleges that the Company and its management made misstatements about the Company's business resulting either from (i) a failure by iBio's directors to establish a system of controls over the Company's disclosures, or (ii) the directors' consciously ignoring "red flags" relating to disclosures, and seeks to recover an unspecified amount of damages. The net amount of any recovery would be property of the Company. On January 15, 2016, the defendants filed a motion to dismiss all claims against them. Plaintiff's opposition to the motion is due on or before February 22, 2016, and defendants have until March 14, 2016 to file any papers in reply to the opposition.

Item 6. Exhibits.

Exhibit Number	
3.1	Certificate of Incorporation of the Company (1)
3.2	First Amended and Restated Bylaws of the Company (2)
4.1	Registration Rights Agreement, dated May 15, 2015, between the Company and Aspire Capital Fund, LLC (3)
10.1	Share Purchase Agreement, dated January 13, 2016, between iBio, Inc. and Eastern Capital Limited, for the purchase of 3,500,000 shares of common stock (4)
10.2	Share Purchase Agreement, dated January 13, 2016, between iBio, Inc. and Eastern Capital Limited, for the purchase of 6,500,000 shares of common stock (4)
10.3	Amended and Restated Limited Liability Company Operating Agreement of iBio CMO LLC, dated January 13, 2016, between the Company, Bryan Capital Investors LLC and iBio CMO LLC*
10.4	License Agreement, dated January 13, 2016, between the Company and iBio CMO LLC*
10.5	Sublease Agreement, dated January 13, 2016, between College Station Investors LLC and IBIO CMO LLC*
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance *
101.SCH	XBRL Taxonomy Extension Schema *
101.CAL	XBRL Taxonomy Extension Calculation *
101.DEF	XBRL Taxonomy Extension Definition *
101.LAB	XBRL Taxonomy Extension Labeled *
101.PRE	XBRL Taxonomy Extension Presentation *

(1)	Incorporated herein by reference to the Company's Quarterly Report on Form 10-Q filed with the SEC on May 15, 2014 (Commission File No. 001-35023).
(2)	Incorporated herein by reference to the Company's Current Report on Form 8-K filed with the SEC on August 14, 2009 (Commission File No. 000-53125).
(3)	Incorporated herein by reference to the Company's Quarterly Report on Form 10-Q filed with the SEC on May 15, 2015 (Commission File No. 001-35023).
(4)	Incorporated herein by reference to the Company's Current Report on Form 8-K filed with the SEC on January 14, 2016 (Commission File No. 000-35023).
*	Filed herewith.

SIGNATURES

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

iBio, Inc.
(Registrant)

Date: February 19, 2016

/s/ Robert B. Kay
Robert B. Kay
Executive Chairman

Date: February 19, 2016

/s/ Mark Giannone
Mark Giannone
Chief Financial Officer

Exhibit 10.3

Execution Version

AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT OF

IBIO CMO LLC

A Delaware Limited Liability Company

Dated as of January 13, 2016

THE UNITS EVIDENCED BY THIS AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES LAWS OF ANY STATE OR FOREIGN JURISDICTION. SUCH INTERESTS MAY NOT BE SOLD, ASSIGNED, PLEDGED OR OTHERWISE DISPOSED OF AT ANY TIME WITHOUT EFFECTIVE REGISTRATION UNDER SUCH ACT AND LAWS OR EXEMPTION THEREFROM AND COMPLIANCE WITH THE OTHER SUBSTANTIAL RESTRICTIONS ON TRANSFERABILITY SET FORTH HEREIN.

THE UNITS REPRESENTED BY THIS AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT ARE ALSO SUBJECT TO ADDITIONAL RESTRICTIONS ON TRANSFER SET FORTH IN THIS AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT.

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AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT OF IBIO CMO LLC

This AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT (this " Agreement") of iBio CMO LLC, a Delaware limited liability company formed pursuant to the Certificate (the "Company"), is made and entered into as of January 13, 2016. All capitalized terms used and not otherwise defined herein shall have the meanings given to them in Section 10.1.

ARTICLE 1
ORGANIZATIONAL MATTERS; PURPOSE; TERM

1.1 Formation of Company. The Company has been organized as a Delaware limited liability company by filing a certificate of formation (the "Certificate") under the Act on December 16, 2015. The Certificate is in all respects approved, and the Members hereby agree to continue the Company.

1.2 Name. The name of the Company shall be "iBio CMO LLC," and all Company business must be conducted in that name or such other name as the Board approves.

1 . 3 Principal Office. The principal office of the Company shall be at 8800 Health Science Center Parkway, Bryan, Texas 77807-1107, or at such other location as the Board and each of the Members from time to time may approve.

1 . 4 Foreign Qualification. Before the Company conducts business in any jurisdiction other than the State of Delaware, the Company shall comply with all requirements necessary to qualify the Company as a foreign limited liability company in such jurisdiction. At the request of the Board, each Member shall execute, acknowledge, swear to and deliver all certificates and other instruments that are reasonably necessary or appropriate to qualify, continue or terminate the Company as a foreign limited liability company in all jurisdictions in which the Company may conduct business.

1.5 Purpose and Scope. The Company has been organized to (a) lease and operate a pharmaceutical manufacturing facility in Bryan, Texas, (b) perform all other activities reasonably necessary or incidental to the furtherance of the aforementioned purposes, and (c) conduct any other lawful business, purpose or activity, as determined by the Board and approved by each of the Members, which may be conducted by a limited liability company under the Act.

1 . 6 Term. The Company shall commence on the effective date of the Certificate and shall have perpetual existence, unless sooner dissolved as herein provided.

1 . 7 No State Law Partnership. The Company shall not be a partnership or joint venture under any state or federal law, and no Member shall be a partner or joint venturer of any other Member for any purposes, other than under the Code and other applicable tax laws, and this Agreement may not be construed otherwise.

1.8 Units are Securities. Each Unit shall constitute a "security" within the meaning of and shall be governed by (a) Article 8 of the Uniform Commercial Code (including Section 8-102(a)(15) thereof) as in effect from time to time in the State of Delaware, and (b) the Uniform Commercial Code of any other applicable jurisdiction that now or hereafter substantially includes the 1994 revisions to Article 8 thereof as adopted by the American Law Institute and the National Conference of Commissioners on Uniform State Laws and approved by the American Bar Association on February 14, 1995.

1.9 Certification of Units. Units shall be issued in non-certificated form; provided that the Board may cause the Company to issue certificates to a Member representing the Units held by such Member. If any Unit certificate is issued, then such certificate shall bear a legend substantially in the following form:

> This certificate evidences a membership interest representing an interest in iBio CMO LLC and shall constitute a "security" within the meaning of and shall be governed by (i) Article 8 of the Uniform Commercial Code (including Section 8-102(a)(15) thereof) as in effect from time to time in the State of Delaware, and (ii) the Uniform Commercial Code of any other applicable jurisdiction that now or hereafter substantially includes the 1994 revisions to Article 8 thereof as adopted by the American Law Institute and the National Conference of Commissioners on Uniform State Laws and approved by the American Bar Association on February 14, 1995.
>
> The membership interest in iBio CMO LLC represented by this certificate is subject to restrictions on transfer set forth in that certain Amended and Restated Limited Liability Company Agreement of iBio CMO LLC, dated as of January 13, 2016, by and among the members from time to time party thereto, as the same may be amended from time to time.
>
> The membership interest in iBio CMO LLC represented by this certificate has not been registered under the United States Securities Act of 1933, as amended, or under any other applicable securities laws. Such membership interest may not be sold, assigned, pledged or otherwise disposed of at any time without effective registration under such Act and laws or, in each case, exemption therefrom.

ARTICLE 2
MEMBERSHIP; DISPOSITIONS OF INTERESTS

2.1 Members. Each Member's interest in the Company, including such Member's interest, if any, in the capital, income, gains, losses, deductions and expenses of the Company and the right to receive distributions of funds and to vote on certain Company matters as provided in this Agreement shall be represented by units of limited liability company interest (each, a "Unit"). No Person may be a Member without the ownership of a Unit. The Members shall have only such rights and powers as are granted to them pursuant to the express terms of this Agreement and the Act. Except as otherwise expressly provided in this Agreement, no Member, in such capacity, shall have any authority to bind, to act for, to sign for or to assume any obligation or responsibility on behalf of, any other Member or the Company. Each Unit that was issued and outstanding immediately prior to the execution and delivery of this Agreement and owned by iBio is hereby automatically, without any action required on the part of the Company or any Member, converted into a number of Units such that the aggregate number of Units issued and outstanding immediately following the execution and delivery of this Agreement and held by iBio is as set forth on Exhibit A.

2.2 Dispositions of Units. A Member may not make an assignment, transfer, sale or other disposition (voluntarily, involuntarily or by operation of law, or any derivative transaction, including any short sale, collar, hedging or other derivative transaction that has the effect of materially changing the economic benefits and risks of ownership) (each, a "Transfer") of all or any portion of its Units, nor pledge, mortgage, hypothecate, grant a security interest in, or otherwise encumber (each, an "Encumbrance") all or any portion of its Units, except with the prior written consent of each other Member, which shall not be unreasonably withheld, conditioned, or delayed; provided that Bryan Capital Investors LLC ("Bryan") may transfer all or part of its Units to an Affiliate without such consent. Any attempted Transfer or Encumbrance of a Unit, other than in strict accordance with this Section 2.2, shall be void. A Change in Control of iBio, Inc. ("iBio"), whether by a sale of all or substantially all of its assets, merger or otherwise, shall not be deemed a Transfer requiring consent hereunder. A Change in Control of Bryan, however, whether by a sale of all or substantially all of its assets, merger or otherwise, shall be deemed a Transfer requiring consent hereunder (except to the extent that the deemed Transfer is to a Person or Persons to whom, if Units were directly Transferred, consent would not be required under this Section 2.2), which consent shall not be unreasonably withheld, conditioned or delayed. A Person to whom a Unit is Transferred or a permitted successor of a Member's interest through a Change in Control, in each case in accordance with the terms and conditions of this Agreement, shall be admitted to the Company as a Member.

In connection with any Transfer of a Unit, and any admission of an assignee as a Member, the Member making such Transfer and the assignee shall furnish the Board with such documents regarding the Transfer as they may reasonably request (in form and substance satisfactory to the Board), including a copy of the Transfer instrument and a ratification by the assignee of this Agreement.

2.3 No Release. No Transfer of a Unit shall effect a release of the transferring Member from any liabilities to the Company or the other Members arising from events occurring prior to the Transfer.

2.4 Creation of Additional Units. Subject to Section 2.2, additional or new Units may be created and issued to existing Members or to other Persons, and such Persons may be admitted to the Company as Members, only with the approval of the Board and each of the Members, on such terms and conditions as the Board may determine and each of the Members may approve. The Company shall thereafter reflect the issuance of any additional Units and the admission of any new Member or the creation of any new class or group of Members or Units in an amendment to this Agreement which shall be valid and binding on all Members.

2.5 Resignation. Except as required by law, a Member may not resign or withdraw from the Company without the consent of the Board and each of the other Members.

2.6 Liability to Third Parties. No Member shall be liable for the debts, obligations or liabilities of the Company.

2.7 Representations by Members. Each Member represents and warrants to the other Members and to the Company that:

(a) all transactions contemplated by this Agreement to be performed by such Member have been duly authorized by all necessary action and do not require the consent or approval of any third party; and

(b) such Member has all necessary power with respect thereto.

ARTICLE 3
MANAGEMENT OF THE COMPANY

3.1 Management.

(a) Board of Managers.

(i) Management by the Board. The management of the affairs, property and business of the Company shall be vested in a Board of Managers (the "Board") consisting of three (3) managers (each a "Manager"). The Board shall manage the affairs of the Company and make all decisions with regard thereto, except (i) where the approval of a Member is expressly required by a non-waivable provision of applicable law or (ii) as otherwise provided under Section 3.1(b) or as expressly provided in any other provision of this Agreement. The vote of a majority of the Managers shall be the act of the Board. Each Manager shall have one vote. The Managers shall perform their duties in good faith and in the best interest of the Company, exercising the care a prudent person would use under similar circumstances.

(ii) Appointment of Managers.

(A) Each Member, so long as such Member holds more than twenty five percent (25%) of the outstanding Units, shall be entitled to appoint one Manager.

(B) The Members holding a majority of the outstanding Units shall be entitled to appoint the remaining Managers.

(iii) Removal and Replacement of Managers. A Manager appointed pursuant to paragraph (A) of Section 3.1(a)(ii) may be removed or replaced at any time, with or without cause, only by the Member that has appointed such Manager. A Manager appointed pursuant to paragraph (B) of Section 3.1(a)(ii) may be removed or replaced at any time, with or without cause, by the Members holding a majority of the outstanding Units.

(iv) Meetings of the Board. Regular meetings of the Board shall be held quarterly at the principal offices of the Company or such other place as determined by the Board. Special meetings of the Board may be called by any Manager, upon not less than 24 hours' notice to each other Manager either personally or by telephone, facsimile, electronic mail or other electronic means, setting forth the time and place of such meeting. Managers may participate in any such meeting by telephone or any other form of remote communication by means of which all persons participating in the meeting can communicate with each other. A quorum for the transaction of business at a meeting of the Board shall exist when (x) at least two Managers, including at least one Manager designated by each Member that is entitled to appoint a Manager pursuant to Section 3.1(a)(ii)(A) and has appointed such Manager, and (y) if applicable, each representative designated by a Member pursuant to Section 3.1(a)(v) if such Member has not appointed a Manager pursuant to Section 3.1(a)(ii)(A), are participating in the meeting in a manner permitted by the immediately preceding sentence. Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting, if a written consent thereto is signed by each Manager.

(v) Observer Rights. At any time and for so long as a Member is entitled to appoint a Manager but has not done so (or has removed and not replaced such Manager), one representative of such Member shall have the right to attend all meetings of the Board in a nonvoting observer capacity, to receive notice of such meetings, and to receive all information provided by the Company to the Board.

(b) Major Decisions. Without limiting the generality of Section 3.1(a), and in addition to any other provision in this Agreement expressly requiring such consent, the Board and the Company shall not take any of the actions set forth in paragraphs (i) through (xvi) below (and shall not permit any of subsidiaries of the Company to take any such actions) without the consent of each of the Members. Such consent may be in the form of a written consent signed by all of the Members or approval of the action at a meeting of the Members held in accordance with Section 3.1(c).

(i) Authorize, issue or sell any Units or other equity securities or admit new Members to the Company or any subsidiary of the Company or redeem or purchase any Units or permit the withdrawal (except as required by law) of any Member from the Company;

(ii) Permit any Member to Transfer any Units or permit any Encumbrance of any Member's Units (other than as specifically permitted pursuant to Section 2.2);

(iii) Change the scope or purpose of the Company's business or the location of the Company's principal office;

(iv) Form any subsidiary;

(v) Incur or create any indebtedness, amend, waive or modify the terms of any indebtedness, or guarantee any indebtedness, other than in the ordinary course of business;

(vi) Make any loans or advance any payments to third parties, other than in the ordinary course of business ("ordinary course" being understood for these purposes to include payments constituting trade deposits made in satisfaction of accounts payable);

(vii) Make any distribution or dividend;

(viii) Liquidate, dissolve, wind up the Company, or commence any voluntary proceeding seeking reorganization or other similar relief or appoint any liquidator upon dissolution of the Company;

(ix) Enter into, revise or amend any contract, agreement or transaction with (including any loans or payments to) any Member or any Affiliate of a Member;

(x) Pay or agree to provide any compensation to any Manager;

(xi) Elect to change the income tax classification of the Company;

(xii) Amend, modify or supplement this Agreement or the Certificate, or alter any of the rights, preferences or privileges corresponding to any Units;

(xiii) Create or permit any lien over any of the assets of the Company (other than liens arising in the ordinary course of business);

(xiv) Terminate that certain License Agreement, dated as of the date hereof, by and between the Company and iBio;

(xv) Enter into, amend, supplement, modify, waive or terminate any derivative transaction; or

(xvi) Agree, commit or represent to do any of the foregoing.

(c) Meetings of the Members. Regular meetings of the Members shall be held annually at the principal offices of the Company or such other place as determined by the Members. Special meetings of the Members, including for purposes of considering any matter set forth in Section 3.1(b), may be called by any Member, upon not less than 24 hours' notice to each other Member either personally or by telephone, facsimile, electronic mail or other electronic means, setting forth the time and place of such meeting. Representatives of the Members may participate in any such meeting by telephone or any other form of remote communication by means of which all persons participating in the meeting can communicate with each other. A quorum for the transaction of business at a meeting of the Members shall exist when at least one representative of each Member is participating in the meeting in a manner permitted by the immediately preceding sentence. Any action required or permitted to be taken at any meeting of the Members may be taken without a meeting, if a written consent thereto is signed by each Member.

3.2 Reimbursement of Expenses. Each Member, Manager, officer of the Company and representative designated by a Member pursuant to Section 3.1(a)(v) shall be reimbursed by the Company for all reasonable out-of-pocket expenses actually incurred by it directly in conjunction with the business and affairs of the Company when acting on behalf of the Company at the request of the Board. Each such Member, Manager, officer or representative designated by a Member pursuant to Section 3.1(a)(v), as the case may be, shall provide reasonable supporting verification to the Company for all expenditures for which any reimbursement is requested.

3.3 Compensation. No compensatory payment shall be made by the Company to a Member, except as approved by the Board and each of the Members.

3.4 No Liability of the Members. To the maximum extent permitted under applicable law, no Member or Manager, or their respective Affiliates, shall be liable to any Member, Manager or the Company for (a) any action taken or failure to act as a Member or Manager or on behalf of a Member or Manager with respect to the Company unless such action taken or failure to act constitutes a breach of this Agreement, gross negligence or willful misconduct, and then only to the extent of such Member's, Manager's or such other Person's breach, gross negligence or willful misconduct, or (b) any action or inaction arising from reliance upon the opinion or advice of legal counsel, accountants or any other Person as to matters that such Member or Manager believes to be within such Person's professional or expert competence or information or reports prepared by one or more agents or employees of the Company. Notwithstanding the foregoing, iBio hereby assumes liability for and agrees to indemnify, defend and hold harmless the Company, Bryan, and their respective officers, directors, equityholders, partners, employees, agents and Affiliates, from and against all losses, claims, damages, liabilities, obligations, fines, penalties, judgments, settlements, costs, expenses and disbursements (including attorneys' fees and expenses), arising out of the ownership, control or operation of the Company prior to the date hereof; provided that notice of any claim for indemnification pursuant this sentence shall be delivered to iBio on or before the 18-month anniversary of the date hereof; and provided further that, if notice of a claim for indemnification is delivered by such date, iBio's indemnification obligations with respect to such claim shall survive until such claim is finally and fully resolved.

3.5 Indemnification of the Members and Others; Insurance.

(a) To the maximum extent permitted under applicable law, the Company shall indemnify each of the Members, Managers and their respective employees, officers, directors, members, agents and Affiliates (each, an "Indemnified Party") against any losses, liabilities, damages or expenses (including attorney fees and expenses in connection therewith and amounts paid in settlement thereof) to which an Indemnified Party may directly or indirectly become subject in connection with the Company or in connection with any involvement with any Person in which the Company has a direct or indirect investment. The Company may, upon the approval of the Board and each of the Members, pay the expenses incurred by any such Indemnified Party in connection with any proceeding in advance of the final disposition, so long as the Company receives an undertaking by such Indemnified Party to repay the full amount advanced if there is a final determination that such Indemnified Party is not entitled to indemnification as provided herein. An Indemnified Party shall not be required to first seek indemnification from other available sources, if any, prior to obtaining indemnification hereunder.

(b) The Company shall use its reasonable best efforts to obtain within 60 days of the date hereof, and thereafter at all times maintain, directors and officers liability insurance policies on terms and in amounts deemed satisfactory by the Board with the approval of each of the Members, and all of the Managers shall be included as insureds under such policies. The Company's directors and officers liability insurance policies shall not be cancellable by the Company without the prior written approval of the Board and of each of the Members, and shall include non-rescindable "Side A" coverage.

3.6 No Fiduciary Duties; Conflicts of Interest.

(a) The only duties owed by any Member or Manager to the Company and the other Members and Managers are set forth in this Agreement. The Members and Managers shall not, to the maximum extent permitted by the Act and other applicable law, owe any other duties (including fiduciary duties) as a Member or Manager to the other Members, Managers or the Company, notwithstanding anything to the contrary existing at law, in equity or otherwise. The provisions of this Agreement, to the extent that they restrict or eliminate the duties (including fiduciary duties) and liabilities of a Member or Manager otherwise existing at law or in equity, are agreed by the Members to replace such duties and liabilities of such Members and Managers.

(b) Except as otherwise expressly provided in this Agreement or any other contractual arrangements between the Company and one or more Members or Managers, any Member or Manager may engage in or possess any interest in another business or venture of any nature and description, independently or with others, whether or not such business or venture is competitive with the Company or any of its subsidiaries, and neither the Company nor any other Member or Manager shall have any rights in or to any such independent business or venture or the income or profits derived therefrom, and the doctrine of corporate opportunity or any analogous doctrine shall not apply to the Members, Managers or the Affiliates thereof. The pursuit of any such business or venture shall not be deemed wrongful, improper or a breach of any duty hereunder, at law, in equity or otherwise. Any Member, Manager or Affiliate thereof shall be able to transact business or enter into agreements with the Company to the fullest extent permissible under the Act, subject to the terms and conditions of this Agreement.

(c) Except as otherwise expressly provided in this Agreement or any other contractual arrangements between the Company and one or more Members or Managers, if a Member or Manager acquires knowledge, other than solely from or through the Company, of a potential transaction or matter that may be a business opportunity for both such Member or Manager and the Company or another Member or Manager, such Member or Manager shall have no duty to communicate or offer such business opportunity to the Company or any other Member or Manager and shall not be liable to the Company or the other Members or Managers for breach of any duty (including fiduciary duties) as a Member or Manager by reason of the fact that such Member or Manager pursues or acquires such business opportunity for itself, directs such opportunity to another Person, or does not communicate information regarding such opportunity to the Company.

(d) For the avoidance of doubt, all provisions with respect to Managers in this Section 3.6 shall be deemed to apply with equal effect to any representative designated by a Member pursuant to Section 3.1(a)(v).

3.7 Indemnification and Reimbursement for Payments on Behalf of a Member. If the Company becomes obligated to pay any taxes to a governmental entity that are specifically attributable to a Member (including federal withholding taxes, state personal property taxes, state personal property replacement taxes and state unincorporated business taxes), then such Person shall indemnify the Company for such taxes. The Company may offset distributions to which a Member is otherwise entitled under this Agreement against such Member's obligation to indemnify the Company under this Section 3.7. A Member's obligation to indemnify the Company under this Section 3.7 shall survive the termination, dissolution, liquidation and winding up of the Company, and, for purposes of this Section 3.7, the Company shall be treated as continuing in existence. The Company may pursue and enforce all rights and remedies it may have against each Member under this Section 3.7, including instituting a lawsuit to collect such contribution with interest calculated at the Prime Rate.

3.8 Officers. The Company shall have such individuals as officers as may be appointed by the Board; provided, no officers are required to be appointed. The officers of the Company may consist of any one or more of a Chief Executive Officer, President, one or more Vice Presidents, a Secretary, one or more Assistant Secretaries, or such other officers as may be appointed by the Board. One person may hold, and perform the duties of, any two or more of such offices. Any officer may be removed, with or without cause, at any time by the Board. No officer need be a Member or Manager. Each officer shall be a "manager" (as that term is used in the Act) of the Company, but, notwithstanding the foregoing, no officer shall have any rights or powers beyond the rights and powers granted to such officer in this Agreement or by the Board from time to time and any such rights or powers may be modified or withdrawn at any time and from time to time by the Board.

ARTICLE 4
ACCOUNTING AND REPORTING

4.1 Maintenance of Books.

(a) The Company shall keep or cause to be kept at the principal office of the Company or at such other location approved by the Board complete and accurate books and records of the Company, supporting documentation of the transactions with respect to the conduct of the Company's business, and any other books and records that are required to be maintained by applicable law.

(b) The books of account of the Company shall be maintained on the basis of a fiscal year ending as of June 30 unless, for U.S. federal income tax purposes, another fiscal year is required.

4.2 Reports; Access to Books and Records.

(a) The Company shall deliver to each Member:

(i) with respect to each Taxable Year, such income tax returns and such other accounting, tax information and schedules as shall be necessary for the preparation by each Member of its income tax return with respect to such year, and shall use its reasonable best efforts to do so on or before the first day of the third month following the end of such Taxable Year;

(ii) to the extent otherwise prepared by the Company, draft monthly income statements (promptly following the date such draft monthly income statements are available) (provided that the Company shall not be required to prepare such draft monthly income statements solely for the purposes of this Section 4.2(a)(ii));

(iii) to the extent otherwise prepared by the Company, unaudited monthly income statements and balance sheets, and any working papers or supporting schedules as requested (promptly following the date such monthly financial statements are available) (provided that the Company shall not be required to prepare such monthly financial statements solely for the purposes of this Section 4.2(a)(iii));

(iv) unaudited quarterly income statements, balance sheets, statements of changes in Members' capital and statements of cash flow (within 45 days following the end of each of the first three fiscal quarters, and within 90 days following the end of the last fiscal quarter, of each fiscal year);

(v) annual income statements, balance sheets, statements of changes in Members' capital and statements of cash flow audited by the Company's outside auditor, if any (within 6 months following the end of each fiscal year);

(vi) copies of any forecasts (and modifications thereto) with respect to the Company prepared by or on behalf of the Company from time to time (as promptly as reasonably practicable);

(vii) monthly reports prepared by the management of the Company that discuss relevant business conditions, trends, events and uncertainties;

(viii) as and when applicable, written notice of any litigation, securities laws, health and safety, risk management or other issues that would be reasonably likely to have a material effect on the financial condition or operating performance of the Company (promptly upon knowledge or occurrence of such circumstance); and

(ix) such other information as a Member or its Affiliates may reasonably request for accounting, Securities and Exchange Commission reporting purposes or otherwise to comply with applicable law or the requirements of any governmental entity.

(b) Without limiting the foregoing, each Member shall have the right to inspect the books and records of the Company at reasonable times and upon reasonable notice to the Board.

4.3 Bank Accounts. Funds of the Company shall be deposited in such banks or other depositories as shall be designated from time to time by the Board. All withdrawals from any such depository shall be made only as authorized by the Board and shall be made only by check, wire transfer, debt memorandum or other written instruction.

ARTICLE 5
CAPITAL CONTRIBUTIONS

5.1 Capital Contributions. Each Member has made the Capital Contributions set forth on Exhibit A next to its name under the heading "Initial Capital Contributions" ("Initial Capital Contributions"). No Member shall be required to make any additional Capital Contributions without its consent, which may be withheld in its sole discretion. The Board, however, may request that Members make additional Capital Contributions as may be required properly to carry on the business of the Company. The Board will notify all Members of the request to make such additional Capital Contributions, specifying the amount of and date upon which such contributions are requested, which date shall be not less than thirty (30) days from the date of said notice. Any and all such additional Capital Contributions shall be requested of each of the Members on a *pro rata* basis in accordance with the respective number of Units held by each Member at the time such notice is given. If any Member elects not to provide its full *pro rata* portion of any additional Capital Contributions requested pursuant to this Section 5.1, the other Members may make the additional Capital Contributions that were requested of such Member, and the Units and percentage interests of the Members that have made additional Capital Contributions and the Members that have not made additional Capital Contributions shall be adjusted accordingly to reflect the additional Capital Contributions made by the contributing Members. In no event shall the Members be personally liable in any manner to the Company for any additional Capital Contribution.

5.2 Return of Contributions. Except as expressly provided herein, no Member shall be entitled, in connection with a withdrawal from the Company or otherwise, to (a) the return of any part of its Capital Contributions, (b) any interest in respect of any Capital Contribution, or
(c) the fair market value of its Units. Unrepaid Capital Contributions shall not be a liability of the Company or of any Member. No Member shall be obliged to contribute or lend any cash or property to the Company to enable the Company to return any Member's Capital Contributions to the Company.

5.3 Member Loans. If the Company shall have insufficient cash to pay its obligations, including because of an election by one or more Members not to make an additional Capital Contribution as contemplated by Section 5.1, any Member, with the approval of the Board and the Members, may, but shall not be obligated to, advance such funds for the Company on such terms and conditions as the lending Member and the Board, with the approval of each of the Members, may determine. Each such advance shall constitute a loan from such Member to the Company and shall not constitute a Capital Contribution.

5 . 4 Capital Accounts. The Company will maintain a separate capital account (a "Capital Account") for each Member according to the rules of Treasury Regulations Section 1.704-1(b)(2)(iv). Each Member's Capital Account (i) will be increased by: (A) the amount of money contributed by such Member to the Company; (B) the initial Book Value of property contributed by such Member to the Company (net of liabilities secured by the contributed property that the Company is considered to assume or take subject to under Section 752 of the Code); (C) allocations to such Member of Profits pursuant to Section 7.1 and any other items of income and gain pursuant to Sections 7.2 and 7.4; and (D) any other increases allowed or required by Treasury Regulations Section 1.704-1(b)(2)(iv), and (ii) will be decreased by: (A) the amount of money distributed to such Member by the Company; (B) the Book Value of property distributed to such Member by the Company (net of liabilities secured by such distributed property that such Member is considered to assume or take subject to under Section 752 of the Code); (C) allocations to such Member of Losses pursuant to Section 7.1 and any other items of losses and deductions pursuant to Sections 7.2 and 7.4; and (D) any other decreases allowed or required by Treasury Regulations Section 1.704-1(b)(2)(iv).

ARTICLE 6
DISTRIBUTIONS

6 . 1 Distributions. Except as otherwise provided herein and subject to any prohibition thereto, the Company shall annually distribute all of the most recent fiscal year's Available Cash. All such distributions to the Members shall be made *pro rata* based on the number of Units held.

6.2 Successors. For purposes of determining the amount of distributions hereunder, each Member shall be treated as having made the Capital Contributions and as having received the distributions made to or received by its predecessors in respect of any of such Member's Units.

6.3 Right of Set-Off. The Company shall have the right to set off any amount otherwise distributable to a Member pursuant to this Article 6 against any obligation of such Member to the Company and such amounts will be treated as having been distributed to such Member for purposes of this Article 6.

ARTICLE 7
ALLOCATIONS AND TAX MATTERS

7 . 1 Allocations of Profits or Losses. After giving effect to the allocations provided in Sections 7.2 and 7.4, Profits and Losses for each Taxable Year will be allocated among the Members during such Taxable Year in such a manner that, as of the end of such Taxable Year, the sum of (a) the Capital Account of each such Member (as adjusted to reflect the allocations under Section 7.2 and all distributions through the end of such Taxable Year), plus (b) such Member's share of Partnership Minimum Gain and Partner Nonrecourse Debt Minimum Gain (computed immediately prior to the hypothetical sale of assets described below) and the amount such Member is treated as obligated to contribute to the Company (computed immediately after the hypothetical sale of assets described below) will, to the greatest extent possible, be equal to the respective net amount which would be distributed to such Member if the Company were to (i) sell all of the assets of the Company on hand at the end of such Taxable Year for an amount of cash equal to their Book Values, (ii) all liabilities of the Company were satisfied in cash in accordance with their terms (limited in the case of non-recourse liabilities to the Book Value of the property securing such liabilities), and then (iii) all remaining or resulting cash was distributed to the Members pursuant to Section 6.1.

7.2 Regulatory Allocations. The following special allocations will be made in the following order of priority before allocations of Profits and Losses:

(a) If there is a net decrease in Partnership Minimum Gain during any Taxable Year, each Member will be specially allocated items of income and gain for that period (and, if necessary, for subsequent periods) in proportion to, and to the extent of, such Member's share of the net decrease in Partnership Minimum Gain during such Taxable Year, determined in accordance with Treasury Regulations Section 1.704-2(g)(2). This Section 7.2(a) is intended to comply with the minimum gain chargeback requirement of Treasury Regulations Section 1.704-2(f) and shall be interpreted consistently therewith.

(b) If there is a net decrease in Partner Nonrecourse Debt Minimum Gain during any Taxable Year, each Member will be specially allocated items of income and gain for that period (and, if necessary, for subsequent periods) in proportion to, and to the extent of, such Member's share of the net decrease in Partner Nonrecourse Debt Minimum Gain during such Taxable Year, determined in accordance with Treasury Regulations Section 1.704-2(i)(4). This Section 7.2(b) is intended to comply with the partner nonrecourse debt minimum gain chargeback requirement of Treasury Regulations Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

(c) No Losses or other items of loss or expense shall be allocated to any Member to the extent that such allocation would cause such Member to have a deficit balance in its Adjusted Capital Account (or increase any existing deficit balance in its Adjusted Capital Account) at the end of such Taxable Year. All Losses and other items of loss and expense in excess of the limitation set forth in this Section 7.2(c) shall be allocated to the Members who do not have a deficit balance in their Adjusted Capital Accounts in proportion to their relative positive Adjusted Capital Accounts but only to the extent that such Losses and other items of loss and expense do not cause any such Member to have a deficit in its Adjusted Capital Account.

(d) Any Member that unexpectedly receives an adjustment, allocation or distribution described in Treasury Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6) shall be allocated items of income and gain (consisting of a *pro rata* portion of each item of income, including gross income, and gain for the Taxable Year) in an amount and manner sufficient to eliminate any deficit balance in such Member's Adjusted Capital Account as quickly as possible; provided, however, that an allocation pursuant to this Section 7.2(d) shall be made only if and to the extent that such Member would have a deficit Adjusted Capital Account balance after all other allocations provided for in this Article 7 have been tentatively made as if this Section 7.2(c) were not in this Agreement. This Section 7.2(c) is intended to be a qualified income offset provision as described in Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and will be interpreted in a manner consistent therewith.

(e) Nonrecourse deductions (as defined in Treasury Regulations Section 1.704-2(c)) for any Taxable Year will be allocated among the Members in proportion to their respective Units.

(f) Partner Nonrecourse Deductions for any Taxable Year will be allocated to the Member or Members who bear the economic risk of loss with respect to the partner nonrecourse debt (as defined in Treasury Regulations Sections 1.704-2(b)(4) and 1.752-2) to which the Partner Nonrecourse Deductions are attributable in accordance with Treasury Regulations Section 1.704-2(i).

(g) To the extent an adjustment to the adjusted tax basis of any Company properties pursuant to Code Section 734(b) (including any such adjustment pursuant to Treasury Regulations Section 1.734-2(b)(1)) is required pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m)(2) or 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as the result of a distribution to any Member in complete liquidation of such Member's interest in the Company, the amount of such adjustment to Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be allocated to the Members in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(m)(2) if such Treasury Regulations Section applies, or to the Member to whom such distribution was made if Treasury Regulations Section 1.704-1(b)(2)(iv)(m)(4) applies.

7.3 Tax Allocations.

(a) Except as otherwise provided in this Section 7.3, all items of income, gains, losses, deductions and credits of the Company for federal, state and local income tax purposes will be allocated among the Members in the same manner as the corresponding item is allocated pursuant to Sections 7.1, 7.2 and 7.4.

(b) Items of Company taxable income, gain, loss and deduction with respect to any property contributed to the Company will be allocated among the Members in accordance with Code Section 704(c) and the applicable Treasury Regulations so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its initial Book Value and the applicable Treasury Regulations thereunder. For purposes of such allocations, the Members agree to work together in good faith to consider adopting the remedial allocation method described in Treasury Regulations Section 1.704-3(d), or the traditional method with curative allocations described in Treasury Regulations Section 1.704-3(c), but further agree that the Company may adopt either such method only upon the approval of both Members.

(c) If the Book Value of any Company asset is adjusted pursuant to clause (b) or (d) of the definition of "Book Value," subsequent allocations of items of taxable income, gain, loss and deduction with respect to such asset will take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Book Value in the same manner as under Code Section 704(c).

(d) Any recapture of depreciation, or any other item of deduction shall be allocated, in accordance with Treasury Regulations Sections 1.1245-1(e) and 1.1254-5, to the Members who received the benefit of such deductions (taking into account the effect of remedial allocations).

(e) Tax credits, tax credit recapture, and any items related thereto will be allocated to the Members as provided in Treasury Regulations Sections 1.704-1(b)(4)(ii) and 1.704-1(b)(4)(viii).

(f) Allocations pursuant to this Section 7.3 are solely for purposes of federal, state and local taxes and, except as otherwise specifically provided, will not affect, or in any way be taken into account in computing any Member's Capital Account or share of Profits, Losses, distributions or other Company items pursuant to any provision of this Agreement.

7.4 Curative Allocations. The allocations set forth in Section 7.2 (the "Regulatory Allocations") are intended to comply with certain requirements of Treasury Regulations Sections 1.704-1(b) and 1.704-2. The Regulatory Allocations may not be consistent with the manner in which the Members intend to allocate Profit and Loss of the Company or make distributions. It is the intent of the Members that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations or with special allocations of other items of Company income, gain, loss or deduction pursuant to this Section 7.4. Accordingly, notwithstanding any other provision of this Article 7 (other than the Regulatory Allocations), but subject to the Code and the Treasury Regulations, the Board will make such offsetting special allocations of Company income, gain, deduction, or loss in whatever manner it determines appropriate so that, after such offsetting allocations are made, each Member's Capital Account balance is, to the extent possible, equal to the Capital Account balance such Member would have had if the Regulatory Allocations had not been made. In making such determination, the Board shall take into account future Regulatory Allocations that, although not yet made, are likely to offset other Regulatory Allocations previously made.

7.5 Other Allocation Rules.

(a) All items of income, gain, loss, deduction and credit allocable to an interest in the Company that may have been transferred shall be allocated between the transferor and the transferee based on the "interim closing method" under Code Section 706 and the Treasury Regulations thereunder or such other method determined by the Members and permissible under Code Section 706 and the Treasury Regulations thereunder, without regard to whether cash distributions were made to the transferor or the transferee during that year.

(b) The Members' proportionate shares of the "excess nonrecourse liabilities" of the Company, within the meaning of Treasury Regulations Section 1.752-3(a)(3), shall be allocated among the Members *pro rata* based on the number of Units held.

(c) The definition of "Capital Account" set forth in Section 5.4 and the allocations set forth in Sections 7.2, 7.3, and 7.4 and the preceding provisions of this Section 7.5 are intended to comply with the Treasury Regulations. If the Board and each of the Members determines that the determination of a Member's Capital Account or the allocations to a Member are not in compliance with the Treasury Regulations, the Board is authorized to make any appropriate adjustments.

7.6 Tax Returns. The Company shall cause to be prepared and filed all necessary federal and state income tax returns for the Company, including making the elections described in Section 7.7. Each Member shall furnish to the Company all pertinent information in its possession relating to Company operations that is necessary to enable such income tax returns to be prepared and filed. Not less than sixty (60) days prior to the due date (as extended) of the Company's federal income tax return or any state income tax return, the return proposed to be filed by the Company shall be furnished to each of the Members for review. Not more than ten (10) days after the date on which the Company files its federal income tax return or any state income tax return, a copy of the return so filed shall be furnished to the Members. In addition, the Company shall use its reasonable best efforts to cause Schedule K-1s to be delivered to each Member on or before the first day of the third month following the end of the previous Taxable Year.

7.7 Tax Elections. The following elections shall be made on the appropriate returns of the Company:

(a) to adopt the Company's fiscal year in accordance with Section 4.1(b);

(b) to adopt the accrual method of accounting and to keep the Company's books and records on the income-tax method;

(c) if there is a distribution of Company property as described in Section 734 of the Code or if there is a transfer of a Company interest as described in Section 743 of the Code, upon written request of any Member and the consent of the Board and each of the Members, to elect, pursuant to Section 754 of the Code, to adjust the basis of Company properties;

(d) to elect to amortize the organizational expenses of the Company ratably over a period of 180 months as permitted by Section 709(b) of the Code; and

(e) any other election the Board with the approval of each of the Members may deem appropriate and in the best interests of the Members.

No election shall be made by the Company or any Member to exclude the Company from the application of the provisions of subchapter K of chapter 1 of subtitle A of the Code or any similar provisions of applicable state laws or to be classified as other than a partnership pursuant to Treasury Regulations Section 301.7701-3.

7.8 Tax Matters Member. iBio shall be the "tax matters partner" of the Company pursuant to Section 6231(a)(7) of the Code and Section 301.6231(a)(7)-2 of the Treasury Regulations (the "Tax Matters Member") and the Partnership Representative. The Tax Matters Member shall take such action as may be necessary to cause each other Member to become a "notice partner" within the meaning of Section 6223 of the Code. The Tax Matters Member shall inform each other Member of all significant matters that may come to its attention in its capacity as the Tax Matters Member by giving notice thereof within ten (10) days after becoming aware thereof and, within such time, shall forward to each other Member copies of all significant written communications it may receive in such capacity. This provision is not intended to authorize the Tax Matters Member to take any action left to the determination of an individual Member under Sections 6222 through 6231 of the Code. Notwithstanding the foregoing, the Tax Matters Member shall not (i) enter into any extension of the period of limitations for making assessments on behalf of the Members without first obtaining the written consent of each of the Members, or (ii) bind the Members to a settlement agreement without obtaining the written consent of each of the Members.

ARTICLE 8
WITHDRAWAL, DISSOLUTION, LIQUIDATION AND TERMINATION

8 . 1 Dissolution, Liquidation, and Termination Generally. The Company shall begin an orderly dissolution on the first to occur of any of the following:

(a) the election of the Board, with the consent of each of the Members; or

(b) the occurrence of any event which, as a matter of law, requires that the Company be dissolved.

8 . 2 Liquidation and Termination. Upon dissolution of the Company, the Board, with the consent of each of the Members, shall appoint one or more qualified Persons as liquidator (which may be a Member). The liquidator shall proceed diligently to wind up the affairs of the Company and make final distributions as provided herein. The costs of liquidation shall be a Company expense. Until final distribution, the liquidator shall continue to operate the Company properties with all of the power and authority of the Board hereunder. The steps to be accomplished by the liquidator are as follows:

(a) as promptly as possible after dissolution and again after final liquidation, the liquidator shall cause a proper accounting to be made by a firm of certified public accountants acceptable to each of the Members of the Company's assets, liabilities, and operations through the last day of the calendar month in which the dissolution shall occur or the final liquidation shall be completed, as applicable;

(b) the liquidator shall pay all of the debts and liabilities of the Company or otherwise make adequate provision therefor (including the establishment of a cash escrow fund for contingent liabilities in such amount and for such term as the liquidator may reasonably determine); and

(c) all remaining assets of the Company shall be distributed to the Members in accordance with Section 6.1.

8 . 3 Deficit Capital Accounts. No Member shall be required to pay to the Company, to any other Member or to any third party any deficit balance in such Member's Capital Account which may exist from time to time in any capital or similar account maintained for such Member for any purpose.

8.4 Cancellation of Certificate. On completion of the distribution of Company assets, a Member authorized by the Board (or such other Person as the Act may require or permit) shall file a Certificate of Cancellation with the Secretary of State of the State of Delaware, cancel any other filings made pursuant to Section 1.4, and take such other actions as may be necessary to terminate the existence of the Company.

8.5 Reasonable Time for Winding Up. A reasonable time shall be allowed for the orderly winding up of the business and affairs of the Company and the liquidation of its assets pursuant to Section 8.2 to minimize any losses otherwise attendant upon such winding up.

8.6 Return of Capital. The liquidator shall not be personally liable for the return of Capital Contributions or any portion thereof to the Members (it being understood that any such return shall be made solely from Company assets).

8.7 Antitrust Laws. Notwithstanding any other provision in this Agreement, in the event that any Antitrust Law is applicable to any Member by reason of the fact that any assets of the Company shall be distributed to such Member in connection with the winding up of the Company, such distribution shall not be consummated until such time as the applicable waiting periods (and extensions thereof) under such Antitrust Law have expired or otherwise been terminated with respect to each such Member.

8.8 Other Remedies. Nothing in this Article 8 shall limit any Member's right to enforce any provision of this Agreement by an action at law or equity, nor shall an election to dissolve the Company pursuant to this Article 8 relieve any Member of any liability for any prior or subsequent breach of this Agreement or another document referred to herein.

ARTICLE 9
MISCELLANEOUS PROVISIONS

9.1 Confidentiality. Subject to Section 9.12, by executing this Agreement (or any counterpart or joinder hereto), each Member expressly agrees to maintain the confidentiality of, and not to divulge, communicate, use to the detriment of the Company or any of its Affiliates for the benefit of any other Person, or misuse in any way, or disclose to any Person other than the Company, any of its subsidiaries, another Member or a Person designated by the Company or any of their respective financial planners, accountants, attorneys or other advisors who are bound by obligations of confidentiality, any information relating to the business, financial structure, financial position or financial results, technology or other assets, clients or affairs of the Company or any of its subsidiaries, or any other confidential or proprietary information (including any trade secrets or other intellectual property) of the Company or any of its subsidiaries, except for a purpose relevant to or in furtherance of this Agreement (including at the direction of the Board) or as otherwise required by law or by any regulatory or self-regulatory organization having jurisdiction (with prior notice to the Company (to the extent permitted under applicable law or regulation) and, if requested by the Company, seeking confidential treatment where reasonably available). This Section 9.1 shall not apply to any information that is or has become generally available to the public without a breach of this Section 9.1 by, or any other action or inaction of, the disclosing Member. Each Member hereby acknowledges and agrees that any information such Member has acquired on any of these matters or items were received in confidence. Without limiting Section 9.14 or Section 9.15, each Member hereby further acknowledges and agrees that the Company would be irreparably damaged by reason of any violation of the provisions of this Section 9.1, and that any remedy at law for a breach of such provisions would be inadequate. Therefore, the Company shall be entitled to seek and obtain injunctive or other equitable relief (including a temporary restraining order, temporary injunction or permanent injunction) against any Member or such Member's agents, successors or assigns for any breach or threatened or anticipated breach of such provisions and without the necessity of proving actual monetary loss. It is hereby acknowledged and agreed by the Members that this injunctive or other equitable relief shall not be the Company's exclusive remedy for any breach of this Section 9.1 and that the Company shall be entitled to seek any other relief or remedy that it may have by contract, statute, law or otherwise for any breach hereof, and it is agreed that the Company shall also be entitled to recover its attorneys' fees and expenses in any successful action or suit against any Member relating to any such breach.

9.2 Notices. All notices or other communications provided for or permitted to be given pursuant to this Agreement shall be in writing and shall be deemed to have been duly given or made (a) upon delivery if delivered personally (by courier service which tracks deliveries or otherwise), (b) upon delivery if sent by email before 5:00 p.m. (local time of the recipient) on a Business Day, or, if not, then on the next Business Day or (c) upon confirmation of dispatch if sent by facsimile transmission (which confirmation shall be sufficient if shown on the journal produced by the facsimile machine used for such transmission) before 5:00 p.m. (local time of the recipient) on a Business Day, or, if not, then on the next Business Day, and all legal process with regard hereto shall be validly served when served in accordance with applicable law, in each case to the applicable addresses set forth on Exhibit A (or such other address as the recipient may specify in accordance with this Section), or, with respect to notices to the Company, to the Company's principal office set forth in Section 1.3.

9.3 Entireties; Amendments. This Agreement, the Subscription Agreement and the other agreements expressly contemplated hereby constitute the entire agreement between the Members relative to the formation of the Company and the terms and conditions set forth herein. The Company and each Member acknowledge and agree that, except for the representations and warranties made by the Members as expressly set forth in this Agreement, the Subscription Agreement and the other agreements expressly contemplated hereby, none of the Members or any of their respective Affiliates or representatives makes or has made to the Company, any Member or any of their respective Affiliates or representatives any representation or warranty of any kind. Any amendment to this Agreement shall be effective only if set forth in a writing duly executed by each of the Members.

9.4 Waiver. Any waiver of any right or obligation under this Agreement shall be effective only if set forth in a writing duly executed by the Member against whom the waiver is to be enforced. No consent or waiver, express or implied, by any Member of any breach or default by any other Member in the performance by the other Member of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other Member (or any other Member) of the same or any other obligation hereunder. Failure on the part of any Member to complain of any act or to declare any other Member in default, irrespective of how long such failure continues, shall not constitute a waiver of rights hereunder.

9.5 Severability. If any provision of this Agreement or the application thereof to any Person or circumstances shall be invalid or unenforceable to any extent, and such invalidity or unenforceability does not destroy the basis of the bargain between the parties, then the remainder of this Agreement and the application of such provisions to other Persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

9.6 Ownership of Property and Right of Partition. A Member's interest in the Company shall be personal property for all purposes. All property of the Company, whether tangible or intangible, shall be deemed to be owned by the Company as an entity. No Member shall have any interest in specific Company property solely by reason of being a Member. Except as specifically contemplated by this Agreement or any other written agreement between the Company and any Member, no Member shall (a) have the right to seek or obtain partition by court decree or operation of law of any property of the Company or any of its subsidiaries, (b) have the right to own or use particular or individual assets of the Company or any of its subsidiaries, or (c) be entitled to distributions of specific assets of the Company or any of its subsidiaries.

9.7 Involvement of Members in Certain Proceedings. Should any Member become involved in legal proceedings unrelated to the Company's business in which the Company is required to provide books, records, an accounting, or other information, then such Member shall indemnify the Company against all expenses incurred in conjunction therewith.

9.8 Interest. No amount charged as interest on loans hereunder shall exceed the maximum rate from time to time allowed by applicable law. No amount charged as interest on debt instruments as defined in Section 1274(c) of the Code shall be less than the minimum applicable federal rate as defined in Section 1274(d) of the Code.

9.9 Counterparts. This Agreement may be signed in counterparts, which need not contain the signature of more than one party, but taken together shall constitute one and the same agreement.

9.10 No Third Party Beneficiaries. This Agreement is entered into solely for the benefit of the Members and no Person other than the Members, their respective successors and permitted assigns, their Affiliates to the extent expressly provided herein, and (to the extent provided in Section 3.5) the Persons entitled to indemnification pursuant to Section 3.5, may exercise any right or enforce any obligation hereunder.

9.11 Further Assurances. Each Member shall execute and deliver such further documents and take such further actions as any other Member may reasonably request consistent with the provisions hereof in order to effect the intent and purposes of this Agreement.

9.12 Public Statements; Press Release. No Member shall issue any press releases or otherwise make any public statements with respect to this Agreement or the transactions contemplated hereby without the prior written consent of the Board and the other Members, except as may be required by law and, to the extent practicable, after consultation with the Board and the other Members. Notwithstanding the foregoing and Section 9.1, any Member may make any disclosures regarding this Agreement or the Company required by applicable securities law or the rules and regulations of the Securities and Exchange Commission or any exchange on which such Member's securities are listed, including filing this Agreement with the Securities and Exchange Commission; provided that such Member shall consult with the Board and the other Members prior to any such disclosure to the extent practicable. Any such press release or public statement must also comply with any agreement to which the Company is a party or by which it is bound.

9.13 Delivery by Facsimile or Email. This Agreement, the agreements referred to herein, and each other agreement or instrument entered into in connection herewith or therewith or contemplated hereby or thereby, and any amendments hereto or thereto, to the extent signed and delivered by means of a facsimile machine or email with scan or facsimile attachment, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto shall re-execute original forms thereof and deliver them to all other parties. No party hereto or to any such agreement or instrument shall raise the use of a facsimile machine or email to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine or email as a defense to the formation or enforceability of a contract, and each such party forever waives any such defense.

9.14 Governing Law; Dispute Resolution.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of New York, U.S.A., without regard to conflicts of laws provisions.

(b) In the event of any dispute, controversy, or claim arising out of, relating to, or in connection with this Agreement, or the breach, termination, or validity thereof, between the Members, the Members will first attempt in good faith to resolve such dispute by negotiation and consultation between themselves. In the event that such dispute is not resolved on an informal basis within twenty (20) days, any Member may, by written notice to the other, have such dispute referred to the Chief Executive Officer of each Member, or his or her designee (who will be a senior executive), who will attempt in good faith to resolve such dispute by negotiation and consultation for a thirty (30) day period following receipt of such written notice.

(c) In the event the Members are not able to resolve such dispute through the negotiation and consultation procedures set forth in Section 9.14(b), any Member may at any time after the applicable negotiation and consultation period submit such dispute to be finally settled by arbitration administered by the American Arbitration Association (the "AAA"), including the AAA's Procedures for Large, Complex Commercial Disputes, in effect at the time of the arbitration, except as they may be modified herein or by agreement of each of the Members. The seat of the arbitration shall be New York, New York, and it shall be conducted in the English language. The arbitration and this clause shall be governed by Title 9 (Arbitration) of the United States Code.

(d) The arbitration shall be conducted by three arbitrators. The claimant shall appoint an arbitrator in its request for arbitration. The respondent shall appoint an arbitrator within 20 days of the receipt of the request for arbitration. The two arbitrators shall appoint a third arbitrator, who shall act as chair of the tribunal, within 20 days after the appointment of the second arbitrator. If any of the three arbitrators is not appointed within the time prescribed above, then the AAA shall appoint that arbitrator from its National Panel of Securities Arbitrators or its Large, Complex Commercial Case Panel, not including any such members affiliated with the securities industry. The chair of the tribunal shall be a citizen of the United States.

(e) In addition to the authority conferred on the arbitration tribunal by the applicable rules, the arbitration tribunal shall have the authority to order such production of documents, generally consistent with the discovery permitted under the Federal Rules of Civil Procedure, as may reasonably be requested by any party or by the tribunal itself. In addition, any party may request a reasonable number of depositions of Member witnesses.

(f) The Members agree that the arbitration shall be kept confidential and that the existence of the proceeding and any element of it (including but not limited to any pleadings, briefs or other documents submitted or exchanged, any testimony or other oral submissions, and any awards) shall not be disclosed beyond the tribunal, the AAA, the parties, their counsel, accountants and auditors, insurers and re-insurers, and any Person necessary to the conduct of the proceeding. The confidentiality obligations shall not apply (i) if disclosure is required by law, or in judicial or administrative proceedings, or (ii) as far as disclosure is necessary to enforce the rights arising out of the award.

(g) The arbitration award shall be final and binding on the parties. Judgment upon the award may be entered by any court having jurisdiction thereof or having jurisdiction over the relevant Member or its assets.

(h) In order to facilitate the comprehensive resolution of related disputes, and upon request of any Member that is party to the arbitration proceeding, the arbitration tribunal may consolidate the arbitration proceeding with any other arbitration proceeding involving any of the Members relating to this Agreement. The arbitration tribunal shall not consolidate such arbitrations unless it determines that (i) there are issues of fact or law common to the related proceedings so that a consolidated proceeding would be more efficient than separate proceedings, and (ii) no Member would be prejudiced as a result of such consolidation through undue delay or otherwise.

9.15 Remedies Cumulative; Specific Performance. The rights and remedies of the Members hereunder shall be cumulative (and not alternative). The Members agree that, in the event of any breach or threatened breach by any Member of any covenant, obligation or other provision set forth in this Agreement, for the benefit of each other Member: (a) such other Member shall be entitled (in addition to any other remedy that may be available to it) to (i) a decree or order of specific performance or mandamus to enforce the observance and performance of such covenant, obligation or other provision, and (ii) an injunction restraining such breach or threatened breach; and (b) such other Member shall not be required to provide any bond or other security in connection with any such decree, order or injunction or in connection with any related action or legal proceeding.

9.16 Ratification of Certain Agreements and Transactions. For the avoidance of doubt, the Members hereby acknowledge and approve, ratify and confirm in all respects the execution and delivery of the following agreements by iBio, for and on behalf of the Company, and the Company's entry into and performance of the transactions contemplated by such agreements, in each case as the authorized acts and deeds of the Company: (a) that certain Sublease Agreement, dated on or after the date hereof, between the Company and College Station Investors LLC, a Texas limited liability company ("CSI"); (b) that certain Memorandum of Sublease, dated on or after the date hereof, between the Company and CSI; (c) that certain Termination of Temporary Right of Entry Agreement – Personal Property, dated on or after the date hereof, between the Company and CSI; and (d) that certain Termination of Temporary Right of Entry Agreement – Real Property, dated on or after the date hereof, between the Company and CSI.

ARTICLE 10
DEFINITIONS; CONSTRUCTION

10.1 Definitions. As used in this Agreement, the following terms shall have the following meanings:

"AAA" has the meaning set forth in Section 9.14(c).

"Act" means the Delaware Limited Liability Company Act, as it may be amended from time to time.

"Adjusted Capital Account" means the Capital Account maintained for each Member, (i) increased by any amounts that such Member is obligated to restore (or is treated as obligated to restore under Treasury Regulations Sections 1.704-1(b)(2)(ii)(c), 1.704-2(g)(1) and 1.704- 2(i)(5)), and (ii) decreased by any amounts described in Treasury Regulations Section 1.704- 1(b)(2)(ii)(d)(4), (5) or (6) with respect to such Member. The foregoing definition of "Adjusted Capital Account" is intended to comply with the provisions of Treasury Regulations Sections 1.704-1(b)(2)(ii)(d) and 1.704-2 and shall be interpreted consistently therewith.

"Affiliate" means, with respect to any Person, another Person who directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with such first Person, and with respect to any Person who is an individual, any member of such individual's family group (defined as such individual's spouse, siblings and descendants (whether natural or adopted), any trust, limited partnership or limited liability company established solely for the benefit of such individual or such individual's spouse, siblings or descendants, and any executor or trustee of such individual's estate). Any Person who is (or Controls) the general partner of a partnership or the managing member of a limited liability company shall be deemed an Affiliate of such partnership or limited liability company.

"Agreement" has the meaning for such term set forth in the introductory paragraph hereof.

"Antitrust Law" means any law relating to the preservation of or restraint against competition in commercial activities, including the United States Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"Available Cash" means all cash, revenues and funds received by the Company from Company operations for the applicable fiscal year, less the sum of the following, to the extent paid or set aside by the Company for such fiscal year: (i) all principal and interest payments on indebtedness of the Company and all other sums paid to lenders (including in connection with any loans to Members contemplated by Section 5.3); (ii) all cash expenditures (including Capital Expenditures) incurred in the operation of the Company's business; and (iii) reserves that the Board may from time to time determine are required or are reasonably appropriate to be retained as of the end of the fiscal year to meet any accrued or foreseeable expenses, expenditures (including Capital Expenditures), liabilities, or other obligations of the Company.

"Board" has the meaning set forth in Section 3.1.

"Book Value" means, with respect to any Company property, such property's adjusted basis for U.S. federal income tax purposes, except as follows:

(i) The initial Book Value of any property contributed by a Member to the Company shall be the fair market value of such property as of the date of such contribution, as determined in good faith by the Board;

(ii) The Book Values of all properties shall be adjusted to equal their respective fair market values, as determined in good faith by the Board, in connection with (A) the acquisition of an interest (or an additional interest) in the Company by any new or existing Member in exchange for more than a *de minimis* Capital Contribution to the Company or in exchange for the performance of more than a *de minimis* amount of services to or for the benefit of the Company, (B) the distribution by the Company to a Member of more than a *de minimis* amount of property as consideration for an interest in the Company, (C) the liquidation of the Company within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(g)(1) (other than pursuant to Section 708(b)(1)(B) of the Code, (D) the acquisition of an interest in the Company by any new or existing Member upon the exercise of a noncompensatory option in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(*s*), or (E) any other event to the extent determined by the Board with the approval of each of the Members to be permitted and necessary to properly reflect Book Values in accordance with the standards set forth in Treasury Regulations Section 1.704-1(b)(2)(iv)(q); provided, however, that adjustments pursuant to clauses (ii)(A), (ii)(B) and (ii)(D) above shall be made only if the Board with the approval of each of the Members determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Member in the Company. If any noncompensatory options are outstanding upon the occurrence of an event described in clauses (ii)(A) through (ii)(E) above, the Company shall adjust the Book Values of its properties in accordance with Treasury Regulations Sections 1.704-1(b)(2)(iv)(*f*)(*1*) and 1.704- 1(b)(2)(iv)(*h*)(*2*);

(iii) The Book Value of property distributed to a Member shall be adjusted to equal the fair market value of such property as of the date of such distribution, as determined in good faith by the Board; and

(iv) The Book Value of all property shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such property pursuant to Code Section 734(b) (including any such adjustments pursuant to Treasury Regulations Section 1.734-2(b)(1)), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m) and clause (vi) of the definition of "Profits" or "Losses" or Section 7.2(e); provided, however, that the Book Value of property shall not be adjusted pursuant to this clause (iv) to the extent that the Board with the approval of each of the Members determines that an adjustment pursuant to clause (ii) hereof is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this clause (iv).

If the Book Value of property has been determined or adjusted pursuant to clauses (i), (ii) or (iv) hereof, such Book Value shall thereafter be adjusted by the Depreciation taken into account with respect to such property for purposes of computing items allocated pursuant to Section 7.1 through Section 7.4.

"Bryan" has the meaning set forth in Section 2.2.

"Business Day" means any day other than Saturday, Sunday, or other day on which commercial banks in New York, New York are authorized or required to close under the laws of the State of New York.

"Capital Account" has the meaning set forth in Section 5.4.

"Capital Contribution" means, with respect to each Member, the amount of cash, cash equivalents, promissory obligations (other than promissory obligations of the contributing Member) or the initial Book Value of any other property that such Member contributes to the Company with respect to any Unit. Any reference in this Agreement to the Capital Contribution of a Member shall include a Capital Contribution of its predecessors in interest.

"Capital Expenditure" means an expenditure (whether paid in cash or accrued as a liability) that, in accordance with generally accepted accounting principles, is (or is required to be) included in the property, plant and equipment reflected on the Company's balance sheet.

"Certificate" has the meaning for such term set forth in Section 1.1.

"Change in Control" means, with respect to any Person, any event that causes such Person to cease to be Controlled by such Person's Controlling Person(s) as of the date of this Agreement.

"Code" means the United States Internal Revenue Code of 1986, as amended from time to time. All references herein to Sections of the Code will be deemed to include any corresponding provisions of succeeding law.

"Company" has the meaning for such term set forth in the introductory paragraph hereof.

"Control," including the correlative terms "Controlling," "Controlled," and "under common Control with," means the right to exercise, directly or indirectly, more than fifty percent (50%) of the voting rights in a Person or possession of the power to direct or cause the direction of the management or policies of the Controlled Person, whether through the ownership of voting securities, contract or otherwise.

"CSI" has the meaning set forth in Section 9.16.

"Depreciation" means, for each Taxable Year, an amount equal to the depreciation, amortization or other cost recovery deduction allowable for U.S. federal income tax purposes with respect to property for such Taxable Year, except that: (i) with respect to any such property the Book Value of which differs from its adjusted tax basis for U.S. federal income tax purposes and which difference is being eliminated by use of the "remedial method" pursuant to Treasury Regulations Section 1.704 3(d), Depreciation for such Taxable Year shall be the amount of book basis recovered for such Taxable Year under the rules prescribed by Treasury Regulations Section 1.704 3(d)(2); and (ii) with respect to any other such property the Book Value of which differs from its adjusted tax basis at the beginning of such Taxable Year, Depreciation shall be an amount which bears the same ratio to such beginning Book Value as the U.S. federal income tax depreciation, amortization, or other cost recovery deduction for such Taxable Year bears to such beginning adjusted tax basis; provided, however, that if the adjusted tax basis of any property at the beginning of such Taxable Year is zero dollars ($0.00), Depreciation with respect to such property shall be determined with reference to such beginning value using any reasonable method selected by the Board with the approval of each of the Members.

"Encumbrance" has the meaning for such term set forth in Section 2.2.

"iBio" has the meaning set forth in Section 2.2.

"Indemnified Party" has the meaning for such term set forth in Section 3.5.

"Members" means those individuals and entities listed on Exhibit A hereto, and each Person hereafter admitted as a Member in accordance with this Agreement, until such Person ceases to be a Member of the Company.

"Partner Nonrecourse Debt Minimum Gain" has the meaning assigned to it in Treasury Regulations Section 1.704-2(i)(2).

"Partner Nonrecourse Deductions" has the meaning assigned to it in Treasury Regulations Section 1.704-2(i)(2).

"Partnership Minimum Gain" has the meaning assigned to it in Treasury Regulations Sections 1.704-2(b)(2) and 1.704-2(d).

"Partnership Representative" has the meaning assigned to that term in Section 6223 of the Code and any Treasury Regulations or other administrative or judicial pronouncements promulgated thereunder.

"Person" means an individual or entity.

"Prime Rate" means the highest prime rate (or base rate) reported in the Money Rate column or section of *The Wall Street Journal*, from time to time, as having been the rate in effect for corporate loans at large United States money center commercial banks (whether or not such rate has actually been charged by any such bank). If *The Wall Street Journal* ceases publication of the Prime Rate, the "Prime Rate" shall mean the highest rate charged by such banks on short-term, unsecured loans to its most creditworthy large corporate borrowers.

"Profits" or "Losses" means, for each Taxable Year, an amount equal to the Company's taxable income or loss for such period, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments (without duplication):

(i) any income of the Company that is exempt from U.S. federal income tax and not otherwise taken into account in computing Profits and Losses pursuant to this definition of "Profits" or "Losses" shall be added to such taxable income or loss;

(ii) any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(i) and not otherwise taken into account in computing Profits or Losses pursuant to this definition of "Profits" or "Losses" shall be subtracted from such taxable income or loss;

(iii) if the Book Value of any Company property is adjusted pursuant to clause (ii) or (iii) of the definition of "Book Value," the amount of such adjustment will be treated as an item of gain (if the adjustment increases the Book Value of the asset) or an item of loss (if the adjustment decreases the Book Value of the asset) from the disposition of such asset and will be taken into account for purposes of computing the amounts to be allocated pursuant to Section 7.1;

(iv) gain or loss resulting from any disposition of property with respect to which gain or loss is recognized for U.S. federal income tax purposes shall be computed by reference to the Book Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Book Value;

(v) in lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation;

(vi) to the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) is required, pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member's interest in the Company, the amount of such adjustment to the Capital Accounts will be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) from the disposition of such asset and shall be taken into account for purposes of computing Profits or Losses; and

(vii) any items that are allocated pursuant to Section 7.2 or 7.4 shall not be taken into account in computing Profits and Losses, but the amounts of the items of income, gain, loss, or deduction available to be specially allocated pursuant to Section 7.2 or 7.4 will be determined by applying rules analogous to those set forth in clauses (i) through (vi) above.

"Regulatory Allocations" has the meaning for such term set forth in Section 7.4.

"Subscription Agreement" means that certain Subscription Agreement, dated as of the date hereof, by and between the Company and Bryan.

"Tax Matters Member" has the meaning for such term set forth in Section 7.8.

"Taxable Year" means the period (i) commencing on the date hereof or, for any Taxable Year other than the initial Taxable Year, the first day after the end of the immediately preceding Taxable Year and (ii) ending (A) on the last day of each Taxable Year, (B) on the day immediately preceding any day on which an adjustment to the Book Value of the Company's properties pursuant to clauses (ii)(A), (ii)(B), (ii)(C) or (ii)(E) of the definition of "Book Value" occurs, or (C) immediately after any day on which an adjustment to the Book Value of the Company's properties pursuant to clause (ii)(D) of the definition of "Book Value" occurs.

"Treasury Regulations" means final or temporary regulations promulgated by the U.S. Department of the Treasury under the Code, as they may be amended from time to time.

"Transfer" has the meaning for such term set forth in Section 2.2.

"Unit" has the meaning set forth in Section 2.1.

10.2 Captions, References. Pronouns, wherever used herein, and of whatever gender, shall include natural persons and corporations and associations of every kind and character, and the singular shall include the plural wherever and as often as may be appropriate. Article, section, exhibit and schedule headings are for convenience of reference and shall not affect the construction or interpretation of this Agreement. Whenever the terms "hereof," "hereby," "herein" or words of similar import are used in this Agreement they shall be construed as referring to this Agreement in its entirety rather than to a particular section or provision, unless the context specifically indicates to the contrary. Whenever the word "including" is used herein, it shall be construed to mean including without limitation. Any reference to a particular "Article," "Section," "Exhibit" or "Schedule" shall be construed as referring to the indicated article, section, exhibit or schedule of this Agreement unless the context indicates to the contrary.

10.3 Strict Construction. The parties hereto have participated collectively in the negotiation and drafting of this Agreement; accordingly, if any ambiguity or question of intent or interpretation arises, then it is the intent of the parties hereto that this Agreement shall be construed as if drafted collectively by the parties hereto, and it is the intent of the parties hereto that no presumption or burden of proof shall arise favoring or disfavoring any party hereto by virtue of the authorship of any provisions of this Agreement.

[END OF PAGE]
[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO
AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT OF IBIO CMO LLC

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

iBio CMO LLC

By: /s/ Robert L. Erwin
Name: Robert L. Erwin
Title: Manager

Bryan Capital Investors LLC

By: /s/ Tim Sullivan
Name: Tim Sullivan
Title: Chief Financial Officer

iBio, Inc.

By: /s/ Robert B. Kay
Name: Robert B. Kay
Title: CEO

EXHIBIT A

SCHEDULE OF MEMBERS

Name and Address of Member	Initial Capital Contributions	Units
iBio, Inc. 600 Madison Avenue Suite 1601, New York, NY Facsimile: 302-356-1173	$ 35,000,000	70,000,000
Bryan Capital Investors LLC 124 Allawood Court Simpsonville, SC 29681 Facsimile: 864-252-9316	$ 15,000,000	30,000,000
TOTAL	$ 50,000,000	100,000,000

Exhibit 10.4

Execution Copy

License Agreement

This License Agreement (this "Agreement"), dated as of January 13, 2016 (the "**Effective Date**"), is made by and between iBio, Inc., a Delaware corporation ("**iBio**"), and iBio CMO LLC, a Delaware limited liability company ("**Licensee**"). Each of iBio and Licensee may be referred to herein as a "**Party**" or together as the "**Parties**."

WHEREAS, iBio has developed and owns or has rights to certain patents and technology for the accelerated discovery and production of improved vaccines, monoclonal antibodies, therapeutic proteins, and other products derived from green plants utilizing its iBioLaunch™ plant-based platform technology and other proprietary technologies;

WHEREAS, Licensee wishes to obtain commercial rights to iBio's patents and technologies for research, process development and scale-up, and manufacturing of plant-derived products in a manufacturing facility designed for that purpose and in accordance with the terms and conditions set forth below;

NOW, THEREFORE, the Parties hereby agree as follows:

1. Definitions. As used in this Agreement, capitalized terms which are not otherwise defined will have the meaning set forth in Schedule A.

2. License Grants.

2.1 Licenses by iBio

(a) *For Research, Process Development, and Scale-Up.* Subject to the terms and conditions of this Agreement, iBio hereby grants to Licensee a nonexclusive license in the Territory, with the right to sublicense only as permitted by Section 2.3, to use iBioLaunch™ Technology and iBio Additional Technology to conduct Process Development, Scale-Up, and R&D activities on Pharmaceutical Products in the Territory. Additionally, subject to the terms and conditions of this Agreement, iBio hereby grants to Licensee a nonexclusive license in the Territory, with the right to sublicense only as permitted by Section 2.3, to use the iBio Additional Technology to conduct Process Development, Scale-Up, and R&D activities on Products in the Territory.

(b) *For Manufacturing*. Subject to the terms and conditions of this Agreement, iBio hereby grants to Licensee an exclusive license in the Territory, with the right of sublicense only as permitted by Section 2.3, to use iBioLaunch™ Technology and iBio Additional Technology to Manufacture Pharmaceutical Products in the Territory. Additionally, subject to the terms and conditions of this Agreement, iBio hereby grants to Licensee an exclusive license in the Territory, with the right to sublicense only as permitted by Section 2.3, to use the iBio Additional Technology to Manufacture Products in the Territory.

(c) *For Technology Transfer*. Subject to the terms and conditions of this Agreement, iBio hereby grants to Licensee a non-exclusive license in the Territory to provide Technology Transfer services for, and to grant sublicenses under, the iBioLaunch Technology and iBio Additional Technology to customers which have been approved in writing by iBio.

(d) *Retention of Rights*. Except for the licenses granted in Sections 2.1(a), 2.1(b), and 2.1(c), iBio is retaining all other rights in its intellectual property.

2.2 Assignment by Licensee and Grant-Back Licenses. Subject to the terms and conditions of this Agreement, Licensee, for itself and on behalf of its Affiliates and subcontractors, and employees, consultants and agents of any of the foregoing, hereby assigns (and to the extent such assignment can only be made in the future hereby agrees to assign), to iBio all right, title and interest in and to any Improvement conceived or reduced to practice during the Term of this Agreement, whether patentable or not (unless already owned by iBio). Licensee will cooperate, and will cause the foregoing Persons to cooperate with iBio to effectuate and perfect the foregoing ownership, including by promptly executing and recording assignments and other documents consistent with such ownership. All such Improvements will be deemed to be iBio Additional Technology and subject to the licenses granted to Licensee by Sections 2.1(a), 2.1(b) and 2.1(c). For clarity, and notwithstanding anything to the contrary in this Section 2.2, nothing contained herein will preclude Licensee from using its general knowledge, skills and experience, and any ideas, concepts, Know-How, and techniques that are acquired or used in the course of providing the goods and services to customers pursuant to this Agreement.

2.3 Sublicensing Rights. The licenses granted in Section 2.1 may not be sublicensed or assigned by Licensee, in full or in part, without the prior written consent of iBio, which consent will not be unreasonably withheld.

2.4 Coordination of Business Development.

(a) In order to facilitate the development of business relations for each of iBio and Licensee, the Parties agree to coordinate and otherwise cooperate with each other's efforts to obtain customers for Licensee's Process Development, Scale-Up and Manufacturing services and licensees for the use of rights to the iBioLaunch™ Technology and iBio Additional Technology retained by iBio pursuant to this Agreement.

(b) iBio agrees and understands that the rights granted to Licensee under this Agreement are limited to the use of iBioLaunch Technology and iBio Additional Technology for Process Development, Scale-Up, R&D, and Manufacturing activities. iBio will work in good faith to negotiate on commercially reasonable terms and grant to customers of Licensee any such additional license rights as such customer may need to make use of the goods and services provided by Licensee to such customer. For clarity, iBio agrees that Licensee may give to its customers the Pharmaceutical Products and/or Products manufactured by Licensee for such customer, and the parties will work together in good faith to prepare, negotiate, and enter into an appropriate material transfer agreement with such customer to the extent necessary.

3. License As Capital Contribution to Licensee

The rights granted to Licensee under this Agreement are being contributed to the capital of Licensee by iBio, without any upfront consideration payable by Licensee to iBio, but subject to all of the prospective obligations and limitations set forth in this Agreement.

4. Payments and Royalties

4.1 Royalties

(a) *Royalties and Rates*. Subject to the remainder of this Section 4, Licensee will pay to iBio, within sixty (60) days after the end of each calendar quarter, a royalty equal to two percent (2%) of the net amount received, taking into account rebates, credits, and other discounts given to customers, in such calendar quarter by Licensee from the sale of goods or services which use any of the rights granted to Licensee under Section 2.1 (such gross amounts are referred to as the "**Net Receipts**"). Goods and services will be considered "sold" when a sale is recognized in accordance with revenue recognition policies mandated by GAAP.

(b) *Additional Royalty Provisions*. Royalties when owed or paid hereunder will be paid only on amounts actually received by Licensee from customers, and except as provided in Section 4.3(c), will be non-refundable and non-creditable and not subject to set-off.

(c) *No Double Royalties*. For clarity to the extent a payment received by Licensee would be considered both a Net Receipt (pursuant to Section 4.1(a)) and Financial Consideration (pursuant to Section 4.2), such payment will be deemed a Net Receipt and not Financial Consideration so that Licensee will not be required to pay more than a two percent (2%) royalty on such payment.

4.2 Sublicense Consideration. Licensee will pay to iBio a royalty equal to two percent (2%) of all Financial Consideration Licensee or any of its Affiliates receives in connection with any sublicense agreement of the licenses set forth in Section 2.1 in the Territory.

4.3 Payment Terms

(a) *Manner of Payment*. All payments to be made by Licensee hereunder will be made in U.S. dollars via check or wire transfer to such bank account as iBio may designate.

(b) *Reports and Royalty Payments*. For as long as royalties are due under Sections 4.1 and 4.2, Licensee will furnish to iBio a written report, after the end of each calendar quarter, showing the amount of Net Receipts and royalty due, Financial Consideration and royalty due under Section 4.2, which report will be furnished within sixty (60) days of the end of such calendar quarter for Net Receipts generated by Licensee and its Affiliates, and within ninety (90) days of the end of such calendar quarter for Financial Consideration. Royalties for each calendar quarter will be due at the same time as such written reports for the calendar quarter.

(c) *Records and Audits*. Licensee will keep adequate books and records of accounting for the purposes of calculating all royalties payable hereunder and ensuring compliance hereunder. For the four (4) years following the end of the Fiscal Year to which each will pertain, such books and records of accounting will be kept at Licensee's principal place of business. At the request of iBio, Licensee will permit an independent Third Party auditor, subject to Licensee's prior written consent, at reasonable times and upon reasonable notice, to examine the books and records maintained pursuant to Section 4.3(b). Such examinations may not (i) be conducted for any Fiscal Year more than four (4) years after the end of such year, (ii) be conducted more than once in any twelve (12) month period or (iii) be repeated for any Fiscal Year. Except as provided below, the cost of this examination will be borne by iBio, unless the audit reveals a variance of more than ten percent (10%) from the reported amounts, in which case the Licensee will bear the cost of the audit. Unless disputed as described below, if such audit concludes that additional payments were owed or that excess payments were made during such period, the Licensee will pay the additional royalties or amounts or iBio will reimburse such excess payments, with interest from the date originally due as provided in Section 4.3(e), within sixty (60) days after the date on which a written report of such audit is delivered to both Parties. In the event of a dispute regarding such books and records, including the amount of royalties owed to iBio under this Section 4.3(b), iBio and Licensee will work in good faith to resolve the disagreement. If the Parties are unable to reach a mutually acceptable resolution of any such dispute within thirty (30) days, such dispute will be resolved in accordance with Section 9.1(d). The receiving Party will treat all information subject to review under this Section 4.3(b) in accordance with the confidentiality provisions of Section 6 and the Parties will cause any auditor or arbitrator to enter into a reasonably acceptable confidentiality agreement with the audited Party obligating such firm to retain all such financial information in confidence pursuant to such confidentiality agreement.

(d) *Taxes*. Licensee may withhold from payments due to iBio amounts for payment of any withholding tax that is required by law to be paid to any taxing authority with respect to such payments. Licensee will provide iBio all relevant documents and correspondence, and will also provide to iBio any other cooperation or assistance on a reasonable basis as may be necessary to enable iBio to claim exemption from such withholding taxes and to receive a refund of such withholding tax or claim a foreign tax credit. Licensee will give proper evidence from time to time as to the payment of any such tax.

(e) *Interest Due*. If any payment due to either Party under this Agreement is overdue (and is not subject to a good faith dispute), then such paying Party will pay interest thereon (before and after any judgment) at an annual rate (but with interest accruing on a daily basis) of the lesser of two percent (2%) above the prime rate as reported in *The Wall Street Journal*, Eastern Edition, and the maximum rate permitted by applicable law, such interest to run from the date upon which payment of such sum became due until payment thereof in full together with such interest.

(f) *Royalty Term*. Licensee's obligation to pay royalties under Sections 4.1 and 4.2 will continue until expiration of this Agreement.

5. Improvement Patent Prosecution and Maintenance.

5.1 Prosecution and Maintenance.

(a) Inventorship determination for all Improvement Patents worldwide will be made in accordance with applicable United States patent laws.

(b) iBio will have the sole financial responsibility for the costs of Prosecution and Maintenance of the Improvement Patents and will have the sole right to determine the scope of such Prosecution and Maintenance activities.

(c) In the event that iBio desires to abandon or cease Prosecution or Maintenance of any Improvement Patent, iBio shall provide reasonable prior written notice to Licensee of such intention to abandon (which notice shall, to the extent possible, be given no later than ninety (90) calendar days prior to the next deadline for any action that must be taken with respect to any such Improvement Patent). In such case, at Licensee's sole discretion, upon written notice from Licensee, Licensee may elect to continue Prosecution and Maintenance of any such Improvement Patent at its own expense, and iBio shall cooperate in a timely manner to allow Licensee to continue Prosecution and Maintenance of any such Improvement Patent. Any Improvement Patent abandoned by iBio will be promptly assigned to Licensee, who will own all right, title and interest in and to such abandoned Improvement Patent.

5.2 Cooperation. Licensee will, at iBio's sole cost and expense, reasonably cooperate with iBio in the Prosecution and Maintenance of the Improvement Patents. Such cooperation includes promptly executing all documents, or requiring inventors, subcontractors, employees and consultants and agents of Licensee and its Affiliates and Sublicensees to execute all documents, as reasonable and appropriate so as to enable the Prosecution and Maintenance of any such Improvement Patents in any country.

6. Confidentiality.

6.1 Confidential Information.

(a) *Confidential Information*. Each Party ("**Disclosing Party**") may disclose to the other Party ("**Receiving Party**"), and Receiving Party may acquire during the course and conduct of activities under this Agreement, certain proprietary or confidential information of Disclosing Party in connection with this Agreement. The term "Confidential Information" will mean (i) all Materials and (ii) all ideas and information of any kind, whether in written, oral, graphical, machine-readable or other form, whether or not marked as confidential or proprietary, which are transferred, disclosed or made available by Disclosing Party or at the request of Receiving Party, including any of the foregoing of Third Parties. Without limiting the foregoing, iBioLaunch™ Technology and iBio Additional Technology will be considered Confidential Information of iBio.

(b) *Restrictions*. During the Term and for ten (10) years thereafter, Receiving Party will keep all Disclosing Party's Confidential Information in confidence with the same degree of care with which Receiving Party holds its own confidential information. Receiving Party will not use Disclosing Party's Confidential Information except for in connection with the performance of its obligations and exercise of its rights under this Agreement. Receiving Party has the right to disclose Disclosing Party's Confidential Information without Disclosing Party's prior written consent, to the extent and only to the extent reasonably necessary, to Receiving Party's Affiliates and their employees, subcontractors, consultants or agents who have a need to know such Confidential Information in order to perform its obligations and exercise its rights under this Agreement and who are bound by obligations of non-use and non-disclosure at least as restrictive as this Section 6.1(b). Receiving Party will use diligent efforts to cause those Persons to comply with the restrictions on use and disclosure in this Section 6.1(b). Receiving Party assumes responsibility for those entities and persons maintaining Disclosing Party's Confidential Information in confidence and using same only for the purposes described herein.

(c) *Exceptions*. Receiving Party's obligation of nondisclosure and the limitations upon the right to use the Disclosing Party's Confidential Information will not apply to the extent that Receiving Party can demonstrate that the Disclosing Party's Confidential Information: (i) was known to Receiving Party, its Affiliates, its Sublicensees, or any of their and their employees, subcontractors, consultants or agents prior to the time of disclosure; (ii) is or becomes public knowledge through no fault or omission of Receiving Party or any of its Affiliates; (iii) is obtained by Receiving Party, its Affiliates, its Sublicensees, or any of their and their employees, subcontractors, consultants or agents from a Third Party under no obligation of confidentiality to Disclosing Party; or (iv) has been independently developed by employees, subcontractors, consultants or agents of Receiving Party or any of its Affiliates or Sublicensees without the aid, application or use of Disclosing Party's Confidential Information, as evidenced by contemporaneous written records. Notwithstanding the foregoing, the exceptions set forth in Sections 6.1(c)(i), (iii), or (iv) shall not apply to excuse the disclosure of Confidential Information by any Person who is an employee and/or representative of both iBio and Licensee.

(d) *Permitted Disclosures*. Receiving Party may disclose Disclosing Party's Confidential Information to the extent (and only to the extent) such disclosure is reasonably necessary in the following instances:

(i) in order to comply with applicable law (including any securities law or regulation or the rules of a securities exchange) or with a legal or administrative proceeding;

(ii) in connection with prosecuting or defending litigation, or obtaining Regulatory Approvals and other regulatory filings and communications, and filing, prosecuting and enforcing Patents in connection with Receiving Party's rights and obligations pursuant to this Agreement; and

(iii) in connection with exercising its rights hereunder, to its Affiliates; potential and future collaborators (including Sublicensees where Licensee is the Receiving Party); permitted acquirers or assignees; and investment bankers, investors and lenders, and its or their counsel;

provided that (1) with respect to Sections 6.1(d)(i) or 6.1(d)(ii), where reasonably possible, Receiving Party will notify Disclosing Party of Receiving Party's intent to make any disclosure pursuant thereto sufficiently prior to making such disclosure so as to allow Disclosing Party adequate time to take whatever action it may deem appropriate to protect the confidentiality of the information to be disclosed, and (2) with respect to Section 6.1(d)(iii), each of those named people and entities are required to comply with the restrictions on use and disclosure in Section 6.1(b) (other than investment bankers, investors, lenders and counsel, which must be bound prior to disclosure by commercially reasonable obligations of confidentiality).

7. Warranties; Limitations of Liability; Indemnification.

7.1 Representations and Warranties. Each Party represents and warrants to the other as of the Effective Date that it has the legal right and power to enter into this Agreement, to extend the rights and licenses granted or to be granted to the other in this Agreement, and to fully perform its obligations hereunder.

7.2 Additional Representations and Warranties of iBio. iBio represents and warrants to Licensee that, as of the Effective Date:

(a) iBio controls the Patents listed on Schedule B and is entitled to grant the licenses specified herein. iBio has not caused any Patent included on such Exhibit to be subject to any liens or encumbrances.

(b) iBio has not granted to any Third Party any rights or licenses under such Patents or that would conflict with the licenses granted to Licensee hereunder.

(c) To the best of its knowledge, after appropriate inquires have been made by iBio, none of the information, data, or materials provided to Licensee or its representatives or counsel prior to the Effective Date by or on behalf of iBio related to the iBioLaunch™ Technology and the iBio Additional Technology is inaccurate in any material respect, and there is no data or information that iBio considers material that is within iBio's or its Affiliate's possession that causes, due to lack of disclosure, specific data or other information disclosed by iBio to Licensee or its representatives or counsel relating to the iBioLaunch™ Technology and the iBio Additional Technology to be misleading in any respect.

(d) To the best of its knowledge, after appropriate inquires have been made by iBio, the research, development, manufacture and use of the iBioLaunch™ Technology and the iBio Additional Technology in the United States as of the Effective Date will not infringe or misappropriate any Patent or other intellectual property right owned or Controlled by a Third Party.

7.3 Additional Covenants of iBio. During the Term, iBio will use diligent and commercially reasonable efforts to maintain the confidentiality of iBio's Confidential Information, including its non-public Know-How and prevent disclosure of such Confidential Information in a manner that could reasonably damage the business interests of iBio and/or Licensee.

7.4 Disclaimers. Without limiting the respective rights and obligations of the Parties expressly set forth herein, iBio specifically disclaims any guarantee that any Pharmaceutical Products or Products will be successful, in whole or in part. The failure of the Licensee to successfully produce Pharmaceutical Products or Products or to develop a cost effective and regulatory compliant manufacturing process for such products will not constitute a breach of any representation or warranty under this Agreement. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, NEITHER PARTY MAKES ANY REPRESENTATIONS AND EXTENDS NO WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO ANY PATENTS, TECHNOLOGY, KNOW- HOW, MATERIALS, FACILITIES, PHARMACEUTICAL PRODUCTS, OR PRODUCTS, INCLUDING WARRANTIES OF TITLE, QUALITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR USE OR PURPOSE, AND PERFORMANCE.

7.5 No Consequential Damages. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT OR OTHERWISE, NEITHER PARTY WILL BE LIABLE TO THE OTHER OR ANY THIRD PARTY WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT FOR ANY INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES, EVEN IF SUCH PARTY HAS BEEN INFORMED OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES; PROVIDED THAT THIS SECTION 7.5 WILL NOT APPLY TO THE PARTIES' INDEMNIFICATION RIGHTS AND OBLIGATIONS UNDER SECTION 7.7.

7.6 Performance by Others. The Parties recognize that each Party may perform some or all of its obligations under this Agreement through Affiliates and permitted subcontractors provided, however, that each Party will remain responsible and liable for the performance by its Affiliates and permitted subcontractors and will cause its Affiliates and permitted subcontractors to comply with the provisions of this Agreement in connection therewith.

7.7 Indemnification.

(a) *Indemnification of iBio*. Licensee will indemnify iBio, its Affiliates and their respective directors, officers, employees, and agents, and their respective successors, heirs and assigns (collectively, "**iBio Indemnitees**"), and defend and save each of them harmless, from and against any and all losses, damages, liabilities, costs and expenses (including reasonable attorneys' fees and expenses) (collectively, "**Losses**") in connection with any and all suits, investigations, claims or demands of Third Parties (collectively, "**Third Party Claims**") arising from or occurring as a result of: (i) the material breach by Licensee of any term of this Agreement; or (ii) any gross negligence or willful misconduct on the part of Licensee in performing its obligations under this Agreement, except in each case for those Losses as to which iBio has an obligation to indemnify Licensee pursuant to Section 7.7(b), as to which Losses each Party will indemnify the other to the extent of their respective liability; provided, however, that Licensee will not be obligated to indemnify iBio Indemnitees for any Losses to the extent that such Losses arise as a result of gross negligence or willful misconduct on the part of an iBio Indemnitee.

(b) *Indemnification of Licensee*. iBio will indemnify Licensee, its Affiliates and their respective directors, officers, employees and agents, and their respective successors, heirs and assigns (collectively, "**Licensee Indemnitees**"), and defend and save each of them harmless, from and against any and all Losses in connection with any and all Third Party Claims arising from or occurring as a result of: (i) the material breach by iBio of any term of this Agreement; (ii) any gross negligence or willful misconduct on the part of iBio in performing its obligations under this Agreement; (iii) the use of any iBioLaunch™ Technology or iBio Additional Technology as contemplated under this Agreement, including any such Third Party Claims alleging infringement or misappropriation of Third Party intellectual property rights; or (iv) any dispute between iBio and a customer of Licensee, except in each case for those Losses for which Licensee has an obligation to indemnify iBio pursuant to Section 7.7(a), as to which Losses each Party will indemnify the other to the extent of their respective liability for the Losses; provided, however, that iBio will not be obligated to indemnify Licensee Indemnitees for any Losses to the extent that such Losses arise as a result of gross negligence or willful misconduct on the part of a Licensee Indemnitee.

(c) *Notice of Claim.* All indemnification claims provided for in Section 7.7(a) and 7.7(b) will be made solely by such Party to this Agreement (the "**Indemnified Party**"). The Indemnified Party will promptly notify the indemnifying Party (an "I**ndemnification Claim Notice**") of any Losses or the discovery of any fact upon which the Indemnified Party intends to base a request for indemnification under Section 7.7(a) or 7.7(b), but in no event will the indemnifying Party be liable for any Losses that result from any delay in providing such notice. Each Indemnification Claim Notice must contain a description of the claim and the nature and estimated amount of such Loss (to the extent that the nature and amount of such Loss is known at such time). The Indemnified Party will furnish promptly to the indemnifying Party copies of all papers and official documents received in respect of any Losses and Third Party Claims.

(d) *Defense, Settlement, Cooperation and Expenses*.

(i) *Control of Defense*. At its option, the indemnifying Party may assume the defense of any Third Party Claim by giving written notice to the Indemnified Party within thirty (30) days after the indemnifying Party's receipt of an Indemnification Claim Notice. The assumption of the defense of a Third Party Claim by the indemnifying Party will not be construed as an acknowledgment that the indemnifying Party is liable to indemnify the Indemnified Party in respect of the Third Party Claim, nor will it constitute a waiver by the indemnifying Party of any defenses it may assert against the Indemnified Party's claim for indemnification. Upon assuming the defense of a Third Party Claim, the indemnifying Party may appoint as lead counsel in the defense of the Third Party Claim any legal counsel selected by the indemnifying Party (the indemnifying Party will consult with the Indemnified Party with respect to a possible conflict of interest of such counsel retained by the indemnifying Party). In the event the indemnifying Party assumes the defense of a Third Party Claim, the Indemnified Party will immediately deliver to the indemnifying Party all original notices and documents (including court papers) received by the Indemnified Party in connection with the Third Party Claim. Should the indemnifying Party assume the defense of a Third Party Claim, except as provided in Section 7.7(d)(ii), the indemnifying Party will not be liable to the Indemnified Party for any legal costs or expenses subsequently incurred by such Indemnified Party in connection with the analysis, defense or settlement of the Third Party Claim. In the event that it is ultimately determined that the indemnifying Party is not obligated to indemnify, defend or hold harmless the Indemnified Party from and against the Third Party Claim, the Indemnified Party will reimburse the indemnifying Party for any and all costs and expenses (including attorneys' fees and costs of suit) and any Third Party Claims incurred by the indemnifying Party in its defense of the Third Party Claim.

(ii) *Right to Participate in Defense*. Without limiting Section 7.7(d)(i), any Indemnified Party will be entitled to participate in, but not control, the defense of such Third Party Claim and to employ counsel of its choice for such purpose; provided, however, that such employment will be at the Indemnified Party's own cost and expense unless (i) the employment thereof has been specifically authorized by the indemnifying Party in writing, (ii) the indemnifying Party has failed to assume the defense and employ counsel in accordance with Section 7.7(d)(i) (in which case the Indemnified Party will control the defense) or (iii) the interests of the Indemnified Party and the indemnifying Party with respect to such Third Party Claim are sufficiently adverse to prohibit the representation by the same counsel of both Parties under applicable law, ethical rules or equitable principles in which case the indemnifying Party will assume one hundred percent (100%) of any such costs and expenses of counsel for the Indemnified Party.

(iii) *Settlement*. With respect to any Third Party Claims that relate solely to the payment of money damages in connection with a Third Party Claim and that will not result in the Indemnified Party's becoming subject to injunctive or other relief or otherwise adversely affecting the business of the Indemnified Party in any manner, and as to which the indemnifying Party will have acknowledged in writing the obligation to indemnify the Indemnified Party hereunder, the indemnifying Party will have the sole right to consent to the entry of any judgment, enter into any settlement or otherwise dispose of such Loss, on such terms as the indemnifying Party, in its sole discretion, will deem appropriate. With respect to all other Losses in connection with Third Party Claims, where the indemnifying Party has assumed the defense of the Third Party Claim in accordance with Section 7.7(d)(i), the indemnifying Party will have authority to consent to the entry of any judgment, enter into any settlement or otherwise dispose of such Loss provided it obtains the prior written consent of the Indemnified Party (which consent will not be unreasonably withheld). The indemnifying Party will not be liable for any settlement or other disposition of a Loss by an Indemnified Party that is reached without the written consent of the indemnifying Party. Regardless of whether the indemnifying Party chooses to defend or prosecute any Third Party Claim, no Indemnified Party will admit any liability with respect to or settle, compromise or discharge, any Third Party Claim without the prior written consent of the indemnifying Party, such consent not to be unreasonably withheld.

(iv) *Cooperation*. Regardless of whether the indemnifying Party chooses to defend or prosecute any Third Party Claim, the Indemnified Party will, and will cause each other Indemnified Party to, cooperate in the defense or prosecution thereof and will furnish such records, information and testimony, provide such witnesses and attend such conferences, discovery proceedings, hearings, trials and appeals as may be reasonably requested in connection therewith. Such cooperation will include access during normal business hours afforded to indemnifying Party to, and reasonable retention by the Indemnified Party of, records and information that are reasonably relevant to such Third Party Claim, and making Indemnified Parties and other employees and agents available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder, and the indemnifying Party will reimburse the Indemnified Party for all its reasonable out-of-pocket costs and expenses in connection therewith.

(v) *Costs and Expenses*. Except as provided above in this Section 7.7(d), the costs and expenses, including attorneys' fees and expenses, incurred by the Indemnified Party in connection with any claim will be reimbursed on a calendar quarter basis by the indemnifying Party, without prejudice to the indemnifying Party's right to contest the Indemnified Party's right to indemnification and subject to refund in the event the indemnifying Party is ultimately held not to be obligated to indemnify the Indemnified Party.

7.8 Insurance. Each Party will maintain at its sole cost and expense, an adequate liability insurance or self-insurance program (including product liability insurance) to protect against potential liabilities and risk arising out of activities to be performed under this Agreement and any agreement related hereto and upon such terms (including coverages, deductible limits and self-insured retentions) as are customary in the U.S. pharmaceutical industry for the activities to be conducted by such Party under this Agreement. Subject to the preceding sentence, such liability insurance or self-insurance program will insure against all types of liability, including personal injury, physical injury or property damage arising out of the manufacture, sale, use, distribution or marketing of Pharmaceutical Products or Products. The coverage limits set forth herein will not create any limitation on a Party's liability to the other under this Agreement.

8. Term and Termination.

8.1 Term. This Agreement will commence as of the Effective Date and, unless sooner terminated in accordance with the terms hereof or by mutual written consent, will continue until the later of (i) the expiration of the term of the Licensee's Sublease or (ii) there are no more payments owed to iBio under Sections 4.1 or 4.2 (the "**Term**").

8.2 Termination by iBio. iBio will have the right to terminate this Agreement in full upon delivery of written notice to Licensee in the event of any material breach by Licensee of any terms and conditions of this Agreement, provided that such termination will not be effective if such breach has been cured within ninety (90) days after written notice thereof is given by iBio to Licensee specifying the nature of the alleged breach (or, if such default cannot be cured within such ninety (90) day period, within one hundred and eighty (180) days after such notice if Licensee commences actions to cure such default within such 90-day period and thereafter diligently continues such actions, but fails to cure the default by the end of such 180-days); provided, however, that to the extent such material breach involves the failure to make a payment when due, such breach must be cured within thirty (30) days after written notice thereof is given by iBio to Licensee. Notwithstanding the foregoing, in no event may iBio terminate this Agreement under this Section 82(a) if Licensee's material breach is a result of any act or failure to act of iBio, any Affiliate, or any of their employees, agents, contractors, directors or officers.

8.3 Termination by Licensee. Licensee will have the right to terminate this Agreement in full upon delivery of written notice to iBio in the event of any material breach by iBio of any terms and conditions of this Agreement, provided that such termination will not be effective if such breach has been cured within ninety (90) days after written notice thereof is given by Licensee to iBio specifying the nature of the alleged breach (or, if such default cannot be cured within such ninety (90) day period, within one hundred and eighty (180) days after such notice if iBio commences actions to cure such default within such 90-day period and thereafter diligently continues such actions, but fails to cure the default by the end of such 180-days); provided, however, that to the extent such material breach involves the failure to make a payment when due, such breach must be cured within thirty (30) days after written notice thereof is given by Licensee to iBio.

8.4 Termination Upon Bankruptcy.

(a) *Termination Right*. Either Party may terminate this Agreement if, at any time, the other Party will file in any court or agency pursuant to any statute or regulation of any state, country or jurisdiction, a petition in bankruptcy or insolvency or for reorganization or for an arrangement or for the appointment of a receiver or trustee of that Party or of its assets, or if the other Party proposes a written agreement of composition or extension of its debts, or if the other Party will be served with an involuntary petition against it, filed in any insolvency proceeding, and such petition will not be dismissed within sixty (60) days after the filing thereof, or if the other Party will propose or be a Party to any dissolution or liquidation, or if the other Party will make an assignment for the benefit of its creditors.

(b) *Consequences of Bankruptcy*. All rights and licenses granted under or pursuant to this Agreement by Licensee or iBio or their Affiliates are, and will otherwise be deemed to be, for purposes of Section 365(n) of the U.S. Bankruptcy Code, licenses of right to "intellectual property" as defined under Section 101 of the U.S. Bankruptcy Code. The Parties agree that the Parties and their respective Affiliates, and Sublicensees, as licensees of such rights under this Agreement, will retain and may fully exercise all of their rights and elections under the U.S. Bankruptcy Code and any foreign counterparts thereto.

8.5 Effects of Termination. Upon termination by iBio under Section 8.2, all rights and licenses granted by iBio to Licensee in Section 2.1 will terminate, and Licensee and its Affiliates and Sublicensees will cease all use of iBioLaunch™ Technology, iBio Additional Technology, Materials, and Patents, and will cease all Manufacturing. Upon expiration of this Agreement under Section 8.1, or termination by Licensee under Section 8.3 or 8.4, all rights and licenses granted by iBio to Licensee in Section 2.1 will become fully paid-up and perpetual.

8.6 Survival. In addition to the termination consequences set forth in Section 8.5, the following provisions will survive termination or expiration of this Agreement, as well as any other provision which by its terms or by the context thereof, is intended to survive such termination: Section 4.3, 5, 6, 7.4, 7.5, 7.6, 7.7, 8 and 9. Termination or expiration of this Agreement will not relieve the Parties of any liability or obligation which accrued hereunder prior to the effective date of such termination or expiration nor preclude either Party from pursuing all rights and remedies it may have hereunder or at law or in equity with respect to any breach of this Agreement nor prejudice either Party's right to obtain performance of any obligation. All other rights and obligations will terminate upon expiration of this Agreement.

9. General Provisions.

9.1 Governing Law; Dispute Resolution.

(a) This Agreement shall be governed and construed in accordance with the laws of the State of New York, U.S.A., without regard to conflicts of laws provisions.

(b) In the event of any dispute, controversy, or claim arising out of, relating to, or in connection with this Agreement, or the breach, termination, or validity thereof, between the Parties, the Parties will first attempt in good faith to resolve such dispute by negotiation and consultation between themselves. In the event that such dispute is not resolved on an informal basis within twenty (20) days, any Party may, by written notice to the other, have such dispute referred to the iBio CEO and the Licensee CEO or in either case his or her designee (who will be a senior executive), who will attempt in good faith to resolve such dispute by negotiation and consultation for a thirty (30) day period following receipt of such written notice.

(c) Unless Section 9.1(b) is applicable, in the event the Parties are not able to resolve such dispute through mediation, either Party may at any time after such 20-day period submit such dispute to be finally settled by arbitration administered by the American Arbitration Association ("**AAA**"), including the AAA's Procedures for Large, Complex Commercial Disputes, in effect at the time of the arbitration, except as they may be modified herein or by mutual agreement of the Parties. The seat of the arbitration shall be New York, New York, and it shall be conducted in the English language. The arbitration and this clause shall be governed by Title 9 (Arbitration) of the United States Code.

(d) The arbitration shall be conducted by three arbitrators. The claimant shall appoint an arbitrator in its request for arbitration. The respondent shall appoint an arbitrator within 20 days of the receipt of the request for arbitration. The two arbitrators shall appoint a third arbitrator, who shall act as chair of the tribunal, within 20 days after the appointment of the second arbitrator. If any of the three arbitrators is not appointed within the time prescribed above, then the AAA shall appoint that arbitrator from its National Panel of Securities Arbitrators or its Large, Complex Commercial Case Panel, not including any such members affiliated with the securities industry. The chair of the tribunal shall be a citizen of the United States.

(e) In addition to the authority conferred on the arbitration tribunal by the Rules, the arbitration tribunal shall have the authority to order such production of documents, generally consistent with the discovery permitted under the Federal Rules of Civil Procedure, as may reasonably be requested by any party or by the tribunal itself. In addition, any party may request a reasonable number of depositions of Party witnesses.

(f) The Parties agree that the arbitration shall be kept confidential and that the existence of the proceeding and any element of it (including but not limited to any pleadings, briefs or other documents submitted or exchanged, any testimony or other oral submissions, and any awards) shall not be disclosed beyond the tribunal, the AAA, the parties, their counsel, accountants and auditors, insurers and re-insurers, and any Person necessary to the conduct of the proceeding. The confidentiality obligations shall not apply (i) if disclosure is required by law, or in judicial or administrative proceedings, or (ii) as far as disclosure is necessary to enforce the rights arising out of the award.

(g) The arbitration award shall be final and binding on the parties. Judgment upon the award may be entered by any court having jurisdiction thereof or having jurisdiction over the relevant Party or its assets.

(h) In order to facilitate the comprehensive resolution of related disputes, and upon request of any Party to the arbitration proceeding, the arbitration tribunal may consolidate the arbitration proceeding with any other arbitration proceeding involving any of the Parties hereto relating to this Agreement. The arbitration tribunal shall not consolidate such arbitrations unless it determines that (i) there are issues of fact or law common to the related proceedings so that a consolidated proceeding would be more efficient than separate proceedings, and (ii) no Party would be prejudiced as a result of such consolidation through undue delay or otherwise.

9 . 2 Remedies Cumulative; Specific Performance. The rights and remedies of the Parties hereto shall be cumulative (and not alternative). The Parties to this Agreement agree that, in the event of any breach or threatened breach by either Party to this Agreement of any covenant, obligation or other provision set forth in this Agreement, for the benefit of the other Party to this Agreement: (a) such other Party shall be entitled (in addition to any other remedy that may be available to it) to: (i) a decree or order of specific performance or mandamus to enforce the observance and performance of such covenant, obligation or other provision; and (ii) an injunction restraining such breach or threatened breach; and (b) such other Party shall not be required to provide any bond or other security in connection with any such decree, order or injunction or in connection with any related action or legal proceeding.

9 . 3 Relationship of Parties. Nothing in this Agreement is intended or will be deemed to constitute a partnership, agency, employer-employee or joint venture relationship between the Parties. No Party will incur any debts or make any commitments for the other, except to the extent, if at all, specifically provided therein. There are no express or implied third party beneficiaries hereunder (except for iBio Indemnitees and Licensee Indemnitees for purposes of Section 7.7).

9.4 Compliance with Law. Each Party will perform or cause to be performed any and all of its obligations or the exercise of any and all of its rights hereunder in good scientific manner and in compliance with all applicable law.

9.5 Counterparts; Facsimiles. This Agreement may be executed in one or more counterparts, each of which will be deemed an original, and all of which together will be deemed to be one and the same instrument. Facsimile or PDF execution and delivery of this Agreement by either Party will constitute a legal, valid and binding execution and delivery of this Agreement by such Party

9.6 Headings. All headings in this Agreement are for convenience only and will not affect the meaning of any provision hereof.

9.7 Waiver of Rule of Construction. Each Party has had the opportunity to consult with counsel in connection with the review, drafting and negotiation of this Agreement. Accordingly, the rule of construction that any ambiguity in this Agreement will be construed against the drafting party will not apply.

9.8 Interpretation. Whenever any provision of this Agreement uses the term "including" (or "includes"), such term will be deemed to mean "including without limitation" (or "includes without limitations"). "Herein," "hereby," "hereunder," "hereof" and other equivalent words refer to this Agreement as an entirety and not solely to the particular portion of this Agreement in which any such word is used. All definitions set forth herein will be deemed applicable whether the words defined are used herein in the singular or the plural. Unless otherwise provided, all references to Sections and Exhibits in this Agreement are to Sections and Exhibits of this Agreement. References to any Sections include Sections and subsections that are part of the related Section (*e.g.*, a section numbered "Section 2.1" would be part of "Section 2", and references to "Section 2.1" would also refer to material contained in the subsection described as "Section 2.1(a)").

9.9 Binding Effect. This Agreement will inure to the benefit of and be binding upon the Parties, their Affiliates, and their respective lawful successors and assigns.

9.10 Assignment. This Agreement may not be assigned by either Party, nor may either Party delegate its obligations or otherwise transfer licenses or other rights created by this Agreement, except as expressly permitted hereunder or otherwise without the prior written consent of the other Party, which consent will not be unreasonably withheld; provided that
(i) Licensee may assign this Agreement to an Affiliate or to its successor in connection with the merger, consolidation, or sale of all or substantially all of its assets or that portion of its business pertaining to the subject matter of this Agreement, and (ii) iBio may assign this Agreement to an Affiliate or to its successor in connection with the merger, consolidation, or sale of all or substantially all of its assets or that portion of its business pertaining to the subject matter of this Agreement.

9.11 Notices. All notices, requests, demands and other communications required or permitted to be given pursuant to this Agreement will be in writing and will be deemed to have been duly given upon the date of receipt if delivered by hand, recognized international overnight courier, confirmed facsimile transmission, or registered or certified mail, return receipt requested, postage prepaid to the following addresses or facsimile numbers:

If to iBio:	iBio, Inc. 600 Madison Ave., Suite 1600 New York, NY USA 10022-1737 Attention: Chief Executive Officer Facsimile: (302) 356-1173
With a copy to:	Willkie Farr & Gallagher LLP 787 Seventh Avenue New York, NY 10019 Attention: William Gump Facsimile: (212) 728-8111
If to Licensee:	iBio CMO LLC 8800 Health Science Center Parkway Bryan, Texas Attention: Chief Executive Officer Facsimile: (979) 822-2623
With a copy to:	BoyarMiller 2925 Richmond Avenue, 14th Floor Houston, Texas Attention: Cassie Stinson Facsimile: (713) 552-1758

Either Party may change its designated address and facsimile number by notice to the other Party in the manner provided in this Section 9.11.

9.12 Amendment and Waiver. This Agreement may be amended, supplemented, or otherwise modified only by means of a written instrument signed by both Parties; provided that any unilateral undertaking or waiver made by one Party in favor of the other will be enforceable if undertaken in a writing signed by the Party to be charged with the undertaking or waiver. Any waiver of any rights or failure to act in a specific instance will relate only to such instance and will not be construed as an agreement to waive any rights or fail to act in any other instance, whether or not similar.

9.13 Severability. In the event that any provision of this Agreement will, for any reason, be held to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect any other provision hereof, and the Parties will negotiate in good faith to modify this Agreement to preserve (to the extent possible) their original intent.

9.14 Entire Agreement. This Agreement is the sole agreement with respect to the subject matter and supersedes all other agreements and understandings between the Parties with respect to same.

9.15 Force Majeure. Neither Licensee nor iBio will be liable for failure of or delay in performing obligations set forth in this Agreement (other than any obligation to pay monies when due), and neither will be deemed in breach of such obligations, if such failure or delay is due to natural disasters or any causes reasonably beyond the control of Licensee or iBio; provided that the Party affected will promptly notify the other of the force majeure condition and will exert reasonable efforts to eliminate, cure or overcome any such causes and to resume performance of its obligations as soon as possible.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

iBio Inc.

By: /s/ Robert B. Kay

Name: Robert B. Kay

Title: CEO

iBio CMO, LLC

By: /s/ Robert L. Erwin

Name: Robert L. Erwin

Title: Manager

Schedule A

Definitions

1.1 "**Affiliate**" of a person or entity will mean any other entity which (directly or indirectly) is controlled by, controls or is under common control with such person or entity. For the purposes of this definition, the term "control" (including, with correlative meanings, the terms "controlled by" and "under common control with") as used with respect to an entity will mean (i) in the case of a corporate entity, direct or indirect ownership of voting securities entitled to cast more than fifty percent (50%) of the votes in the election of directors or (ii) in the case of a non-corporate entity, direct or indirect ownership of more than fifty percent (50%) of the equity interests with the power to direct the management and policies of such entity. For purposes of this Agreement, iBio is not an Affiliate of Licensee, and Licensee is not an Affiliate of iBio.

1.2 "**Calendar Year**" will mean each successive period of twelve (12) calendar months commencing on January 1 and ending on December 31.

1.3 "**Control**" or "**Controlled**" will mean, with respect to any Know-How, Material, Patent, or other intellectual property right, the possession (whether by ownership or license, other than by a license granted pursuant to this Agreement) by a Party or its Affiliates of the ability to grant to the other Party a license or access as provided herein to such Know- How, Material, Patent or other intellectual property right, without violating the terms of any agreement or other arrangement with any Third Party.

1.4 "**Covered**" will mean with respect to a product and a Patent, that, but for a license granted to a Person under a Valid Claim included in such Patent, such Person's manufacture, use, sale, import, marketing, offer for sale or commercialization of the product would infringe such Valid Claim or in the case of a Patent that is a patent application, would infringe a Valid Claim in such patent application if it were to issue as a patent.

1.5 "**Financial Consideration**" will mean license fees, signing fees, option fees, milestone payments and any other monetary consideration paid to, or otherwise received by, Licensee or any of its Affiliates in consideration for the establishment of a Sublicensee relationship (and without reduction for any additional Patents or Know-How or other intellectual property rights granted or commitments made in connection therewith), but does not include payments received to purchase securities of Licensee at fair market value, provided that any premium paid over fair market value will be treated as "Financial Consideration" hereunder.

1.6 "**Fiscal Year**" will mean each successive period of twelve (12) calendar months commencing on July 1 and ending on June 30.

1.7 "**GAAP**" will mean U.S. generally accepted accounting principles, consistently applied.

1.8 "**iBioLaunch™ Technology**" will mean all Patents and Trademarks listed in Schedule B and such other Patents, Trademarks, Materials and Know-How as may be identified by iBio from time-to-time in writing to Licensee and described as falling within the iBioLaunch™ Technology, which are owned (in whole or in part), in-licensed or otherwise Controlled by iBio or any of its Affiliates and comprise iBio's plant-based vaccine manufacturing platform.

1.9 "**iBio Additional Technology** " will mean all Patents, Materials, Know-How, and Trademarks (listed in Schedule C) owned (in whole or in part), in-licensed or otherwise Controlled by iBio or any of its Affiliates at any time during the Term, which are not iBioLaunch™ Technology, and any Improvements thereto or any other research tools or manufacturing techniques owned or otherwise Controlled by iBio or any of its Affiliates at any time during the Term and used by iBio in the discovery, modification, or production of any proteins in plants for any purpose.

1.10 "**Improvement**" will mean any development, invention, improvement, discovery, modification, variation or revision to a compound, product or process within the iBioLaunch™ Technology or iBio Additional Technology which is discovered, conceived or reduced to practice as a result of activities performed pursuant to this Agreement, whether or not patentable, together with all intellectual property rights therein.

1.11 "**Improvement Patents**" will mean all Patents which constitute an Improvement, whether conceived or reduced to practice by iBio or Licensee, individually or jointly.

1.12 "**Know-How**" will mean all commercial, technical, scientific and other know-how and information, trade secrets, knowledge, technology, methods, processes, practices, formulae, instructions, skills, techniques, procedures, experiences, ideas, technical assistance, designs, drawings, assembly procedures, computer programs, specifications, data and results (including biological, chemical, pharmacological, toxicological, pharmaceutical, physical and analytical, preclinical, clinical, safety, manufacturing and quality control data and know-how, including study designs and protocols), in all cases, whether or not confidential, proprietary, patented or patentable, in written, electronic or any other form now known or hereafter developed.

1.13 "**Manufacture**" and "**Manufacturing**" will mean all activities related to the production, manufacture, processing, filling, finishing, packaging, labeling, shipping and holding of a Pharmaceutical Product or any intermediate thereof, or of a Product or any intermediate thereof.

1.14 "**Materials**" will mean any tangible chemical or biological material, including any compounds, DNA, RNA, clones, launch vectors, cells, and any expression product, progeny, derivative or other Improvement thereto, along with any tangible chemical or biological material embodying any Know-How.

1.15 "**Patent**" will mean a patent or a patent application, including any additions, divisions, continuations, continuations-in-part, invention certificates, substitutions, reissues, reexaminations, extensions, registrations, supplementary protection certificates and renewals, but not including any rights that give rise to Regulatory Exclusivity Periods (other than supplementary protection certificates, which will be treated as "Patents" hereunder) and including any composition of matter, formulations, processes for making, dosing regimens, dosing devices, or uses of a pharmaceutical product.

1.16 "**Person**" will mean any individual, corporation, partnership, limited liability company, trust, governmental entity, or other legal entity of any nature whatsoever.

1.17 "**Pharmaceutical Products**" will mean any product which is Covered by a Valid Claim within the iBioLaunch™ Technology Patents and which is intended for use to prevent, vaccinate against, treat or cure a disease or disorder in a human.

1.18 "**Product**" will mean any product which is (a) Covered by a Patent within the iBioLaunch™ Technology or the iBio Additional Technology, and (b) not a Pharmaceutical Product.

1.19 "**Process Development**" will mean activities related to developing and scaling up the ability to manufacture and to continue manufacturing Pharmaceutical Products or Products. Process Development includes, but is not limited to, manufacturing process development and scale-up, quality assurance and quality control, and technical support. Process Development does not include clinical studies, regulatory affairs activities and outside counsel regulatory legal services.

1.20 "**Prosecution and Maintenance**" with regard to a particular Patent, will mean the preparation, filing, prosecution and maintenance of such Patent, as well as re- examinations, reissues and the like with respect to that Patent, together with the conduct of interferences, the defense of oppositions and other similar proceedings with respect to that Patent.

1.21 "**R&D**" means pre-clinical and early-stage clinical research and development activities, including without limitation, feasibility assessments, formulation development, and activities useful or necessary for seeking Regulatory Approval.

1.22 "**Regulatory Approval**" will mean, with respect to a country or extra-national territory, any and all approvals (including BLAs and MAAs), licenses, registrations or authorizations of any Regulatory Authority necessary in order to commercially distribute, sell or market a product in such country or some or all of such extra-national territory, but not including any pricing or reimbursement approvals.

1.23 "**Scale-Up**" will mean the process of converting a laboratory-developed method or procedure into a method, procedure, or protocol useful for manufacturing a commercial product, taking into account variables such as, but not limited to, efficiency, yield, cost, safety, reproducibility, and stability.

1.24 "**Sublease**" will mean that certain Sublease Agreement between College Station Investors LLC, as Landlord, and iBio CMO LLC, as Tenant.

1.25 "**Sublicensee**" will mean any person or entity (including Affiliates of Licensee) that is granted a sublicense as permitted by Section 2.3 (or an option to take such a sublicense).

1.26 "**Technology Transfer**" means the physical transfer from one Person to another Person of a particular technology, including all information, documentation, skills, Know-How and other intellectual property rights required to reproducibly operate such technology.

1.27 "**Territory**" will mean the United States.

1.28 "**Third Party**" will mean any person or entity other than iBio, Licensee and their respective Affiliates.

1.29 "**Trademark**" will mean trademarks, trade names, fictitious business names, service marks, URLs, domain names, trade dress, logos, all common law rights to all marks, rights in all other indicia of source or origin, and any associated goodwill.

1.30 "**United States**" or "**U.S.**" will mean the United States of America, including its territories, districts, commonwealths and possessions, including the District of Columbia and the Commonwealth of Puerto Rico.

1.31 "**Valid Claim**" will mean (a) an unexpired claim of an issued Patent which has not been found to be unpatentable, invalid or unenforceable by a court, national or regional patent office, or other appropriate body that has competent jurisdiction in the United States from which decision no appeal is taken or can be taken (except for writ of certiorari); or (b) a pending claim of a pending Patent application which has not been pending for more than seven (7) years since the date of its first substantive office action.

Schedule B

iBioLaunch™ Patents

Patent #	TITLE	Issue Date
"7,012,172"	VIRUS INDUCED GENE SILENCING IN PLANTS	3/14/2006
"7,491,509"	SYSTEM FOR EXPRESSION OF GENES IN PLANTS	2/17/2009
"7,683,238"	PRODUCTION OF PHARMACEUTICALLY ACTIVE PROTEINS IN SPROUTED SEEDLINGS	3/23/2010
"7,692,063"	PRODUCTION OF FOREIGN NUCLEIC ACIDS AND POLYPEPTIDES IN SPROUT SYSTEMS	4/6/2010
"8,058,511"	SYSTEM FOR EXPRESSION OF GENES IN PLANTS	11/15/2011
"8,148,608"	SYSTEMS AND METHODS FOR CLONAL EXPRESSION IN PLANTS	4/3/2012
"8,173,408"	"RECOMBINANT CARRIER MOLECULE FOR EXPRESSION, DELIVERY AND PURIFICATION OF TARGET POLYPEPTIDES"	5/8/2012
"8,591,909"	"RECOMBINANT CARRIER MOLECULE FOR EXPRESSION, DELIVERY AND PURIFICATION OF TARGET POLYPEPTIDES"	11/26/2013
"8,597,942"	SYSTEM FOR EXPRESSION OF GENES IN PLANTS	12/3/2013
"8,951,791"	SYSTEM FOR EXPRESSION OF GENES IN PLANTS	2/10/2015
"9,012,199"	"RECOMBINANT CARRIER MOLECULE FOR EXPRESSION, DELIVERY AND PURIFICATION OF TARGET POLYPEPTIDES"	4/21/2015

iBioLaunch™ Technology Trademarks

"iBioLaunch Technology"

Schedule C

iBio Additional Technology Trademarks

"iBioModulator Technology"
"iBio"

Exhibit 10.5

SUBLEASE AGREEMENT

BETWEEN

COLLEGE STATION INVESTORS LLC,

Landlord, AND

IBIO CMO LLC,

Tenant

Date: January 13, 2016

Property Address: 8800 Health Science Center Parkway, Bryan, Texas

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LIST OF DEFINED TERMS

SUBLEASE AGREEMENT

This Sublease Agreement (this "**Lease**") made as of January 13, 2016 (the "**Lease Date**"), between **COLLEGE STATION INVESTORS LLC**, a Texas limited liability company ("**Landlord**"), and **IBIO CMO LLC**, a Delaware limited liability company ("**Tenant**").

WITNESSETH:

RECITALS

A. The Board of Regents of the Texas A & M University System (the " **A&M System**"), as landlord, and Texas Bioproperties, LP ("**Bioproperties**"), as tenant, executed the Ground Lease Agreement dated as of March 8, 2010, relating to the tract of land described in Exhibit A attached hereto (the "**Land**"), as modified by Estoppel Certificate and Amendment to Ground Lease Agreement dated as of December 22, 2015 between the A&M System and Landlord (as modified, the "**Ground Lease**"). The A&M System or any successor to the A&M System as landlord pursuant to the Ground Lease is herein sometimes called the "**Ground Lessor**".

B. By Special Warranty Deed and Assignment of Ground Lease (the "**Bioproperties Assignment**") dated as of December 22, 2015, Bioproperties assigned and conveyed to Landlord the leasehold estate created by, and rights of the tenant under, the Ground Lease and all buildings, fixtures, mechanical, electrical and plumbing systems and other improvements now or hereafter located on the Land (the "**Improvements** ").

C. Landlord wishes to sublease to Tenant, and Tenant wishes to sublease from Landlord, all of the "Premises" as defined in the Ground Lease, including but not limited to the Land, and all Improvements (including but not limited to the entire existing building containing approximately 140,000 square feet of area), and all appurtenances, easements and rights, if any, to the Land and Improvements, and any and all personal property owned by Landlord and situated in or on the Land and Improvements (collectively, the "**Property**").

AGREEMENT

Landlord and Tenant hereby agree as follows:

1. **Demised Property and Term**.

1 . 1 **Lease Grant**. Landlord, for and in consideration of the rents, covenants and agreements hereinafter reserved, mentioned and contained on the part of the Tenant, its successors and assigns, to be paid, kept and performed, has subleased, rented, sublet and demised, and by these presents does sublease, rent, sublet and demise unto Tenant, and Tenant does hereby sublease, rent, sublet and accept, upon and subject to the covenants, agreements, provisions, limitations and conditions hereinafter expressed, all of the Property. The Property is located at 8800 Health Science Center Parkway, Bryan, Texas. The Property is to be used and occupied only for the Permitted Use (as defined herein) and pursuant to all Laws, rules and regulations of the State of Texas, the provisions of the Ground Lease, and all restrictive covenants pertaining thereto as to which Landlord, Tenant and the Property may be bound.

1.2 **Term**. Tenant shall enjoy the tenancy of the Property subject to the provisions hereof, for a term commencing on the Lease Date (the "**Commencement Date**"), and ending at 11:59 p.m. on the day immediately preceding the expiration or termination of the initial term of the Ground Lease (the "**Expiration Date**"), subject to adjustment as provided in this Lease. For clarity, the Lease Date and the Commencement Date are the same date and such terms may be used herein interchangeably.

1.3 **Extension Option**. Provided that no defaults by Tenant remain uncured hereunder at the time of exercise of the extension option or at the commencement of the Extension Term, Tenant may extend the Term for a period (the " **Extension Term**") of ten (10) years commencing on the Expiration Date and ending at 11:59 p.m. on the day immediately preceding the expiration or termination of the Ground Lease, as renewed and extended pursuant to Section 2.7 of the Ground Lease. If Tenant wishes to extend the Term for the Extension Term, Tenant shall give notice thereof to Landlord no later than one (1) year prior to the expiration of the initial Term. If Tenant gives the extension notice in a timely manner and no default by Tenant then remains uncured under this Lease, Landlord shall give notice to A&M System exercising Landlord's renewal option pursuant to Section 2.7 of the Ground Lease. Notwithstanding anything to the contrary contained herein, if for any reason Landlord is not entitled to renew and extend the term of the Ground Lease (other than as a result of Landlord's default in the payment of "Base Rent" under the Ground Lease which remains uncured either by Landlord or by Tenant as permitted herein), Tenant is not entitled to renew and extend the Term of this Lease. All the terms and provisions of this Lease applicable during the initial Term, including, without limitation, the provisions for calculation of Base Rent and Percentage Rent, shall apply during the Extension Term.

1.4 **Acceptance of Property**. Tenant represents and warrants to Landlord that (a) Tenant has examined, inspected, and investigated to the full satisfaction of Tenant, the physical nature and condition of the Property, (b) neither Landlord nor any agent, officer, partner, joint venturer, employee, or representative of Landlord has made any representation whatsoever regarding the subject matter of this Lease or any part thereof, including (without limiting the generality of the foregoing) representations as to the applicable zoning, the physical nature or condition of the Property (including, without limitation, any latent defect) or operating expenses or carrying charges affecting the Property, or the existence or non-existence of asbestos, hazardous substance or waste, and (c) Tenant, in executing, delivering and performing this Lease, does not rely upon any statement, information, or representation to whomsoever made or given, whether to Tenant or others, and whether directly or indirectly, verbally or in writing, made by any person, firm or corporation. Without limiting the foregoing, but in addition thereto, TENANT ACKNOWLEDGES AND AGREES THAT, EXCEPT AS EXPRESSLY PROVIDED IN THIS LEASE, LANDLORD HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, EITHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO (1) THE VALUE, NATURE, QUALITY OR CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL AND GEOLOGY OF THE PROPERTY, (2) THE INCOME TO BE DERIVED FROM THE PROPERTY, (3)THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH TENANT MAY CONDUCT IN THE PROPERTY, (4) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY, (5) THE HABITABILITY, SUITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY, (6) THE MANNER OR QUALITY OF THE CONSTRUCTION OR MATERIALS, IF ANY, INCORPORATED INTO THE PROPERTY, (7) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE PROPERTY, (8) COMPLIANCE WITH ANY ENVIRONMENTAL REQUIREMENTS OR PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS, INCLUDING THE EXISTENCE IN OR ON THE PROPERTY OF HAZARDOUS MATERIALS, OR (9) ANY OTHER MATTER WITH RESPECT TO THE PROPERTY. ADDITIONALLY, NO PERSON ACTING ON BEHALF OF LANDLORD IS AUTHORIZED TO MAKE, AND BY TENANT'S EXECUTION HEREOF, TENANT ACKNOWLEDGES THAT NO PERSON HAS MADE ANY REPRESENTATION, AGREEMENT, STATEMENT, WARRANTY, GUARANTY OR PROMISE REGARDING THE PROPERTY OR THE TRANSACTION CONTEMPLATED HEREIN, EXCEPT AS EXPRESSLY PROVIDED IN THIS LEASE; AND NO SUCH REPRESENTATION, WARRANTY, AGREEMENT, GUARANTY, STATEMENT OR PROMISE, IF ANY, MADE BY ANY PERSON ACTING ON BEHALF OF LANDLORD SHALL BE VALID OR BINDING UPON LANDLORD, EXCEPT AS EXPRESSLY PROVIDED IN THIS LEASE. TENANT FURTHER ACKNOWLEDGES AND AGREES THAT HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY, TENANT IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY LANDLORD AND AGREES TO ACCEPT THE PROPERTY ON THE LEASE DATE AND WAIVE AND RELEASE ALL OBJECTIONS, SUITS, CAUSES OF ACTION, DAMAGES, LIABILITIES, LOSSES, DEMANDS, PROCEEDINGS, EXPENSES AND CLAIMS AGAINST LANDLORD (INCLUDING, BUT NOT LIMITED TO, ANY RIGHT OR CLAIM OF CONTRIBUTION) ARISING FROM OR RELATED TO THE PROPERTY OR TO ANY HAZARDOUS MATERIALS ON THE PROPERTY, IN ANY CASE EXCEPT AS EXPRESSLY PROVIDED IN THIS LEASE. TENANT FURTHER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION PROVIDED OR TO BE PROVIDED WITH RESPECT TO THE PROPERTY WAS OBTAINED FROM A VARIETY OF SOURCES AND THAT LANDLORD HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND MAKES NO REPRESENTATIONS AS TO THE ACCURACY, TRUTHFULNESS OR COMPLETENESS OF SUCH INFORMATION, EXCEPT AS EXPRESSLY PROVIDED IN THIS LEASE. EXCEPT AS EXPRESSLY PROVIDED IN THIS LEASE, LANDLORD IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY ORAL OR WRITTEN STATEMENT, REPRESENTATION OR INFORMATION PERTAINING TO THE PROPERTY, OR THE OPERATION THEREOF, FURNISHED BY ANY BROKER, CONTRACTOR, AGENT, EMPLOYEE, SERVANT OR OTHER PERSON. TENANT FURTHER ACKNOWLEDGES AND AGREES THAT TO THE MAXIMUM EXTENT PERMITTED BY LAW, TENANT ACCEPTS THE PROPERTY IN ITS " **AS IS, WHERE IS**" CONDITION AND BASIS WITH ALL FAULTS, EXCEPT AS EXPRESSLY PROVIDED IN THIS LEASE. THE PROVISIONS OF THIS SECTION SHALL SURVIVE ANY TERMINATION OF THIS LEASE. THE PROVISIONS OF THIS SECTION ARE AN IMPORTANT BASIS OF THE BARGAIN INDUCING LANDLORD TO LEASE THE PROPERTY. TENANT ACKNOWLEDGES THAT LANDLORD HAS AFFORDED TENANT A FULL OPPORTUNITY TO CONDUCT INVESTIGATIONS OF THE PROPERTY AS TENANT DEEMED NECESSARY TO SATISFY ITSELF AS TO THE CONDITION OF THE PROPERTY. No easement for light, air or view is included with or appurtenant to the Property. Any diminution or shutting off of light, air or view by any structure which may hereafter be erected (whether or not constructed by Landlord) shall in no way affect this Lease or impose any liability on Landlord.

In addition to the disclaimers and negations of express and implied warranties contained herein, Tenant is accepting the Property subject to all of the disclaimers and negations of warranties set forth in the Ground Lease.

Furthermore, Tenant acknowledges that Landlord acquired the Property on December 22, 2015, and Tenant has been using and occupying the Property since December 22, 2015 pursuant to the Temporary Right of Entry Agreement – Real Property dated December 22, 2015 between Landlord and Tenant and the Temporary Right of Entry Agreement – Personal Property dated December 22, 2015 between Landlord and Tenant.

2 . **Use of Property; Continuous Operation**. The Property shall be used, and Tenant covenants and agrees to continuously at all times during the Term of this Lease to use the Property, solely for or to support pharmaceutical, medical, biotechnological, scientific and other similar research and development and the commercialization thereof, and ancillary uses and facilities that are complementary, supportive, related and/or incidental in nature to the foregoing, including but not limited to laboratory space, indoor/outdoor greenhouses, processing facilities, finishing facilities, storage and/or distribution facilities, administrative offices, office buildings, manufacturing facilities in each case to the extent permitted by the Ground Lease (the "**Permitted Use**"), and for no other use. Tenant will not use or occupy or allow the Property or any part thereof to be used or occupied for any illegal, unlawful, or disreputable purpose or use or in violation of the terms of the Ground Lease, any applicable restrictive covenants or any certificate of occupancy or certificate of compliance or certificate of need covering or affecting the use of the Property or any part thereof or in any manner which would cause structural injury to the Property, or any part thereof, or cause the value or usefulness of the Property, or any part thereof, to diminish the Property. Tenant will not suffer any act to be done or any condition to exist on the Property, or any part thereof, or any action to be brought thereon, which may constitute a nuisance, public or private, or waste, or which may make it impossible to obtain the insurance provided for herein or which may increase the cost of such insurance. Tenant shall not use, suffer or permit the Property, or any part thereof, to be used by Tenant, any third party or the public, as such, without restriction or in such manner as might impair Landlord's leasehold title to the Property, or in such manner as might reasonably make possible a claim or claims of adverse usage or adverse possession by the public, as such, or third parties, or of implied dedication of the Property, or any part thereof. Tenant shall, continuously throughout the Term carry on in the Property the type of business for which the Property is leased, operating its business in an efficient and reputable manner. Nothing contained in this Lease and no action by Landlord shall be construed to mean that Landlord has granted to Tenant any authority to do any act or make any agreement that may create in any third party or in the public any right, title, interest, lien, charge or other encumbrance upon the estate of the Landlord, as sublessor hereunder, in the Property.

3. **Rent**.

3.1 **Rent**. Tenant covenants and agrees to pay to Landlord, in lawful money of the United States, at the address specified in Section 19 or such other place as Landlord shall designate by notice to Tenant, during the aforesaid term, a fixed rent (the "**Base Rent**") at an annual rate of $2,100,000.

Base Rent shall be paid in equal quarterly installments each in advance on the Commencement Date and thereafter on the first day of each February, May, August and November hereafter during the Term of this Lease.

On February 1, 2017, and each February 1st thereafter, the Base Rent will be increased (but not decreased) by the "CPI-U", which is defined as the Consumer Price Index, All Urban Consumers (CPI-U), U.S. City Average, using 1982-84 as "Base Period", as stated by the U.S. Department of Labor, Bureau of Labor Statistics. The CPI-U increases will be based on the percentage of change between the most recent September CPI-U and the September CPI-U from the previous year. By way of illustration, the increase in the Base Rent effective as of February 1, 2017 will be $2,100,000, increased by the percentage of change between the CPI-U for September 2015 and the CPI-U for September 2016. Landlord shall provide notice to Tenant on or before January 15 of the increase that is to take effect on the following February 1. If Landlord fails to timely provide to Tenant notice of such increase, Tenant shall continue to pay Base Rent in an amount equal to the immediately preceding quarterly installment until such time as Landlord provides to Tenant notice of the increase. In no event shall be the Base Rent for any year be decreased as a result of the CPI-U adjustment.

3.2 **Base Rent under Ground Lease**. Base Rent under the Ground Lease is to be adjusted effective as of March 8, 2030 and at the commencement of the Extended Term pursuant to Section 2.2 of the Ground Lease. Base Rent shall be increased by the amount of, and on the effective date of, any increase in "Base Rent" (as defined in the Ground Lease) pursuant to the Ground Lease, but the increases in Base Rent pursuant to this paragraph shall not be subject to escalation pursuant to the immediately preceding paragraph.

3.3 **Net Lease**. This is an absolutely net lease and the Base Rent, Percentage Rent, Additional Rent and all other sums payable hereunder by Tenant, shall be paid without notice or demand therefor, and without any abatement, deduction, set-off, counterclaim, suspension or defense for any reason whatsoever. It is the intention of Landlord and Tenant that the Base Rent payable by Tenant to Landlord during the entire Term of this Lease shall be absolutely net of all costs and expenses incurred in connection with or relating to the Property, including, without limitation, the following costs and expenses: all costs and expenses in connection with or relating to the ownership, management, operation, replacement, maintenance and repair of the Property in accordance with this Lease. Landlord shall have no obligations or liabilities whatsoever in connection with or relating to the Property or the management, operation, maintenance or repair of the Property during the Term of this Lease, and Tenant shall be responsible for all obligations of every kind and nature whatsoever in connection with or relating to the Property or any part thereof, including, without limitation, the ownership, management, operation, maintenance, replacement and repair of the Property in accordance with this Lease and the Ground Lease and Tenant shall pay all costs and expenses incurred in connection therewith before such costs or expenses become delinquent. Notwithstanding the foregoing, Landlord shall be responsible for paying the "Base Rent" under the Ground Lease as and when due thereunder.

3.4 **Payment**. The Base Rent shall be paid to Landlord promptly when due without notice or demand therefor, and without any abatement, deduction, set-off, counterclaim, suspension or defense for any reason whatsoever and shall be accompanied by all applicable state and local sales or use taxes.

3.5 **Percentage Rent**.

3.5.1 **Payment**. In addition to Base Rent, Tenant shall pay to Landlord, for each calendar year during the Term, percentage rent ("**Percentage Rent**") determined by multiplying the total Gross Sales (as defined herein) for the particular calendar year by the applicable Percentage Rent Rate for each Tier of Gross Sales described in Exhibit B attached hereto. The formula for computing Percentage Rent is more fully described on Exhibit B attached hereto. Percentage Rent shall be paid in quarterly installments in arrears as follows, with each Tier in Exhibit B being divided by four (4) to take into account the quarterly payments: On or before the 1st day of each February, May, August and November during the Term (starting May 1, 2016), Tenant shall pay to Landlord, a sum of money equal to the product of the applicable Percentage Rent Rate multiplied by the total Gross Sales for each Tier of Gross Sales for such preceding calendar quarter. If the total of the quarterly payments of Percentage Rent for any calendar year is not equal to the annual Percentage Rent computed on the amount of Gross Sales for such calendar year in accordance with the applicable Percentage Rent Rate, then Tenant shall pay to Landlord any deficiency within 60 days after the end of such calendar year or Landlord shall credit against future Percentage Rent any overpayment, as the case may be.

3.5.2 **Gross Sales**. As used herein, the term "**Gross Sales**" shall include the entire amount of the sales price, whether for cash or otherwise, of all sales of goods and services, and all other receipts whatsoever of all items processed or manufactured at the Property. Gross Sales shall be computed on an accrual, rather than a cash, basis. To the extent consistent with the accrual basis of accounting, deductions shall be allowed for the following amounts to the extent specifically relating to sales transactions during the applicable calendar quarter: uncollected or uncollectible credit accounts, service charges, finance charges, insurance, shipping charges, bank card charges and postage fees. Gross Sales shall not include sums collected by Tenant and paid out for any sales or similar tax imposed by any governmental authority nor any sums received by Tenant as grants, donations or other restricted funds from any governmental or non-profit entity or as escrowed funds or security deposits from any source, until such escrow or security may be released to Tenant without further restriction.

3.5.3 **Sales Reports and Records**. By the 20th day of each January, April, July and October during the Term (starting April 20, 2016), Tenant shall deliver to Landlord a statement of Gross Sales for the preceding calendar quarter and for the calendar year to date, certified by the chief financial officer of Tenant's manager to be accurate, such statement shall reflect total Gross Sales. Within 90 days after the expiration of each calendar year and within 60 days after termination of this Lease, Tenant shall deliver to Landlord a like statement of Gross Sales for the preceding calendar year (or partial calendar year), certified to be correct by the chief financial officer of Tenant's manager, and shall pay to Landlord any Percentage Rent due for such calendar year to the extent not already paid. All such statements shall be in such form and shall be accompanied by such supporting information as Landlord may reasonably require. If any such statement discloses an error in the calculation of the Percentage Rent for any period, an appropriate adjustment shall be made. Tenant shall record all receipts from sales or other transactions in such a manner to enable the proper computation of Gross Sales and Percentage Rent hereunder. Tenant shall keep at the Property or at Tenant's principal office within the United States a complete and accurate set of books and records of Gross Sales and all supporting records which shall be preserved for at least 36 months after the end of the calendar year to which they relate, and if Landlord shall inspect, copy and/or audit Tenant's statements for such calendar year, such books, records and evidence shall continue to be preserved until such inspection and/or audit has been concluded. Landlord and its agents may, at any reasonable time, inspect, copy and/or audit any or all of Tenant's books and accounts, documents, records, sales tax returns, papers and files, which shall in any manner relate to Gross Sales, and at Landlord's request, Tenant shall make all such data available for such examination at such reasonable times as Landlord shall specify. If it is determined by any such audit that any statement previously delivered to Landlord by Tenant was not accurate, an adjustment shall be made, and one party shall pay to the other party upon demand such sums as may be necessary so that the correct amount of Percentage Rent shall have been paid by Tenant to Landlord. If any Gross Sales statements are not submitted by Tenant or if the statements submitted are found to be incorrect to an extent of more than three percent (3%) over the figures submitted by Tenant, Tenant shall pay for Landlord's inspection or audit on demand.

3.5.4 **Insufficient Gross Sales**. If (a) for any calendar year period from January 1, 2018 through December 31, 2019, Tenant's Gross Sales are less than $5,000,000 or (b) for any calendar year period from and after January 1, 2020, Tenant's Gross Sales are less than $10,000,000, then Tenant shall nevertheless pay to Landlord the Percentage Rent that would have been payable by Tenant if Tenant had achieved such minimum Gross Sales (for example, if Tenant's Gross Sales for calendar year 2019 are $4,000,000. Tenant shall pay to Landlord Percentage Rent of $250,000), and shall pay no less than the Percentage Rent for the minimum Gross Sales for each subsequent calendar year.

3.6 **Additional Rent**. Tenant will also pay to Landlord promptly when due, in lawful money of the United States at the address specified in Section 19 or such other place as Landlord shall designate by notice to Tenant, without notice or demand therefor and without any abatement, deduction, set off, counterclaim, suspension or defense for any reason whatsoever, as additional rent (the "**Additional Rent**"), all sums, Impositions (as defined in Section 4 hereof and which shall be payable directly to the tax authorities, utility providers and other entities assessing or charging such Impositions), costs, expenses and other payments which Tenant in any of the provisions of this Lease assumes or agrees to pay or which shall become due and payable from Tenant to Landlord under this Lease (other than Base Rent and Percentage Rent), and, in the event of any non-payment thereof, Landlord shall have (in addition to all other rights and remedies which Landlord may have hereunder) all the rights and remedies provided for herein or by law or equity in the case of non-payment of the Base Rent. Base Rent, Percentage Rent and Additional Rent are sometimes herein collectively referred to as "**Rent**."

3.7 **Late Payments**. In the event any quarterly installment of Base Rent or Percentage Rent or any payment of or Additional Rent is not received by the Landlord within 5 days after the day when due, a late fee of 5% per month of the amount due shall be due and payable until the full amount of the Base Rent or Percentage Rent installment or Additional Rent payment is received by Landlord. In no event shall such late fee be deemed to grant to Tenant a grace period or extension of time within which to pay any Rent or prevent Landlord from exercising any right or enforcing any remedy available to Landlord upon Tenant's failure to pay all Rent due under this Lease in a timely fashion, including, without limitation, the right to terminate this Lease. All amounts of money payable by Tenant to Landlord hereunder, if not paid when due, shall bear interest at the Default Rate from the due date until paid. Notwithstanding anything herein to the contrary, in no event shall the charges permitted under this Section 3.7 or elsewhere in this Lease, to the extent they are considered to be interest under applicable Law, exceed the maximum lawful commercial rate of interest.

3.8 **Proration of Rent**. If the Commencement Date or Expiration Date occurs on a day other than the first day of a calendar month, the Base Rent and Percentage Rent for such partial calendar month shall be prorated and paid on the Commencement Date. Any apportionments or prorations of Rent to be made under this Lease shall be computed on the basis of a 365-day year.

3.9 **Partial Payments**. No payment by Tenant or receipt or acceptance by Landlord of a lesser amount than the correct Rent shall be deemed to be other than a payment on account, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance or pursue any other remedy in this Lease or at law or equity provided.

3.10 **Manner of Payment**. Tenant shall pay Rent, as above and as herein provided, by good and sufficient check drawn on a national banking association or, at Landlord's election, by wire transfer.

4. **Payment of Taxes, Assessments, Etc**.

4.1 **Payment of Impositions by Tenant**. Except as hereinafter provided in Section 4.2 hereof, Tenant covenants and agrees to pay, not later than 15 days before the first day on which any interest or penalty will accrue or be assessed for the non-payment thereof, all of the following items applicable to or affecting the Property or any part thereof accruing or payable from and after the Lease Date and during the Term of this Lease or applicable thereto: (a) all real estate taxes and assessments (including, without limitation, assessments for special business improvement or assessment districts), (b) personal property taxes, (c) occupancy and rent taxes and any sales tax applicable to this Lease, (d) water and sewer rents, rates and charges, and vault taxes, (e) real estate taxes, assessments and charges, (f) charges for public utilities, (g) license and permit fees, (h) any taxes, assessments or governmental or non-governmental levies, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind and nature whatsoever which at any time prior to or during or applicable to the Term of this Lease or any part thereof may be assessed, levied, confirmed, imposed upon, or grow or accrue or become due and payable out of, or charged with respect to, or become a lien on, the Property or any part thereof, or the sidewalks or streets in front of or adjoining the Property, or any vault, passageway or space in, over or under such sidewalk or street, or any other appurtenances to the Property, or any personal property, equipment or other facility used in the operation thereof, or the rent or income received therefrom, or any use or occupation of the Property, or the Rent payable hereunder, or any document to which Tenant is a party creating or transferring an interest or estate in the Property, and (i) any fines or penalties or similar governmental charges applicable with respect to any of the foregoing, together with interest and costs thereon (collectively, "**Impositions**," individually, an "**Imposition**"); provided, however, that:

4.1.1 To the extent permitted in the Ground Lease if, by Law, any Imposition which is an assessment not related to general property taxes may at the option of the taxpayer be paid in installments (whether or not interest shall accrue on the unpaid balance of such Imposition), Tenant may exercise the option to pay the same (and any accrued interest on the unpaid balance of such Imposition) in installments and, in such event, shall pay such installments plus interest as may become due during the Term of this Lease, provided that all such payments shall be made before any fine, penalty, further interest or other charge for non-payment of any installment may be added thereto and provided further that all such installments for any such Imposition imposed or becoming a lien during the Term of this Lease shall be paid in full on or before the Expiration Date subject to apportionment as provided in Section 4.1.2 below.

4.1.2 any Imposition (including, without limitation, those Impositions which have been converted into installment payments by Tenant as referred to in Section 4.1.1, relating to a fiscal period of the taxing authority, a part of which period is included within the Term of this Lease and a part of which is included in a period of time before the commencement or after the expiration of the Term of this Lease, shall (whether or not such Imposition shall be assessed, levied, confirmed, imposed upon or in respect of or become a lien upon the Property, or shall become payable, during the Term of this Lease) be adjusted between Landlord and Tenant as of the commencement and expiration of the Term of this Lease, as the case may be, so that Landlord shall pay that portion of such Imposition which that part of such fiscal period included in the period of time after the expiration and prior to the commencement of the Term of this Lease bears to such fiscal period, and Tenant shall pay the remainder thereof. Tenant shall exhibit to Landlord paid receipts, if available, or other evidence of payment satisfactory to Landlord for all of the above items in this Section 4.1 not later than 15 days before the date any such Impositions become delinquent.

4 . 2 **New Taxes**. Nothing herein contained shall require Tenant to pay municipal, state or federal income, excess profits, capital levy, estate, succession, inheritance, real property transfer or gift taxes of Landlord, any corporate franchise tax imposed upon Landlord or any tax imposed because of the nature of the business entity of Landlord; provided, however, that if at any time during the Term of this Lease, the method of taxation prevailing at the Commencement Date shall be altered so that any new tax, assessment, levy (including, but not limited to, any municipal, state or federal levy), imposition or charge, or any part thereof, shall be measured by or be based in whole or in part upon the Property or any part thereof and shall be imposed upon Landlord, then all such new taxes, assessments, levies, impositions or charges, or the part thereof, shall be deemed to be included within the term "Impositions" to the extent that such Impositions would be payable if the Property were the only property of Landlord subject to such Impositions, and Tenant shall pay and discharge the same as herein provided in respect of the payment of Impositions. Notwithstanding anything to the contrary herein, Impositions shall include the Texas margin tax and/or any other business tax imposed under Texas Tax Code Chapter 171 and/or any successor statutory provision.

4.3 **Contest of Impositions**. Landlord may, at its expense, contest the amount or validity, in whole or in part, of any Imposition. In addition, if permitted by applicable Law and the Ground Lease, and provided no Event of Default (hereinafter defined) is then in existence, Tenant shall have the right, at its own expense, to contest the amount or validity, in whole or in part, of any Imposition by appropriate proceedings diligently conducted in good faith, but only after payment of such Imposition (which payment may be made under protest, at Tenant's option), unless such payment would operate as a bar to such contest or interfere materially with the prosecution thereof, in which event, notwithstanding the provisions of Section 4.1, Tenant may postpone or defer payment of such Imposition, if and only if:

4.3.1 (a) neither the Property (nor any other premises owed by Landlord) nor any part thereof would by reason of such postponement or deferment be, in the judgment of Landlord (exercised in good faith), in danger of being forfeited or lost; and (b) no criminal liability could be, in the judgment of Landlord (exercised in good faith), imposed on Landlord by reason of such postponement or deferment; and

4.3.2 Tenant shall have deposited with the assessing body, if required thereby, (a) the amount so contested and unpaid, together with all interest and penalties as reasonably estimated by Landlord in connection therewith and all charges as reasonably estimated by Landlord that may or might be assessed against or become a lien or charge on the Property or any part thereof in such proceedings, or (b) such other security (in the form of a surety company bond or otherwise) as may be required by the assessing body, or, if depositing with such assessing body is not required, Tenant shall have set aside appropriate reserves to pay such Impositions.

Upon the termination of any such proceedings, Tenant shall pay the amount of such Imposition or part thereof as finally determined as due in such proceedings, the payment of which may have been deferred during the prosecution of such proceedings, together with any costs, fees, interest, penalties or other liabilities in connection therewith. If at any time during the continuance of such proceedings the assessing body shall reasonably deem the amount deposited or the undertaking insufficient, Tenant shall, upon 20 days' prior written notice, make an additional undertaking or deposit with the assessing body as the assessing body reasonably may request, and upon failure of Tenant so to do, the amount theretofore deposited shall be applied by the assessing body to the payment, removal and discharge of such Imposition and the interest and penalties in connection therewith and any costs, fees (including, without limitation, reasonable attorneys' fees and disbursements) or other liability accruing in any such proceedings, and the balance, if any, shall be returned to Tenant or the deficiency, if any, shall be paid by Tenant immediately on demand to the taxing authority to which such Imposition is payable.

Either Landlord or Tenant may, if it shall so desire, endeavor at any time or times to obtain a lowering of the assessed valuation upon the Property, or any part thereof, for the purpose of reducing taxes thereon, and in such event, the other party will cooperate in effecting such reduction.

4.4 **Joinder of Landlord in Contest of Imposition**. Landlord shall not be required to join in any proceedings referred to in Section 4.3 hereof unless the provisions of any Law, rule or regulation at the time in effect shall require that such proceedings be brought by and/or in the name of Landlord or any owner of the Property, in which event, Landlord shall join in such proceedings or permit the same to be brought in its name. Landlord shall not be subject to any liability for the payment of any costs or expenses in connection with any such proceedings, and TENANT WILL INDEMNIFY, DEFEND AND SAVE HARMLESS LANDLORD FROM AND AGAINST ANY SUCH COSTS AND EXPENSES, INCLUDING, BUT NOT LIMITED TO, ATTORNEYS' FEES AND DISBURSEMENTS, AND FROM ANY LIABILITY RESULTING FROM SUCH PROCEEDING.
Tenant shall be entitled to any refund with respect to any Imposition and penalties or interest thereon which have been paid by Tenant (whether directly or through escrowed funds), or which have been paid by Landlord but previously reimbursed in full to Landlord by Tenant.

4.5 **Evidence of Imposition**. The certificate, advice or bill of the appropriate official designated by Law to make or issue the same or to receive payment of any Imposition, or of non-payment of such Imposition, shall be prima facie evidence that such Imposition is due and unpaid at the time of the making or issuance of such certificate, advice or bill.

4.6 **Appointment of Attorney-in-Fact**. Landlord appoints Tenant the attorney-in-fact of Landlord for (and only for) the purpose of making all payments to be made by Tenant pursuant to any of the provisions of this Lease to persons or entities other than Landlord. In case any person or entity to whom any sum is directly payable by Tenant under any of the provisions of this Section 4 shall refuse to accept payment of such sum from Tenant, Tenant shall thereupon give written notice of such fact to Landlord and shall pay such sum directly to Landlord at the address specified in Section 19 hereof, and Landlord shall promptly pay such sum to such person or entity.

4.7 **Payment of Impositions**. Tenant shall make all payments of Impositions directly to the appropriate taxing authorities.

5. **Insurance**.

5.1 **Tenant's Insurance**. Effective as of the Lease Date, and continuing throughout the Term, Tenant, at its own cost and expense, shall carry and maintain insurance coverage set forth below, but in no event less than the insurance coverages and amounts required to be maintained pursuant to the Ground Lease:

5.1.1 **Property Insurance**.

(a) Insurance on the Improvements (including, without limitation, all alterations thereto and all additional Improvements hereafter made by Tenant) and all fixtures, mechanical/electrical/plumbing systems, appliances, equipment and other personal property incorporated into or otherwise permanently attached to the Land or Improvements and all other portions of the Property under a cause of loss-special risk form (formerly "all-risk") policy or its equivalent insurance (hereinafter referred to as "**All Risks**") including, without limitation, coverage for loss or damage by sprinkler leakage, theft, boiler and machinery, ordinance and law, sewer back-up, flood, windstorm and collapse coverage and including vandalism and malicious mischief endorsements; such insurance to be written with full replacement coverage (the "**Replacement Value**"), i.e., in an amount equal to the greater of (1) 100% of the full replacement cost of the Improvements and such fixtures, mechanical/electrical/plumbing systems, appliances, equipment and other personal property incorporated into or permanently attached to the Land or Improvements and any alterations or betterments thereto and all other portions of the Property (less the cost of excavations, foundations and footings below the basement floor) or (2) an amount sufficient to prevent Tenant from becoming a co-insurer of any loss under the applicable policy. The insurance company's determination of the amount of coverage required in clause (1) above shall be binding and conclusive on Landlord and Tenant for purposes of the coverage required by clause (1). A stipulated value or agreed amount endorsement deleting the co-insurance provision of the policy shall be provided with such insurance.

(b) All Risks Insurance covering the full replacement cost of all furniture, trade fixtures, and appliances, equipment and personal property not incorporated into or otherwise permanently affixed to the Land or Improvements (including property of Tenant or others) on the Property.

(c) The Replacement Value shall include the cost of debris removal and the value of grading, paving, landscaping, architects, and development fees.

(d) In the event that Tenant elects to construct additional improvements on the Land during the Term hereof as permitted herein, from the commencement date of such construction through final completion of such additional improvements, Tenant at its sole expense shall maintain or cause to be maintained builder's risk insurance, and shall cause its contractors to maintain workers compensation insurance, in full compliance with Section 5.5 of the Ground Lease. Tenant shall furnish to Landlord and Ground Lessor evidence of coverage and any renewals or replacements of such insurance and to name Landlord and Ground Lessor as additional insureds under the builder's risk policy. Notwithstanding anything in this Lease to the contrary, Tenant shall not be required to obtain and maintain the insurance described in Section 5.1.1 (a) – (c) with respect to such additional improvements until immediately prior to the termination of such builder's risk insurance thereon.

5.1.2 **Commercial General Liability Insurance**. Commercial general liability insurance with respect to the Property and the operations related thereto, whether conducted on or off the Property, against liability for personal injury, including bodily injury and death, and property damage. Such comprehensive general liability insurance shall be on an occurrence basis and specifically shall include:

(a) Contractual Liability to cover Tenant's obligation to indemnify Landlord as required hereunder;

(b) Water damage and sprinkler leakage legal liability; and

(c) Coverage for sudden and accidental releases of Hazardous Materials (defined below).

All such commercial general liability insurance as specified above shall be written for a combined single limit of not less than Ten Million Dollars ($10,000,000) or such greater amount which is in accordance with Tenant's current liability policies or which Tenant is then maintaining for the Property (and, if the use and occupancy of the Property include any activity or matter that is or may be excluded from coverage under a commercial general liability policy, Tenant shall obtain such endorsements to the commercial general liability policy or otherwise obtain insurance to insure all liability arising from such activity or matter in such amounts as Landlord may reasonably require). Such limit shall be subject to reasonable increase from time to time in accordance with the limits then being customarily carried on properties and buildings of similar age and construction and similarly situated as the Property.

5.1.3 **Boiler and Machinery Insurance**. Boiler and Machinery Insurance with limits as from time to time customary for like property of the same type of installation as the Property and appropriate in the light of the cost of repairing potential damage.

5.1.4 **Miscellaneous Insurance**. Such other insurance in such amounts as from time to time required by Ground Lessor or as may be reasonably required by Landlord, Landlord's Mortgagee or Tenant's Mortgagee.

5.1.5 **Worker's Compensation Insurance**. Tenant further covenants and agrees, at its sole cost and expense, to take out and maintain at all times all necessary worker's compensation insurance and employer's liability insurance covering all persons employed by Tenant in and about the Property. In addition to the insurance carried by Tenant, during the course of any alteration or repair work undertaken by a contractor hired by or for Tenant, Tenant shall require such contractor to carry public liability insurance in limits of not less than the amounts herein specified for Tenant or such other amounts reasonably approved by Landlord.

5.1.6 **Contractual Liability Insurance**. Contractual liability insurance sufficient to cover Tenant's indemnity obligations hereunder (but only if such contractual liability insurance is not already included in Tenant's commercial general liability insurance policy).

5.1.7 **Commercial Auto Liability Insurance**. Commercial auto liability insurance (if applicable) covering automobiles owned, hired or used by Tenant in carrying on its business with limits not less than $1,000,000 combined single limit for each accident.

5.1.8 **Business Interruption Insurance**. Business interruption insurance in an amount equal to or greater than 12 months of Tenant's actual, sustained probable loss.

5.2 **Insurance Providers; Insurance Certificates**. All insurance provided for in this Section 5 shall be in such form and shall be issued by such responsible insurance companies licensed to do business in the State of Texas as are reasonably approved by Landlord. Any insurance company rated by Best's Insurance Guide (or any successor publication of comparable standing) as "A:XI" or better (or the equivalent of such rating) shall be deemed a responsible company and acceptable to Landlord. Upon execution of this Lease, and thereafter, not less than 30 days prior to the expiration dates of the expiring policies required pursuant to this Section 5, certificates of insurance and certified copies of insurance policies or renewal certificates, as the case may be, bearing notations evidencing the payment in full of premiums or accompanied by other evidence reasonably satisfactory to Landlord of such payment, shall be delivered by Tenant to Landlord. However, no review or approval of any insurance certificate or policy by Landlord shall derogate from or diminish Landlord's rights or Tenant's obligations hereunder.

5.3 **Named Insureds**. The policies of insurance provided for in Section 5.1.1 shall name Landlord, Landlord's Mortgagee, Tenant's Mortgagee and Ground Lessor as additional insureds and loss payees, as their respective interests may appear. Landlord, Landlord's Mortgagee and Ground Lessor shall be named as additional insureds under the policy provided for in Section 5.1.2. All other policies of insurance provided for in Section 5.1 shall name any Landlord's Mortgagee, Ground Lessor, Landlord and Tenant as the insureds as their respective interests may appear. Subject to and in accordance with the provisions of Section 6 hereof, such policies shall also be payable, if required by Landlord's Mortgagee, to such Landlord's Mortgagee as the interest of such Landlord's Mortgagee may appear.

5.4 **Compliance with and No Violation of Insurance**. Tenant shall not violate or permit to be violated any of the conditions, provisions or requirements of any insurance policy required by this Section 5, and Tenant shall perform, satisfy and comply with or cause to be performed, satisfied and complied with the conditions, provisions and requirements of the insurance policies and the companies writing such policies so that, at all times, companies reasonably acceptable to Landlord provide the insurance required by this Section 5.

5.5 **Additional Insurance Provisions**. Each policy of insurance required to be carried pursuant to the provisions of Section 5 shall contain (a) a provision that no act or omission of Landlord, Landlord's Mortgagee, Tenant's Mortgagee, Tenant or Ground Lessor shall affect or limit the obligation of the insurance company to pay the amount of any loss sustained, (b) an agreement by the insurer that such policy shall not be canceled, modified or denied renewal without at least 30 days' prior written notice to Landlord, Landlord's Mortgagee, Tenant, Tenant's Mortgagee and Ground Lessor, (c) an agreement that if cancellation is due to non- payment of premiums, the insurer will so specify in the notice given in clause (b) above and will reinstate the policy upon payment of the premiums by Landlord, Landlord's Mortgagee or Tenant's Mortgagee, and (d) a waiver of subrogation by the insurer with respect to any and all claims including but not limited to those against Landlord, Landlord's Mortgagee, Tenant, Tenant's Mortgagee or Ground Lessor. If Tenant fails to comply with the insurance requirements contained herein or to deliver to Landlord, Landlord's Mortgagee and Ground Lessor the certificates or evidence of coverage required herein, and such failure is not cured within 5 days after written notice to Tenant, Landlord, in addition to any other remedy available pursuant to this Lease or otherwise, may, but shall not be obligated to, obtain such insurance and Tenant shall pay to Landlord on demand the premium costs thereof, plus an administrative fee of 15% of such cost.

5.6 **Nature of Tenant's Insurance**. Tenant's insurance shall be primary and non-contributory when any policy issued to Landlord (without implying any obligation for Landlord to procure any such policy) provides duplicate or similar coverage, and in such circumstance Landlord's policy will be excess over Tenant's policy.

5.7 **Insurance Limits**. If by reason of changed economic conditions the insurance amounts referred to in this Lease become inadequate, upon Landlord's request, the limits shall be reasonably increased by Landlord from time to time to meet changed circumstances using a CPI-U adjustment as provided in Section 3.1.

5.8 **No Subrogation; Waiver of Property Claims**. Landlord and Tenant each waives any claim it might have against the other for any damage to or theft, destruction, loss, or loss of use of any of the Property, to the extent (including applicable deductibles and exclusions) the same is insured against under any insurance policy of the types described in this Section 5 that covers the Property or business, or is required to be insured against under the terms hereof, **regardless of whether the negligence of the other party caused such Loss (defined below)**. Additionally, Tenant waives any claim it may have against Landlord for any Loss to the extent such Loss is caused by a terrorist act. 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. Notwithstanding any provision in this Lease to the contrary, Landlord, its agents, employees and contractors shall not be liable to Tenant or to any Tenant Party for (and Tenant hereby releases Landlord and its servants, agents, contractors, employees and invitees from any claim or responsibility for) any damage to or destruction, loss, or loss of use, or theft of any property of any Tenant Party located in or about the Property, caused by casualty, theft, fire, third parties or any other matter or cause, **regardless of whether the negligence of any party caused such loss in whole or in part**. Tenant acknowledges that Landlord shall not carry insurance on, and shall not be responsible for damage to, any property of any Tenant Party located in or about the Property.

5.9 **Landlord's Insurance**. Throughout the Term of this Lease, Landlord may, but shall not be obligated to, at its expense, maintain commercial general liability insurance in an amount determined by Landlord in its commercially reasonable discretion. The foregoing insurance policies and any other insurance carried by Landlord shall be for the sole benefit of Landlord and under Landlord's sole control, and Tenant shall have no right or claim to any proceeds thereof or any other rights thereunder.

6. **Damage or Destruction**.

6.1 **Damage or Destruction**. In case of damage to or destruction of the Property or any part thereof by fire or other casualty, Tenant will promptly give written notice thereof to Landlord and shall, in accordance with the provisions of this Section and all other provisions of this Lease, restore the same as nearly as possible to its value, condition and character immediately prior to such damage or destruction, subject to Tenant's right to make alterations in conformity with and subject to the conditions of Section 9 hereof, and in conformity with the plans and specifications required to be prepared pursuant to Section 6.2, whether or not (a) such damage or destruction has been insured or was insurable, (b) Tenant is entitled to receive any insurance proceeds, subject, however, to Section 6.3, or (c) insurance proceeds are sufficient to pay in full the cost of the restoration work in connection with such restoration. Such restoration shall be commenced promptly (but no later than 60 days after the occurrence of such damage or destruction) and shall be prosecuted and completed expeditiously and with utmost diligence, Unavoidable Delays (hereinafter defined) excepted. Landlord, its agents and mortgagees may, from time to time, inspect the restoration without notice in the event of an emergency or, in other cases, upon reasonable advance notice to Tenant during normal business hours.

In addition, and regardless of whether the requirements of the Ground Lease are more burdensome than the requirements set forth herein, Tenant shall comply with all of the requirements of the Ground Lease regarding restoration of any casualty damage.

6.2 **Documents Required Before Restoration**. In the event of any damage or destruction of the Property or any part thereof by fire or other casualty, Tenant agrees to furnish to Landlord and Ground Lessor (if applicable) at least 20 days before the commencement of the restoration of such damage or destruction, the following:

6.2.1 complete plans and specifications for such restoration prepared by a licensed and reputable architect reasonably satisfactory to Landlord and Ground Lessor (if applicable) (the "**Architect**"), which plans and specifications shall meet with the reasonable approval of Landlord and Ground Lessor (if applicable), together with the approval thereof by all governmental authorities then exercising jurisdiction with regard to such work, and shall comply with all restrictive covenants affecting the Property, and which plans and specifications shall be and become the sole and absolute property of Landlord upon the expiration or any termination of this Lease.

6.2.2 contracts then customary in the trade with (a) the Architect, and (b) with a reputable and responsible contractor reasonably approved by Landlord, providing for the completion of such restoration in accordance with said plans and specifications, which contracts shall meet with the reasonable approval of Landlord.

6.2.3 assignments of the contracts with the Architect and the contractor so furnished, duly executed and acknowledged by Tenant, the Architect and the contractor by its terms to be effective upon the expiration or any termination of this Lease or upon Landlord's re-entry upon the Property following a default by Tenant prior to the complete performance of such contract.

6.2.4 certificates of insurance as set forth in Section 5.2 and as otherwise reasonably required by Landlord.

6.3 **Insurance Proceeds**. To the extent not required to be paid to Ground Lessor pursuant to the Ground Lease, all insurance money on account of such damage or destruction to the Property as of the Lease Date or any other Property that may hereafter be owned by Landlord or financed by Landlord shall be paid, at Landlord's sole election, to Landlord's Mortgagee, or otherwise a party designated by Landlord and reasonably acceptable to Tenant ("**Escrow Holder**"). Such insurance money, less the reasonable cost incurred by Landlord or Landlord's Mortgagee in connection with adjustment of the loss and the collection thereof and Landlord's review of the plans and specifications and contracts, shall be applied by Escrow Holder to the payment of the cost of the aforesaid restoration, including the cost of temporary repairs or for the protection of such Property pending the completion of permanent restoration (all of which temporary repairs, protection of such Property and permanent restoration are hereinafter collectively referred to as the "**Restoration**"). Provided no Event of Default then exists, upon written request of Tenant such insurance money shall be paid out to Tenant from time to time (but no more often than once per month) as such Restoration progresses pursuant to the provisions of this Section and shall be received by Tenant in trust for the purposes of paying the cost of such Restoration. The receipt by Escrow Holder of the following are conditions precedent to each payment of insurance money to be made to Tenant pursuant to this Section:

6.3.1 a requisition ("**Requisition**") signed by the chief financial officer of Tenant's manager, dated not more than 30 days prior to such request, certifying the following:

(a) that the sum then requested either has been paid by Tenant, and/or is justly due to contractors, subcontractors, materialmen, engineers, architects or other persons who have rendered services or furnished materials for the Restoration therein specified, and giving a brief description of such services and materials and the several amounts so paid and/or due to each of said persons in respect thereof, and stating that no part of such expenditures has been or is being made the basis, in any previous or then pending request, for the withdrawal of insurance money or has been made out of the proceeds of insurance received by Tenant, that the sum then requested does not exceed the value of the services and materials described in the Requisition, and stating, in reasonable detail, the progress of the work in connection with the Restoration up to the date of the Requisition;

(b) that, to the best of Tenant's knowledge, except for the amount in such Requisition due for services or materials, there is no other amount then due for labor, wages, materials, supplies or services in connection with the Restoration, which, if unpaid, might become the basis of a vendor's, mechanic's, laborer's, or materialman's statutory or similar lien upon such Restoration or upon the Property or any part thereof;

(c) that the materials, fixtures and equipment for which payment is being requested pursuant to this Section, are substantially in accordance with the plans and specifications approved by Landlord; and

(d) in the event that any such Restoration involves expenditures in excess of One Hundred Thousand Dollars ($100,000) the Requisition shall be signed by, in addition to Tenant, the Architect.

6.3.2 a certificate or report of a title insurance company satisfactory to Landlord or Landlord's Mortgagee, or other evidence reasonably satisfactory to Landlord or Landlord's Mortgagee, to the effect that there has not been filed with respect to the Property or any part thereof or upon Tenant's subleasehold interest therein any vendor's, mechanic's, laborer's, materialman's or other lien in respect of such services rendered or materials furnished which has not been discharged of record.

6.3.3 a certificate from the chief financial officer of Tenant's manager stating that no Event of Default shall then exist.

Simultaneously with receipt of the insurance money, Tenant shall deliver to Landlord acknowledgments of payment and waivers of lien from all Tenant's general contractors and vendors and subcontractors for materials or subcontracts for labor, in each case in excess of $100,000 in connection with such restoration, to the extent of the work performed through the date of the previous request by Tenant for insurance money, subject to the right of Tenant to bond against any lien claims as provided in Section 10.2. To the extent required by applicable Law, 10% of each amount Requisitioned shall be withheld and disbursed upon completion of the Restoration and expiration of the time period within which to file mechanics liens.

6.4 **Insurance Proceeds Deficiency**. If the net insurance money as aforesaid at the time held by Escrow Holder shall be insufficient to pay the entire cost of such Restoration, Tenant will pay the deficiency, and Tenant shall immediately upon request of Landlord or Landlord's Mortgagee at any time deposit with Escrow Holder cash or other security reasonably satisfactory to Landlord or Landlord's Mortgagee to secure payment of such deficiency.

6.5 **Disposition of Remaining Insurance Proceeds**. Upon receipt by Escrow Holder of satisfactory evidence of the character required by Section 6.3 that the Restoration has been completed and paid for in full (including, without limitation, a true copy of the permanent or temporary certificate of occupancy for the building if a new certificate is being issued or if the then existing certificate is modified, and a then current, complete set of "as-built" plans for the building) and that there are no Events of Default then in existence, any balance of the insurance money at the time held by Escrow Holder shall be returned to Tenant and may be retained by Tenant.

6.6 **Interest on Escrowed Funds**. Escrow Holder shall maintain the funds held under this Article 6 in a separate account at a financial institution designated by Escrow Holder and reasonably acceptable to Landlord and Tenant. The funds in such account shall be invested and reinvested in a money-market or other interest bearing account for periods not to exceed 5 days and without incurring any withdrawal penalties or other monetary penalties or charges. The interest accruing on such funds in such account shall be credited to and become a part of the funds held by Escrow Holder under this Article 6. The funds in such account shall be controlled solely by Escrow Holder pursuant to the terms of this Article 6.

6.7 **Restoration**.

6.7.1 If the Property shall be partially or totally damaged or destroyed by fire or other casualty, Tenant shall restore such damage or destruction as previously provided in this Section 6, Rent shall continue to be due and payable as if no damage or destruction had occurred, and this Lease shall remain in full force and effect. In no event shall Rent abate, nor shall this Lease terminate (subject to Section 6.7.2), by reason of such damage or destruction.

6.7.2 If the Property other than the Land is "substantially damaged" (as defined in Section 8.2 of the Ground Lease) by fire or other casualty during the last 5 years of the Term of this Lease or during the Extension Term, Tenant shall have the right to terminate this Lease, provided that notice thereof is given to Landlord and the A&M System not later than 60 days after such substantial damage or destruction. In such event, then subject to the rights of any Landlord's Mortgagee and Tenant's Mortgagee, all insurance proceeds applicable to such damage or destruction shall be assigned by Tenant to Ground Lessor; provided that any excess insurance proceeds remaining after restoration or demolition of any damaged buildings and removal of debris shall be returned to and paid over to Landlord. If Tenant does not elect to so terminate this Lease pursuant to this Section, then Tenant shall repair such damage and restore the Property in accordance with the foregoing sections of this Article 6 and this Lease shall remain in full force and effect.

6.8 **Waiver of Conflict**. To the extent the provisions of this Section or otherwise in this Lease shall conflict with the provisions of any Laws of the State of Texas, or any agency or political subdivision thereof, controlling the rights and obligations of parties to leases in the event of damage by fire or other casualty to leased space, the provisions of this Section and this Lease shall govern and control and such conflicting laws shall be deemed expressly waived by the parties hereto to the extent allowed by such Laws.

7 . **Condemnation**. The provisions of Article XI of the Ground Lease shall apply in the event of any total or partial condemnation of the Property. Landlord shall make all elections of the "Tenant" under the Ground Lease; provided, however, in the event of a partial taking Landlord shall collaborate in good faith with Tenant in making such elections in a manner that facilitates Tenant's restoration of and continued operations in the remainder portion of the Property to the extent commercially reasonable in Tenant's and Landlord's mutual determination. In no event shall Tenant hereby be entitled to any portion of any condemnation award except to the extent of any separate award for any equipment or personal property of Tenant (and not leased from Landlord hereunder).

8. **Repairs and Maintenance; Services**.

8.1 **Repairs and Maintenance**. Tenant shall, at its own cost and expense, keep and maintain the Property in good, clean, first class condition and repair and make all necessary repairs and replacements to the Property, whether structural or non-structural, including, but not limited to, the roof, exterior, foundation, structural and operational parts, equipment, paving, parking lots and landscaping (including mowing of grass and care of shrubs), pipes, water, sewage and septic system, heating system, plumbing system, window glass and all fixtures and appurtenances and all other portions of the Property used in connection with the Land and Improvements so that the Improvements are in at least substantially the same condition as when received by Tenant, reasonable wear and tear and insured casualty excepted. If Tenant defaults in its obligation to make such repairs or replacements, which default continues after the expiration of any applicable notice and cure period provided herein, Landlord may, but shall not be required to, make such repairs and replacements for Tenant's account, and the actual expense thereof together with interest at the Default Rate thereon and an administrative fee of 15% of the cost thereof shall constitute and be collectible as Additional Rent. Tenant shall maintain at its sole cost and expense all portions of the Property in a clean and orderly condition, free of dirt, rubbish, snow, ice and unlawful obstructions. At least 14 days before the end of the Term of this Lease, Tenant shall deliver to Landlord a certificate from an engineer reasonably acceptable to Landlord certifying that the HVAC, life safety, plumbing, electrical and mechanical systems in the Improvements are then in good repair and working order, reasonable wear and tear and insured casualty excepted.

8.2 **No Waste**. Tenant will not do or suffer any waste or damage, disfigurement or injury to the Property or any part thereof.

8.3 **Repair and Maintenance Obligations**. It is intended by Tenant and Landlord that Landlord shall have no obligation, in any manner whatsoever, to repair or maintain the Property (or any equipment therein), whether structural or nonstructural, all of which obligations are intended, as between Landlord and Tenant, to be those of Tenant. Tenant expressly waives the benefit of any statute now or in the future in effect which would otherwise afford Tenant the right to make repairs at Landlord's expense or to terminate this Lease because of Landlord's failure to keep the Property in good order, condition and repair.

8.4 **Services**. Tenant shall, at Tenant's sole cost and expense, supply the Property with electricity, heating, ventilating and air conditioning, water, natural gas, lighting, replacement for all lights, restroom supplies, telephone service, window washing, security service, janitor, scavenger and disposal services, and such other services as Tenant determines to furnish to the Property. Tenant shall also pay for all maintenance upon such utilities. Landlord shall not be in default hereunder or be liable for any damage or loss directly or indirectly resulting from, nor shall the Rent be abated or a constructive or other eviction be deemed to have occurred by reason of, the installation, use or interruption of use of any equipment in connection with the furnishing of any of the foregoing services, any failure to furnish or delay in furnishing any such services, whether such failure or delay is caused by accident or any condition beyond the control of Landlord or Tenant or by the making of repairs or improvements to the Property or otherwise, or any limitation, curtailment, rationing or restriction on use of water, electricity, gas or any form of energy serving the Property, whether such results from mandatory governmental restriction or voluntary compliance with governmental guidelines or otherwise. Tenant shall pay the full cost of all of the foregoing services as Additional Rent.

8.5 **Personal Property**. Tenant shall, at its own cost and expense, keep and maintain all personal property located in the Property, regardless of whether owned by Landlord or by Tenant, in good, clean condition and repair and make all necessary repairs and replacements to such personal property. Tenant shall at no time during the Term of this Lease remove from the Property (a) any personal property of Landlord or (b) any of Tenant's personal property, except Tenant may remove from the Property any such personal property which is obsolete or unfit for use or which is no longer useful in the operation of the Property so long as such personal property is immediately replaced with personal property which is current, fit for use and useful in the operation of the Property and Tenant complies with any applicable provisions of this Lease with respect thereto (i.e., requirements in connection with alterations). Subject to the provisions of Section 9.3 and Section 26.16 hereof, any such personal property that replaces an item owned by Landlord or Tenant ("**Replacement Property**") shall be the property of Tenant, free and clear of any lien, security interest or other encumbrance.

9. **Alterations and Improvements by Tenant**.

9.1 **Alterations and Improvements**. Unless required by Law or any governmental authority, and except as provided in the next sentence, Tenant shall not make any alterations or improvements (except repairs and maintenance pursuant to Section 8) to the Property or any part thereof without the prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed. Tenant need not seek the consent of Landlord to alterations or improvements to be commenced or performed in any calendar year that, individually, are $250,000 or less, or in the aggregate, are $500,000 or less, in each case, in value or cost (whichever is higher). Notwithstanding anything to the contrary herein, in no event shall Tenant make any alterations or improvements which would adversely affect the structure, structural integrity or exterior facades of the Improvements, or the MEP systems serving the Improvements, without obtaining the prior written consent of Landlord, which consent may be withheld in Landlord's reasonable discretion. In no event shall Tenant be permitted to install underground storage tanks or underground fuel systems on the Property. Landlord's refusal to consent to the installation of an underground tank or underground fuel system shall be conclusively presumed to be reasonable. Any such alterations or improvements in or to the Property requiring the approval of Landlord shall be subject, however, in all cases to the following:

9.1.1 Any improvement or alteration shall be made with at least 30 days' prior notice to the Landlord, unless a governmental authority requires otherwise or except in the case of an emergency, in which case, Tenant shall give Landlord as much notice as is practicable, accompanied by a copy of the proposed plans and specifications in detail reasonably sufficient for Landlord to review same, the identity of the contractor and any subcontractors, and a copy of all contracts with respect to the improvement or alteration, and shall be made promptly at the sole cost and expense of the Tenant and in a good and workmanlike manner and in compliance in all respects with all applicable Laws, ordinances, codes, rules, regulations, permits and authorizations promulgated or issued by any governmental authority having jurisdiction thereof and all restrictive covenants affecting the Property. Tenant shall reimburse Landlord immediately upon demand for any reasonable costs and expenses incurred by Landlord in connection with Landlord's review of Tenant's proposed plans and specifications, or any revisions thereof. Upon Landlord's request, to be made not more frequently than once per calendar year, Tenant shall deliver to Landlord "as-built" plans and specifications for any work theretofore completed. Landlord's consent to or approval of any alterations, additions or improvements (or the plans therefor) shall not constitute a representation or warranty by Landlord, nor Landlord's acceptance, that the same comply with sound architectural and/or engineering practices or with all applicable Laws or restrictive covenants, and Tenant shall be solely responsible for ensuring all such compliance.

9.1.2 The Property shall at all times be free of liens for labor and materials supplied or claimed to have been supplied to the Property.

9.1.3 **NOTICE IS HEREBY GIVEN THAT LANDLORD SHALL NOT BE LIABLE FOR ANY LABOR OR MATERIALS FURNISHED TO OR FOR THE TENANT. FURTHERMORE, NOTICE IS HEREBY GIVEN TO TENANT AND TENANT'S MECHANICS, LABORERS AND MATERIALMEN WITH RESPECT TO THE PROPERTY THAT NO MECHANIC'S, MATERIALMAN'S OR LABORER'S LIEN SHALL ATTACH TO OR AFFECT THE REVERSION OR OTHER INTEREST OF LANDLORD IN OR TO THE PROPERTY.**

9.1.4 No alteration or improvement shall, when completed, be of such a character as to render the Property anything other than a complete, self-contained structural unit, capable of being operated for the Permitted Use.

9.1.5 Worker's compensation and general liability insurance with respect to the alterations and improvements as required by Section 5.1 shall be maintained and/or provided.

9.1.6 All fixtures, work, alterations, additions, improvements or equipment installed or made by Tenant, or at Tenant's expense, upon or in the Property shall be the Property of Landlord. All personal property and moveable equipment and trade fixtures owned by Tenant upon or in the Property shall remain the property of Tenant unless Tenant fails to remove such personal property, equipment and trade fixtures upon termination of this Lease or surrender by Tenant of the Property to Landlord. All items not so removed shall, at Landlord's option, be deemed to have been abandoned by Tenant and may be appropriated, sold, stored, destroyed or otherwise disposed of by Landlord without notice to Tenant and without any obligation to account for such items.

9.2 **Signage**. Provided that the installation and maintenance thereof complies with all Laws, ordinances, rules, regulations and restrictive covenants, and Tenant has received all approvals, consents, and permits required therefor by all Laws, ordinances, rules, regulations, restrictive covenants and the Ground Lease, Tenant may install and maintain signs on the Property whose design, color scheme, location, material composition, and method of installation are approved by Landlord (which approval shall not be unreasonably withheld) and by Ground Lessor. Tenant shall maintain such signs in a good, clean, and safe condition in accordance with all Laws, ordinances, rules, regulations and restrictive covenants. Tenant shall repair all damage caused by the installation, use, maintenance, and removal of the signs and, upon their removal, restore the Property where such signs were located to their condition immediately before the installation thereof (ordinary wear and tear excepted, other than any discoloration caused thereby). Tenant shall, at its risk and expense, remove the signs and perform all restoration work as provided above within ten days after the occurrence of any of the following events: (a) the termination of Tenant's right to possess the Property; (b) the termination of this Lease; (c) the expiration of the Term of this Lease; or (d) Tenant's vacating the Property. If Tenant fails to do so within such ten-day period, Landlord may, without compensation to Tenant, perform such work and dispose of the signs in any manner it deems appropriate or deem such signs abandoned and, after removing Tenant's logo therefrom, use such signs; Tenant shall pay to Landlord all reasonable costs incurred in connection therewith within 30 days after Landlord's request therefor.

9.3 **New Improvements; Tenant Mortgage**. The following general principles shall apply if Tenant wishes to have any additional buildings or other improvements constructed on the Land (collectively, "**New Improvements**"). At the request of either Landlord or Tenant, the parties shall amend this Section 9.3 to set forth in greater detail the provisions relating to New Improvements.

9.3.1 No New Improvements may be constructed except in compliance with this Section 9.3 and the Ground Lease. This Section 9.3 does not govern repairs and maintenance and minor alterations, which are governed by Sections 8.1, 8.2, 8.3 and 9.1, or restoration following casualty to improvements owned by Landlord, which is governed by Section 6.7.2.

9.3.2 If Tenant wants to add New Improvements, it will discuss with Landlord the New Improvements, including presenting preliminary drawings and cost estimates and the business case for the need for the New Improvements.

9.3.3 Landlord will have the right, but not the obligation, to make an offer to Tenant for the development and ownership or financing of the New Improvements, including proposed adjustments to rent and other provisions of this Lease to reflect the New Improvements. Tenant is not obligated to accept Landlord's offer.

9.3.4 Any New Improvements will be made only in compliance with the Ground Lease and after obtaining any necessary consents from the A&M System regarding the New Improvements and the financing thereof. Landlord will cooperate with Tenant in attempting to obtain modifications to the requirements in Schedule 3.2 to the Ground Lease to accommodate the proposed New Improvements. Landlord will have the same approval rights as the A&M System has. Any New Improvements that are not developed and owned by Landlord shall be constructed in accordance with the requirements of Section 9.1 (but with no exceptions to the requirements of Landlord's consent set forth therein).

9.3.5 If Landlord and Tenant do not reach agreement regarding the development, ownership and financing of the New Improvements, Tenant may obtain financing for an amount not to exceed 80% of the cost of the New Improvements and personal property to be owned by Tenant to be located in the New Improvements (the "**New Improvements Personalty**") in accordance with the following:

(a) No Event of Default under this Lease remains uncured.

(b) The lender must be a bona fide financial institution or other institutional investor unrelated to Tenant, for its own account and/or as administrative/collateral agent or indenture trustee for others (a "**Tenant's Mortgagee**").

(c) Tenant must deliver to Landlord in advance a bona fide pro forma income statement for the combined operation of the existing building and the New Improvements demonstrating a pro forma debt service coverage ratio of 1.2:1. The debt service coverage ratio shall be calculated after deductions from pro forma net income for all amounts payable under the Ground Lease and this Lease and the performance of all obligations of Tenant under the Ground Lease and this Lease, as well as operating expenses. Debt service includes principal, interest and other payments to Tenant's Mortgagee.

(d) The financing must be fully amortized prior to the end of the initial, primary Term of this Lease.

(e) The financing may be secured by mortgage liens covering only Tenant's subleasehold estate created hereby and the New Improvements Personalty (a "**Permitted Mortgage**").

(f) Landlord will afford to Tenant's Mortgagee substantially the same protections as set forth in Article IV of the Ground Lease, including without limitation notice of default and opportunity to cure, an agreement not to amend this Lease in a manner that adversely affects the rights of Tenant's Mortgagee and an agreement not to terminate this Lease except in accordance with the provisions for termination following an Event of Default.

(g) In the event of a casualty affecting the New Improvements and New Improvements Personalty (and not the existing improvements and personal property owned by Landlord), subject to the provisions of the Ground Lease and so long as no Event of Default then remains uncured under this Lease, the casualty insurance proceeds will be paid to Tenant's Mortgagee for disbursement to Tenant for reconstruction. If a casualty affects the New Improvements and New Improvements Personalty and the existing improvements and personal property owned by Landlord, the amount of insurance proceeds will be allocated between the various improvements and personal property and the portion allocable to the New Improvements and New Improvements Personalty will be governed by this paragraph.

(h) Landlord shall be obligated to deliver an estoppel certificate to Tenant's Mortgagee.

10. **Discharge of Liens**.

10.1 **No Liens, Encumbrances or Charges**. Except for Permitted Mortgages covering only Tenant's subleasehold estate created hereby and any New Improvements Personalty, Tenant shall not create or permit to be created any lien, encumbrance or charge upon the Property or any part thereof or the income therefrom or this Lease or the leasehold estate created hereby, and Tenant shall not suffer any other matter or thing whereby the estate, rights and/or interest of Tenant and/or Landlord (or any part thereof) in the Property or any part thereof might be encumbered by any such lien, security interest, encumbrance or charge.

10.2 **Mechanics' and Materialmen's Liens**. If any mechanic's, laborer's, materialman's or other lien shall at any time be filed against the Property or any part thereof, Tenant, within 20 days after notice of the filing thereof, will cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. If Tenant shall fail to cause such lien to be discharged within the period aforesaid, then, in addition to any other right or remedy Landlord may have hereunder or at law or equity, Landlord may, but shall not be obligated to, discharge the same and Landlord shall be entitled, if Landlord so elects, to compel the prosecution of an action for the foreclosure of such lien by the lienor and to pay the amount of the judgment in favor of the lienor with interest, costs and allowances. Any amount so paid by Landlord and all costs and expenses, including, without limitation, reasonable attorneys' fees and disbursements, incurred by Landlord in connection with the discharge of the lien and/or the prosecution of such action, together with interest thereon at the Default Rate from the respective dates of Landlord's making of the payment or incurring of the cost and expense to the date Tenant reimburses Landlord for such amount, shall constitute Additional Rent payable by Tenant under this Lease and shall be paid by Tenant to Landlord immediately on demand.

10.3 **No Consent by Landlord to Construction Liens**. Nothing in this Lease contained shall be deemed or construed in any way as constituting the consent or request of Landlord, expressed or implied, by inference or otherwise, to any contractor, subcontractor, laborer or materialman for the performance of any labor or the furnishing of any materials for any specific improvement, alteration to or repair of Landlord's interest in this Lease or its estate as sublandlord hereunder in the Property or any part thereof. Landlord and Tenant acknowledge and agree that their relationship is and shall be solely that of "landlord-tenant" (thereby excluding a relationship of "owner-contractor," "owner-agent" or other similar relationships) and that Tenant is not authorized to act as Landlord's common law agent or construction agent, or to encumber Landlord's estate hereunder in connection with any work performed on the Property. Accordingly, all materialmen, contractors, artisans, mechanics, laborers and any other persons now or hereafter contracting with Tenant, any contractor or subcontractor of Tenant or any Tenant Party for the furnishing of any labor, services, materials, supplies or equipment with respect to any portion of the Property, at any time from the date hereof until the end of the Term, are hereby charged with notice that they look exclusively to Tenant to obtain payment for same. Nothing herein shall be deemed a consent by Landlord to any liens being placed upon Landlord's interest in this Lease or its estate hereunder in the Property due to any work performed by or for Tenant or deemed to give any contractor or subcontractor or materialman any right or interest in any funds held by Landlord to reimburse Tenant for any portion of the cost of such work. TENANT SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS LANDLORD AND ITS AGENTS AND REPRESENTATIVES FROM AND AGAINST ALL CLAIMS, DEMANDS, CAUSES OF ACTION, SUITS, JUDGMENTS, DAMAGES AND EXPENSES (INCLUDING ATTORNEYS' FEES) IN ANY WAY ARISING FROM OR RELATING TO THE FAILURE BY ANY TENANT PARTY TO PAY FOR ANY WORK PERFORMED, MATERIALS FURNISHED, OR OBLIGATIONS INCURRED BY OR AT THE REQUEST OF A
TENANT PARTY. This indemnity provision shall survive termination or expiration of this Lease.

11. **Compliance with Laws, Ordinances, Etc**.

11.1 **Compliance by Tenant**. Throughout the Term of this Lease, Tenant, at its sole cost and expense, will promptly comply in all respects with all present and future Laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments, departments, commissions, boards and officers (including, without limitation, all environmental Laws, ordinances, orders, rules, regulations and requirements), and all orders, rules and regulations of the National Board of Fire Underwriters, or any other body or bodies exercising similar functions, foreseen or unforeseen, ordinary, as well as extraordinary, and all restrictive covenants, which may be applicable to the Property or any part thereof and the sidewalks, alleyways, passageways, curbs and vaults adjoining the Property or to the use or manner of use of the Property or the owners, tenants or occupants thereof, whether or not such Law, ordinance, order, rule, regulation, restrictive covenant, or requirement shall necessitate structural changes or improvements or other work or interfere with the use and enjoyment of the Property.

11.2 **Compliance with Insurance**. Tenant shall likewise observe and comply in all respects with the requirements of all policies of public liability, fire and all other policies of insurance at any time in force with respect to the Property and the improvements thereon, and Tenant shall, in the event of any violation or any attempted violation of the provisions of this Section 11.2, take steps immediately upon knowledge of such violation or attempted violation to remedy or prevent the same, as the case may be.

11.3 **Right to Contest Compliance**. Provided no Event of Default is then in existence, Tenant shall have the right, after prior written notice to Landlord and Ground Lessor, to contest by appropriate legal proceedings diligently conducted in good faith, in the name of Tenant or Landlord or both, at Tenant's sole cost and expense and without cost or expense to Landlord, the validity or application of any Law, ordinance, order, rule, regulation or requirement of the nature referred to in Section 11.1 and defer compliance therewith during the pendency of such contest, subject to the following:

11.3.1 If compliance therewith, pending the prosecution of any such proceeding, may legally be delayed without the incurrence of any lien, charge or liability of any kind against the Property or any part thereof and without subjecting Landlord to any liability, civil or criminal, or fine or forfeiture, for failure so to comply therewith during such period, then Tenant may delay compliance therewith until the final determination of such proceeding.

11.3.2 If any lien, charge or civil liability would be incurred by reason of any such delay, Tenant, nevertheless, may contest as aforesaid and delay as aforesaid, provided that such delay would not subject Landlord to criminal liability, fine or forfeiture, or the Property to a lien, and Tenant, prior to instituting any such proceedings, furnishes to Landlord a letter of credit or bond or undertaking by a surety company or cash deposit or other security reasonably satisfactory to Landlord (such choice of security to be at Landlord's sole option), securing compliance with the contested Law, ordinance, order, rule, regulation or requirement and payment of all interest, penalties, fines, fees and expenses in connection therewith.

11.3.3 Any such proceeding instituted by Tenant shall be begun as soon as is reasonably possible after the passage or issuance of any such Law, ordinance, order, rule, regulation or requirement and the application thereof to Tenant or to the Property and shall be prosecuted to final adjudication with dispatch and due diligence.

11.3.4 Notwithstanding anything to the contrary herein, Tenant shall promptly comply with any such Law, ordinance, order, rule, regulation or requirement being contested and compliance shall not be deferred if at any time the Property, or any part thereof, shall be in danger of being forfeited or lost or if Landlord shall be in danger of being subjected to criminal liability or penalty by reason of noncompliance therewith.

11.3.5 TENANT AGREES TO INDEMNIFY, DEFEND AND HOLD LANDLORD AND LANDLORD'S MEMBERS, MANAGERS, OFFICERS, EMPLOYEES, AGENTS AND REPRESENTATIVES HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, CAUSES OF ACTION, JUDGMENTS, DAMAGES, FINES, FORFEITURES, COSTS, AND EXPENSES, INCLUDING, BUT NOT LIMITED TO, ATTORNEYS' FEES AND DISBURSEMENTS, ARISING OUT OF OR IN CONNECTION WITH TENANT'S FAILURE TO COMPLY WITH AND/OR CONTESTING ANY SUCH LAW, ORDINANCE, ORDER, RULE, REGULATION OR REQUIREMENT PURSUANT TO THE PROVISIONS OF THIS SECTION 11.3.

Landlord will execute and deliver any appropriate papers which may be reasonably necessary or proper to permit Tenant to contest the validity or application of any such Law, ordinance, order, rule, regulation or requirement.

12. **Landlord's Right to Perform Tenant's Covenants**.

12.1 **Right to Perform Tenant's Covenants**. If, after any applicable grace and/or notice period but without notice or grace in the case of an emergency, Tenant shall at any time fail to pay any Imposition in accordance with the provisions of Section 4 hereof or to take out, pay for, maintain or deliver any of the insurance policies provided for in Sections 5 or 9 hereof, or shall fail to make any other payment or perform any other act on its part to be made or performed under this Lease, or shall default in the performance of any of its obligations under this Lease (hereinafter referred to as "**Breaches**"), then Landlord, or any Landlord's Mortgagee or Ground Lessor, without thereby waiving such Breach or releasing Tenant from any obligation contained in this Lease, may (but shall not be obligated to), perform the same for the account of and with the expense thereof to be paid by Tenant, and may (but shall be under no obligation to) enter upon the Property for any such purpose and take all such action thereon, as may be necessary therefor.

12.2 **Reimbursement**. All sums so paid by Landlord or Landlord's Mortgagee or Ground Lessor pursuant to Section 12.1 and all costs and expenses, including, without limitation, all reasonable legal fees and disbursements incurred by Landlord or Landlord's Mortgagee in connection with the performance of any such act pursuant to Section 12.1, together with interest thereon at the Default Rate from the respective dates of Landlord's or Landlord's Mortgagee's or Ground Lessor's making of each such payment or incurring of each such cost and expense to the date paid by Tenant to Landlord or Landlord's Mortgagee or Ground Lessor shall constitute Additional Rent payable by Tenant under this Lease and shall be paid by Tenant to Landlord or Landlord's Mortgagee or Ground Lessor immediately on demand.

13. **Entry on Property by Landlord**. Tenant will permit Landlord and Ground Lessor and their authorized representatives to enter the Property at all reasonable times and hours upon reasonable notice to Tenant (who shall have the opportunity to have a representative of Tenant present), which may be oral notice, except in cases of real or apparent emergency (in which case no notice shall be required), for the purpose of (a) inspecting the same, and (b) making any necessary repairs thereto and performing any work therein that Landlord may be entitled to make or perform, respectively, pursuant to the provisions of Section 12.1 hereof. Nothing herein shall imply any duty upon the part of Landlord to do any such work, and performance thereof by Landlord shall not constitute a waiver of Tenant's default in failing to perform the same.

14. **Indemnification of Landlord**. SUBJECT TO SECTION 5.8, TENANT SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS LANDLORD AND GROUND LESSOR AND THEIR MEMBERS, MANAGERS, OFFICERS, REPRESENTATIVES AND AGENTS FROM AND AGAINST ALL CLAIMS, DEMANDS, LIABILITIES, CAUSES OF ACTION, SUITS, JUDGMENTS, DAMAGES, AND EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES) ARISING FROM (a) ANY INJURY TO OR DEATH OF ANY PERSON OR THE DAMAGE TO OR THEFT, DESTRUCTION, LOSS, OR LOSS OF USE OF, ANY PROPERTY OR INCONVENIENCE (A "**LOSS**") OCCURRING IN OR ON THE PROPERTY OR ANY STREET, ALLEY, SIDEWALK, CURB, VAULT, PASSAGEWAY OR SPACE ADJACENT THERETO OR ARISING OUT OF THE INSTALLATION, OPERATION, MAINTENANCE, REPAIR OR REMOVAL OF ANY PROPERTY OF ANY TENANT PARTY LOCATED IN OR ABOUT THE PROPERTY OR (b) ANY VIOLATION BY TENANT OF THE TERMS OF THE GROUND LEASE (WITH THE EXCEPTION OF THE OBLIGATION OF LANDLORD TO PAY BASE RENT THEREUNDER). **IT BEING AGREED THAT THIS INDEMNITY IS INTENDED TO INDEMNIFY LANDLORD AND GROUND LESSOR AND THEIR MEMBERS, MANAGERS, OFFICERS, OR AGENTS AGAINST THE CONSEQUENCES OF THEIR OWN NEGLIGENCE OR FAULT, EVEN WHEN LANDLORD AND GROUND LESSOR AND THEIR MEMBERS, MANAGERS, OFFICERS, OR AGENTS ARE JOINTLY, COMPARATIVELY, CONTRIBUTIVELY, OR CONCURRENTLY NEGLIGENT WITH TENANT, AND EVEN THOUGH ANY SUCH CLAIM, CAUSE OF ACTION OR SUIT IS BASED UPON OR ALLEGED TO BE BASED UPON THE STRICT LIABILITY OF LANDLORD AND GROUND LESSOR AND THEIR MEMBERS, MANAGERS, OFFICERS OR AGENTS; HOWEVER, SUCH INDEMNITY SHALL NOT APPLY TO THE SOLE OR GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF LANDLORD AND ITS AGENTS.** THE INDEMNITIES SET FORTH IN THIS LEASE SHALL SURVIVE TERMINATION OR EXPIRATION OF THIS LEASE AND SHALL NOT TERMINATE OR BE WAIVED, DIMINISHED OR AFFECTED IN ANY MANNER BY ANY ABATEMENT OR APPORTIONMENT OF RENT UNDER ANY PROVISION OF THIS LEASE. IF ANY PROCEEDING IS FILED FOR WHICH INDEMNITY IS REQUIRED HEREUNDER, THE INDEMNIFYING PARTY AGREES, UPON REQUEST THEREFOR, TO DEFEND THE INDEMNIFIED PARTY IN SUCH PROCEEDING AT ITS SOLE COST UTILIZING COUNSEL SATISFACTORY TO THE INDEMNIFIED PARTY. THIS SECTION 14 INCLUDES CLAIMS BY THIRD PARTIES AND DIRECT CLAIMS BETWEEN THE PARTIES.

15. **Assignment; Subletting; Transfers**.

15.1 **Consent Standards**. Except as otherwise expressly provided in Section 15.4, Tenant shall not, without the prior written consent of Landlord (which may be given or withheld in Landlord's sole and absolute discretion) and Ground Lessor to the extent required pursuant to the Ground Lease, (a) assign, transfer, or encumber this Lease or any estate or interest herein, whether directly or by operation of Law, except for Permitted Mortgages, which shall be controlled by Section 9.3 hereof; (b) permit any other entity to become Tenant hereunder by merger, consolidation, or other reorganization, (c) if Tenant is an entity other than a corporation whose stock is publicly traded, permit the transfer of an ownership interest in Tenant so as to result in a change in the current control of Tenant (it being acknowledged by Tenant that a change in control of Tenant shall be deemed to occur if the persons or entities that, directly or indirectly, who either have the power to make decisions regarding material matters relating to Tenant's business or who own the majority of Tenant's equity interest [taking into account any preference for returns of and returns on equity], cease to be the same persons or entities that currently have such power or equity interests), (d) sublet any portion of the Property, (e) grant any license, concession, or other right of occupancy of any portion of the Property, (f) permit the use of the Property by any parties other than Tenant, or (g) sell or otherwise transfer, in one or more transactions, a majority of Tenant's assets (any of the events listed in Sections 15.1(a) through 15.1(g) being a "**Transfer**"). Notwithstanding the foregoing, neither (1) any change in the ownership of Tenant relating to Bryan Capital Investors LLC's interest in Tenant or the ownership interests of Bryan Capital Investors LLC nor (2) any change in the stock ownership of Tenant's manager, iBio Inc., whose stock is publicly traded, shall constitute a Transfer for purposes of this Lease.

15.2 **Request for Consent**. Tenant shall provide Landlord with a written description of all terms and conditions of the proposed Transfer, copies of the proposed documentation, and the following information about the proposed transferee: name and address of the proposed transferee and any entities and persons who own, control or direct the proposed transferee; reasonably satisfactory information about its business and business history; its proposed use of the Property; banking, financial, and other credit information; and general references sufficient to enable Landlord to determine the proposed transferee's creditworthiness and character. Concurrently with Tenant's notice of any request for consent to a Transfer, Tenant shall pay to Landlord a fee of $1,000 to defray Landlord's expenses in reviewing such request, and Tenant shall also reimburse Landlord immediately upon request for its reasonable attorneys' fees and other reasonable expenses incurred in connection with considering any request for consent to a Transfer.

15.3 **Transfers Generally**. No Transfer shall release Tenant from its obligations under this Lease of the Ground Lease, but rather Tenant and its transferee shall be jointly and severally liable therefor. Landlord's consent to any Transfer shall not waive Landlord's rights as to any subsequent Transfers, and no subtenant of any portion of the Property shall be permitted to further sublease any portion of its subleased space.

15.4 **Permitted Transfers**. Provided no Event of Default then exists, Tenant may, with Landlord's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed, grant a license or other right of occupancy (other than a lease or sublease) to its subsidiaries, affiliates, clients, contractors, customers, auditors, strategic partners or other entities under common ownership (total or partial) with Tenant or with whom Tenant has or is then establishing a bona fide business relationship (each a "**Permitted Occupant**") to occupy and use up to 25% of the Property, subject to the following conditions: (a) the use and occupancy by the Permitted Occupant is expressly subject to, and the Permitted Occupant must comply with, all of the terms, covenants, conditions and obligations on Tenant's part to be observed and performed under this Lease (other than Tenant's obligation to pay Rent under this Lease), (b) any violation of any provision of this Lease by the Permitted Occupant shall be deemed to be a violation by Tenant under such provision, (c) the Permitted Occupant shall have no recourse against Landlord whatsoever on account of any failure by Landlord to perform any of its obligations under this Lease or on account of any other matter, (d) all notices required of Landlord under this Lease shall be forwarded only to Tenant in accordance with the terms of this Lease and in no event shall Landlord be required to send any notices to any Permitted Occupant, (e) in no event shall any use or occupancy of any portion of the Premises by any Permitted Occupant release or relieve Tenant from any of its obligations under this Lease, (f) each such Permitted Occupant shall be deemed a Tenant Party; (g) in no event shall the occupancy of any portion of the Property by any Permitted Occupant be deemed to create a landlord/tenant relationship between Landlord and such Permitted Occupant or be deemed to vest in Permitted Occupant any right or interest in the Premises or this Lease, and, in all instances, Tenant shall be considered the sole tenant under the Lease notwithstanding the occupancy of any portion of the Property by any Permitted Occupant; and (h) Tenant shall receive no payment or other consideration in connection with such occupancy and use other than fees for services, nominal license or occupancy payments and out of pocket expense reimbursements. Tenant shall provide to Landlord promptly after request a written list of the names and contact information of all Permitted Occupants then being allowed access to the Property by Tenant.

16. **Surrender**.

16.1 **Surrender**. Subject to the terms of Section 26.28, Tenant shall on the last day of the Term hereof, or upon any earlier termination of this Lease, or upon any re-entry by Landlord upon the Property pursuant to Section 17 hereof, surrender and deliver up the Property into the possession and use of Landlord in the same condition as received, reasonable wear and tear and insured casualty excepted, and free and clear of any liens created by Tenant or resulting from the acts or omissions of Tenant. Nothing in this Section 16 shall in any way be deemed to affect any of Tenant's obligations as to the use of the Property set forth in Section **Error! Reference source not found.** of this Lease.

16.2 **Holding Over**. If the Property is not surrendered as above set forth, Tenant shall be a tenant at sufferance and shall indemnify, defend and hold Landlord harmless from and against loss or liability resulting from the delay by Tenant in so surrendering the Property, including, without limitation, any claim made by any succeeding occupant founded on such delay. Tenant's obligation to observe or perform this covenant shall survive the expiration or other termination of this Lease. In addition to the foregoing, and in addition to the Additional Rent, Tenant shall pay to Landlord a sum equal to 150% of the Rent herein payable during the last month of the Term of this Lease during each month or portion thereof for which Tenant shall remain in possession of the Property or any part thereof after the termination of the term or of Tenant's rights of possession, whether by lapse of time or otherwise, and Tenant shall otherwise continue to be subject to all of Tenant's obligations under this Lease. The provisions of this Section 16.2 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein, at law or at equity.

16.3 **Validity of Surrender**. Except for surrender upon the expiration or earlier termination of the term hereof, no surrender to Landlord of this Lease or of the Property shall be valid or effective unless agreed to and accepted in writing by Landlord.

17. **Default Provisions**.

17.1 **Events of Default by Tenant**. Each of the following events shall be an "**Event of Default**" hereunder:

17.1.1 Default by Tenant in paying any installment of Rent or in making any deposit required pursuant to Section 4 and such default continues for a period of 5 days following written notice thereof to Tenant; however, an Event of Default shall occur hereunder without any obligation to give any notice if Tenant fails to pay Base Rent before the same becomes delinquent and, during the 12-month interval preceding such failure, Tenant has been given written notice of failure to pay Base Rent on one or more occasions;

17.1.2 If Tenant or any guarantor of Tenant's obligations hereunder shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or insolvent, or shall file any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under present or any future bankruptcy act or any other present or future applicable federal, state or other statute or Law or other law, ordinance, order, rule, regulation or requirement of any governmental authority, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Tenant or any guarantor of Tenant's obligations hereunder or of all or any substantial part of its properties or of Tenant's subleasehold estate with respect to the Property;

17.1.3 If within 90 days after the commencement of any proceeding against Tenant or any guarantor of Tenant's obligations hereunder seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal bankruptcy act or any other present or future applicable federal, state or other statute or Law or other law, ordinance, order, rule, regulation or requirement of any governmental authority, such proceeding shall not have been dismissed, or if, within 90 days after the appointment, without the consent or acquiescence of Tenant or any guarantor of Tenant's obligations hereunder, of any trustee, receiver or liquidator of Tenant or any guarantor of Tenant's obligations hereunder or of all or any substantial part of its properties or of Tenant's subleasehold estate with respect to the Property, such appointment shall not have been vacated or stayed on appeal or otherwise, or if, within 90 days after the expiration of any such stay, such appointment shall not have been vacated;

17.1.4 If a levy under execution or attachment shall be made against Tenant's subleasehold estate or interest hereunder and such execution or attachment shall not be vacated or removed by court order, bonding or otherwise within a period of 90 days;

17.1.5 If the Property is used for other than the Permitted Use and such default continues for a period of 15 days following written notice thereof to Tenant;

17.1.6 Tenant fails to pay and release of record, or diligently contest and bond around, any mechanic's or construction lien filed against the Property or any portion thereof for any work performed, materials furnished, or obligation incurred by or at the request of Tenant or any Tenant Party, within the time and in the manner required by Section 10;

17.1.7 If Tenant fails to timely maintain, or cause to be maintained, any insurance required to be maintained under this Lease and such failure continues for 10 days, or the failure of Tenant to furnish Landlord with certificates of any insurance required under this Lease and such failure continues for ten days after written notice thereof to Tenant;

17.1.8 If Tenant fails to provide any estoppel certificate, documentation regarding the subordination of this Lease or financial reports after written request therefor pursuant to Section 26.3, Section 18 and Section 25.1 respectively, and such failure shall continue for 5 days after the second written notice thereof to Tenant;

17.1.9 Tenant (a) abandons or vacates the Property or any substantial portion thereof or (b) fails to continuously operate its business in the Property for the Permitted Use set forth herein;

17.1.10 Default by Tenant in observing or performing one or more of the other terms, conditions, covenants or agreements of this Lease and the continuance of such default for a period of 15 days after written notice to Tenant specifying such default (unless such default requires work to be performed, acts to be done, or conditions to be removed which cannot by their nature reasonably be performed, done or removed, as the case may be, within such 15-day period, in which case no such Event of Default shall be deemed to exist so long as Tenant shall have commenced curing such default within such 15-day period and shall diligently and continuously prosecute the same to completion, provided, however, that in any event such an Event of Default shall be deemed to exist if such cure of such default has not been completed within (a) 60 days after written notice to Tenant as described above in the case of a default which could also constitute a failure, breach or default under the Ground Lease or (b) 90 days after written notice to Tenant as described above in the case of a default which could not also constitute a failure, breach or default under the Ground Lease);

17.1.11 The occurrence of any "Default" under Article XI of the Ground Lease (other than one caused solely by failure to pay "Base Rent" thereunder).

17.2 **Landlord's Remedies**. Upon any Event of Default, Landlord may, in addition to all other rights and remedies afforded Landlord hereunder or by law or equity, take any one or more of the following actions:

17.2.1 **Termination of Lease**. Terminate this Lease by giving Tenant written notice thereof, in which event Tenant shall pay to Landlord the sum of (a) all Rent accrued hereunder through the date of termination, (b) all amounts due under Section 17.3, and (c) an amount equal to (but in no event less than zero) (1) the total Rent that Tenant would have been required to pay for the remainder of the Term of this Lease discounted to present value at a per annum rate equal to the "Prime Rate" as published on the date this Lease is terminated by *The Wall Street Journal*, in its listing of "Money Rates" minus one percent, minus (2) the then present fair rental value of the Property for such period, similarly discounted;

17.2.2 **Termination of Possession**. Terminate Tenant's right to possess the Property without terminating this Lease by giving written notice thereof to Tenant, in which event Tenant shall pay to Landlord (a) all Rent and other amounts accrued hereunder to the date of termination of possession, (b) all amounts due from time to time under Section 17.3, and (c) all Rent and other net sums required hereunder to be paid by Tenant during the remainder of the Term of this Lease, diminished by any net sums thereafter received by Landlord through reletting the Property during such period, after deducting all costs incurred by Landlord in reletting the Property. If Landlord elects to proceed under this Section 17.2.2, Landlord may remove all of Tenant's property from the Property and store the same in a public warehouse or elsewhere at the cost of, and for the account of, Tenant, without becoming liable for any loss or damage which may be occasioned thereby. Landlord shall not be liable for, nor shall Tenant's obligations hereunder be diminished because of, Landlord's failure to relet the Property or to collect rent due for such reletting. Tenant shall not be entitled to the excess of any consideration obtained by reletting over the Rent due hereunder. Reentry by Landlord in the Property shall not affect Tenant's obligations hereunder for the unexpired Term of this Lease; rather, Landlord may, from time to time, bring an action against Tenant to collect amounts due by Tenant, without the necessity of Landlord's waiting until the expiration of the Term of this Lease. Unless Landlord delivers written notice to Tenant expressly stating that it has elected to terminate this Lease, all actions taken by Landlord to dispossess or exclude Tenant from the Property shall be deemed to be taken under this Section 17.2.2. If Landlord elects to proceed under this Section 17.2.2, it may at any time elect to terminate this Lease under Section 17.2.1;

17.2.3 **Perform Acts on Behalf of Tenant**. Perform any act Tenant is obligated to perform under the terms of this Lease (and enter upon the Property in connection therewith if necessary) in Tenant's name and on Tenant's behalf, without being liable for any claim for damages therefor, and Tenant shall reimburse Landlord on demand for any expenses which Landlord may incur in thus effecting compliance with Tenant's obligations under this Lease (including, but not limited to, collection costs and legal expenses), plus interest thereon at the lesser of eighteen percent per annum or the maximum rate permitted by Law; or

17.2.4 **Lock Out Right**. Additionally, with or without notice, and to the extent permitted by Law, Landlord may alter locks or other security devices at the Property to deprive Tenant of access thereto, and Landlord shall not be required to provide a new key or right of access to Tenant.

17.3 **Payment by Tenant**. Upon any Event of Default, Tenant shall pay to Landlord all amounts, costs, losses and/or expenses incurred, abated or foregone by Landlord (including court costs and reasonable attorneys' fees and expenses) in (a) obtaining possession of the Property, (b) removing, storing and/or disposing of Tenant's or any other occupant's property, (c) repairing, restoring, altering, remodeling, or otherwise putting the Property into the condition acceptable to a new tenant, (d) if Tenant is dispossessed of the Property and this Lease is not terminated, reletting all or any part of the Property (including brokerage commissions, cost of tenant finish work, and other costs incidental to such reletting), (e) performing Tenant's obligations under this Lease which Tenant failed to perform, (f) enforcing, or advising Landlord of, its rights, remedies, and recourses arising out of the default, and (g) securing this Lease, including all commissions, allowances, reasonable attorneys' fees, and if this Lease or any amendment hereto contains any abated Rent granted by Landlord as an inducement or concession to secure this Lease or amendment hereto, the full amount of all Rent so abated (and such abated amounts shall be payable immediately by Tenant to Landlord, without any obligation by Landlord to provide written notice thereof to Tenant, and Tenant's right to any abated rent accruing following such Event of Default shall immediately terminate).

17.4 **No Waiver**. Landlord's acceptance of Rent following an Event of Default shall not waive Landlord's rights regarding such Event of Default. No waiver by Landlord of any violation or breach of any of the terms contained herein shall waive Landlord's rights regarding any future violation of such term. Landlord's acceptance of any partial payment of Rent shall not waive Landlord's rights with regard to the remaining portion of the Rent that is due, regardless of any endorsement or other statement on any instrument delivered in payment of Rent or any writing delivered in connection therewith; accordingly, Landlord's acceptance of a partial payment of Rent shall not constitute an accord and satisfaction of the full amount of the Rent that is due.

17.5 **Cumulative Remedies**. Any and all remedies set forth in this Lease: (a) shall be in addition to any and all other remedies Landlord may have at law or in equity, (b) shall be cumulative, and (c) may be pursued successively or concurrently as Landlord may elect. The exercise of any remedy by Landlord shall not be deemed an election of remedies or preclude Landlord from exercising any other remedies in the future. Additionally, TENANT SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS LANDLORD, LANDLORD'S MORTGAGEE AND THEIR RESPECTIVE REPRESENTATIVES AND AGENTS FROM AND AGAINST ALL CLAIMS, DEMANDS, LIABILITIES, CAUSES OF ACTION, SUITS, JUDGMENTS, DAMAGES AND EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES) ARISING FROM TENANT'S FAILURE TO PERFORM ITS OBLIGATIONS UNDER THIS LEASE.

17.6 **Re-entry by Landlord**. If any Event of Default shall occur, or if this Lease or Tenant's right to possession shall be terminated as provided in Section 17.2 hereof or by summary proceedings or otherwise, then, and in any of such events, Landlord may without notice, re-enter the Property either by force or otherwise, and dispossess Tenant and the legal representative of Tenant or other occupant of the Property by summary proceedings or otherwise, and remove their effects and hold the Property as if this Lease had not been made, and Tenant hereby waives the service of notice of intention to re-enter or to institute legal or other proceedings to that end. The terms "enter," "re-enter," "entry," or "re-entry," as used in this Lease, are not restricted to their technical legal meaning.

17.7 **Injunction**. In the event of a breach or a threatened breach by Tenant of any of its obligations under this Lease, Landlord shall also have the right of injunction. The special remedies to which Landlord may resort in this Section are cumulative and not intended to be exclusive of any other remedies or means of redress to which Landlord may lawfully be entitled at any time and Landlord may invoke any remedy allowed at law or in equity as if specific remedies were not provided for herein.

17.8 **Retention of Monies**. Subject to applicable Law, if this Lease or Tenant's right to possession shall terminate under the provisions of Section 17.2, or if Landlord shall re-enter the Property as provided herein or in the event of the termination of this Lease or Tenant's right to possession, or re-entry, by or under any summary dispossess or other proceeding or action or any provision of Law by reason of default hereunder on the part of the Tenant, Landlord shall be entitled to retain all monies, if any, paid by Tenant to Landlord, whether as advance rent, security or otherwise, but such monies shall be credited by Landlord against any Rent due from Tenant at the time of such termination or re-entry or, at Landlord's option, against any damages payable by Tenant under this Section or pursuant to law or equity.

17.9 **Recovery of Damages or Deficiencies**. Suit or suits for the recovery of damages or deficiencies, or any installments thereof, may be brought by Landlord from time to time at its election, and nothing contained herein shall be deemed to require Landlord to postpone suit until the date when the Term of this Lease would have expired if it had not been so terminated hereunder, or under any provision of Law, or had Landlord not re-entered the Property. Nothing herein contained shall be construed to limit or preclude recovery by Landlord against Tenant of any sums or damages to which, in addition to the damages particularly provided above, Landlord may lawfully be entitled by reason of any default hereunder on the part of Tenant. Nothing herein contained shall be construed to limit or prejudice the right of Landlord to obtain as damages by reason of the termination of this Lease or re-entry of the Property for the default of Tenant under this Lease an amount equal to the maximum allowed by any statute or rule of Law in effect at the time when, and governing the proceedings in which, such damages are to be proved whether or not such amount be greater, equal to, or less than any of the sums referred to in Section 17.2.

17.10 **Mitigation of Damage**. The parties agree any duty imposed by Law on Landlord to mitigate damages after a default by Tenant under this Lease shall be satisfied in full if Landlord uses reasonable efforts to lease the Property to another tenant (a "**Substitute Tenant**") in accordance with the following criteria: (a) Landlord shall have no obligation to solicit or entertain negotiations with any Substitute Tenant for the Property until 45 days following the date upon which Landlord obtains full and complete possession of the Property, including the relinquishment by Tenant of any claim to possession of the Property by written notice from Tenant to Landlord; (b) Landlord shall not be obligated to lease the Property to a Substitute Tenant for less than the current fair market value of the Property, as determined by Landlord in its reasonable discretion, nor will Landlord be obligated to enter into a new lease for the Property under other terms and conditions that are unacceptable to Landlord under Landlord's then-current leasing policies; (c) Landlord shall not be obligated to enter into a lease with a Substitute Tenant: (1) whose use would violate any restriction, covenant or requirement contained in the Ground Lease; (2) whose use would adversely affect the reputation of the Property; (3) whose use would require any addition to or modification of the Property in order to comply with applicable Law, including building codes; (4) whose Tangible Net Worth is less than Tenant's Tangible Net Worth (factoring in the Tangible Net Worth of any Guarantor) as of the Lease Date or who does not have, in Landlord's sole opinion, the creditworthiness to be an acceptable tenant; (5) that is a governmental entity, or quasi-governmental entity, or subdivision or agency thereof, or any other entity entitled to the defense of sovereign immunity, or is otherwise prohibited by Section **Error! Reference source not found.** of this Lease; (6) that does not meet Landlord's reasonable standards for tenants of the Property or is otherwise incompatible with the character of the occupancy of the Property, as reasonably determined by Landlord; or (7) is not acceptable to Ground Lessor; and (d) Landlord shall not be required to expend any amount of money to alter, remodel or otherwise make the Property suitable for use by a Substitute Tenant unless: (1) Tenant pays any such amount to Landlord prior to Landlord's execution of a lease with such Substitute Tenant (which payment shall not relieve Tenant of any amount it owes Landlord as a result of Tenant's default under this Lease); or (2) Landlord, in Landlord's sole discretion, determines any such expenditure is financially prudent in connection with entering into a lease with the Substitute Tenant. "**Tangible Net Worth**" means the excess of total assets over total liabilities, in each case as determined in accordance with generally accepted accounting principles consistently applied ("**GAAP**"), excluding, however, from the determination of total assets all assets which would be classified as intangible assets under GAAP including goodwill, licenses, patents, trademarks, trade names, copyrights, and franchises.

17.11 **No Waiver of Tenant's Obligations**. The failure of Landlord to insist upon enforcement of Tenant's obligations of strict performance with the terms of this Lease or payment of Rent, shall not be deemed to be a waiver of those obligations.

17.12 **Waiver of Right of Redemption**. Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future Laws in the event of Tenant being evicted or dispossessed for any cause, or in the event of Landlord obtaining possession of the Property, by reason of the violation by Tenant of any of the covenants or conditions of this Lease or otherwise.

17.13 **Lien on Leasehold Estate**. All Rent payable by Tenant hereunder and each and every installment thereof, and all costs, attorneys' fees, disbursements and other expenses which may be incurred by Landlord in enforcing the provisions of this Lease or on account of any delinquency of Tenant in carrying out the provisions of this Lease, shall be and they hereby are declared to constitute a valid lien upon the Tenant's subleasehold with respect to the Property to the extent permitted by Law.

17.14 **Payments on Account**. No receipt of moneys by Landlord from Tenant after termination of this Lease, or after the giving of any notice of termination of this Lease, shall reinstate, continue or extend the Term of this Lease or affect any notice theretofore given Tenant, or operate as a waiver of the right of Landlord to enforce the payment of Rent payable by Tenant hereunder or thereafter falling due, or operate as a waiver of the right of Landlord to recover possession of the Property, it being agreed that after the service of notice to terminate this Lease or the commencement of suit or summary proceedings, or after final order or judgment for the possession of the Property, or after possession of the Property by re-entry by summary proceedings or otherwise, Landlord may demand, receive and collect any moneys due or thereafter falling due without in any manner affecting such notice, proceeding, order, suit or judgment, all such moneys collected being deemed payments on account of the use and occupation of the Property or, at the election of Landlord, on account of Tenant's liability hereunder.

17.15 **No Waiver**. No failure of Landlord to exercise any right or remedy consequent upon a default in any covenant, agreement, term or condition of this Lease, and no acceptance of full or partial Rent by Landlord during the continuance of any such default, shall constitute a waiver of any such default or of such covenant, agreement, term or condition. No covenant, agreement, term or condition of this Lease to be performed or complied with by either party, and no default thereof, shall be waived, altered or modified except by a written instrument executed by that party. No waiver of any default shall affect or alter this Lease, but each and every covenant, agreement, term and condition of this Lease shall continue in full force and effect with respect to any other then existing or subsequent default thereof.

17.16 **Attorneys' Fees and Disbursements**. Tenant shall pay to Landlord all costs and expenses, including, without limitation, reasonable attorneys' fees and disbursements, incurred by Landlord in enforcing any of the covenants and provisions of this Lease and/or incurred by Landlord in any action brought on account of the provisions hereof, and all such costs and expenses, may be included in and form a part of any judgment entered in any action or proceeding against Tenant; provided, that if Tenant is the prevailing party in any action to enforce any claim against Landlord on account of this Lease, then Landlord shall pay to Tenant all costs and expenses, including, without limitation, reasonable attorneys' fees and disbursements, incurred by Tenant in such action.

17.17 **Lease Valid until Terminated by Landlord**. Even though Tenant has breached this Lease, this Lease shall continue in effect for so long as Landlord does not terminate Tenant's right to possession, and Landlord shall have the right to enforce all its rights and remedies under this Lease, including, without limitation, the right to recover all Rent as it becomes due under this Lease. Acts of maintenance or preservation or efforts to relet the Property or the appointment of a receiver upon initiative of Landlord to protect Landlord's interest under this Lease shall not constitute a termination of Tenant's right to possession unless written notice of termination is given by Landlord to Tenant.

17.18 **Tenant's Expenses**. All agreements and covenants to be performed or observed by Tenant under this Lease shall be at Tenant's sole cost and expense and without any abatement of Rent.

18. **Landlord Mortgage; Mortgagee Protection Provisions**.

18.1 **Landlord Mortgage**. The following general principles shall apply if Landlord wishes to obtain financing secured by a mortgage lien on Landlord's interest in the Property and its rights under this Lease (a "**Landlord Mortgage**"). At the request of either Landlord or Tenant, the parties shall amend this Section 18.1 to set forth in greater detail the provisions relating to a Landlord Mortgage.

18.1.1 Any Landlord Mortgage must be in compliance with the Ground Lease.

18.1.2 Landlord's mortgagee ("**Landlord's Mortgagee**") must either:

(a) subordinate its mortgage to this Lease and the rights of Tenant and its subleasehold estate, except as to (1) the right to casualty insurance proceeds to the extent relating to existing improvements owned by Landlord and (2) the right to condemnation proceeds (other than condemnation proceeds relating solely to the New Improvements, but not the land on which the New Improvements are located); or

(b) enter into a subordination, non-disturbance and attornment agreement with Tenant affording the types of protections that are customary in a tenant-landlord's mortgagee relationship, as modified to fit the nature of this transaction.

18.1.3 Tenant is obligated to deliver an estoppel certificate to Landlord's Mortgagee.

18.1.4 Tenant will agree to provide to Landlord's Mortgagee notice of default and opportunity to cure, agreements not to amend or terminate this Lease (other than for an event of default) and mortgagee protective provisions similar to those in Article IV of the Ground Lease.

18.2 **Ground Lessor's, Landlord's Mortgagee's Protection Provisions**. If Ground Lessor or Landlord's Mortgagee shall succeed to the interest of Landlord under this Lease, Ground Lessor or Landlord's Mortgagee shall not be: (a) liable for any act or omission of any prior lessor (including Landlord); (b) bound by any Base Rent, Percentage Rent or Additional Rent which Tenant might have paid for more than the current quarter to any prior lessor (including Landlord), and all such Rent shall remain due and owing, notwithstanding such advance payment; (c) bound by any security or advance rental deposit made by Tenant which is not delivered or paid over to Ground Lessor or Landlord's Mortgagee and with respect to which Tenant shall look solely to Landlord for refund or reimbursement; (d) bound by any termination, amendment or modification of this Lease made without Ground Lessor's or Landlord's Mortgagee's consent and written approval, except for those terminations, amendments and modifications permitted to be made by Landlord without Ground Lessor's or Landlord's Mortgagee's consent pursuant to the terms of the Ground Lease or loan documents, as applicable, between Landlord and Ground Lessor or Landlord's Mortgagee; (e) subject to the defenses which Tenant might have against any prior lessor (including Landlord); and (f) subject to the offsets which Tenant might have against any prior lessor (including Landlord) except for those offset rights which (1) are expressly provided in this Lease, (2) relate to periods of time following the acquisition of the Property by Ground Lessor or Landlord's Mortgagee, and (3) Tenant has provided written notice to Ground Lessor or Landlord's Mortgagee and provided Landlord's Mortgagee a reasonable opportunity to cure the event giving rise to such offset event. Landlord's Mortgagee shall have no liability or responsibility under or pursuant to the terms of this Lease or otherwise after it ceases to own the landlord's leasehold title to the Property. Nothing in this Lease shall be construed to require Landlord's Mortgagee to see to the application of the proceeds of any loan, and Tenant's agreements set forth herein shall not be impaired on account of any modification of the documents evidencing and securing any loan.

19. **Notices**. All notices and other communications given pursuant to this Lease shall be in writing and shall be (a) mailed by first class, United States Mail, postage prepaid, certified, with return receipt requested, and addressed to the parties hereto at the address specified in the Basic Lease Information, (b) hand-delivered to the intended addressee, (c) sent by a nationally recognized overnight courier service, or (d) sent by facsimile transmission during normal business hours followed by a confirmatory letter sent in another manner permitted hereunder. All notices shall be effective upon delivery (which, in the case of delivery by facsimile transmission, shall be deemed to occur at the time of delivery indicated on the electronic confirmation of the facsimile so long as the confirmatory letter referenced above is sent) to the address of the addressee (even if such addressee refuses delivery thereof). The parties hereto may change their addresses by giving notice thereof to the other in conformity with this provision.

For purposes of notice, the addresses of the parties shall, until changed as herein provided, be as follows:

Landlord: College Station Investors LLC
124 Allawood Court
Simpsonville, SC 29681
Attention: Timothy J. Sullivan
Telephone: 864.735.2320
Fax: 864.252.9316

with a copy to:	Vinson & Elkins L.L.P. 1001 Fannin Street, Suite 2500 Houston, Texas 77002 Attention: Telephone: Fax:	 David Cole 713.758.2543 713.615.5043
Tenant:	iBio CMO LLC 600 Madison Avenue, Suite 1601 New York, NY 10022-1737 Attention: Telephone: Fax:	 Robert B. Kay and Mark Giannone 212.399.4296 302.356.1173
with a copy to:	Boyar Miller 2925 Richmond Ave., 14th Floor Houston, TX 77098 Attention: Telephone: Fax:	 Cassie Stinson 832.615.4205 713.552.1758

20. **Quiet Enjoyment**. Provided Tenant has performed all of its obligations hereunder, Tenant shall peaceably and quietly hold and enjoy the Property for the Term of this Lease, without hindrance from Landlord or any party claiming by, through or under Landlord, but not otherwise, subject to the terms and conditions of this Lease and all matters of record as of the date of this Lease which are applicable to the Property.

21. **Amendments; Binding Effect; No Electronic Records**. This Lease may not be amended except by instrument in writing signed by Landlord and Tenant. No provision of this Lease shall be deemed to have been waived by Landlord unless such waiver is in writing signed by Landlord, and no custom or practice which may evolve between the parties in the administration of the terms hereof shall waive or diminish the right of Landlord to insist upon the performance by Tenant in strict accordance with the terms hereof. The use of the phrase "in writing" or the word "written" shall not be construed to include electronic communications except as specifically set forth in Section 19 and Section 26.18. Nothing in this Section 21 shall prohibit the parties from conducting informal communications by electronic mail; provided, however, that no such electronic transmissions shall be deemed to amend or modify this Lease. The terms and conditions contained in this Lease shall inure to the benefit of and be binding upon the parties hereto, and upon their respective successors in interest and legal representatives, except as otherwise herein expressly provided. This Lease is for the sole benefit of Landlord and Tenant, and, other than Landlord's Mortgagee and Tenant's Mortgagee, no third party shall be deemed a third party beneficiary hereof.

22**.** **Definitions**.

22.1 **Affiliate**. "**Affiliate**" means any person or entity which, directly or indirectly, or through one or more intermediaries, controls, is controlled by, or is under common control with the party in question.

22.2 **Default Rate**. "**Default Rate**" shall mean an interest rate per annum equal to the lesser of (a) 6% above the prime commercial lending rate of Bank of America, N.A., Dallas, Texas, charged to its customers of the highest credit standing for 90-day unsecured loans, in effect from time to time, or (b) the maximum applicable legal commercial rate, if any.

22.3 **Landlord**. The term "**Landlord**" as used in this Lease means only the owner, or the mortgagee in possession, for the time being of the Property, so that in the event of any transfer of title of the said Property, the said transferor or Landlord shall be and hereby is entirely freed and relieved of all future covenants, obligations and liabilities of Landlord hereunder. The obligations contained in this Lease to be performed by Landlord shall, subject as aforesaid, be binding on Landlord's successors and assigns, only during their respective periods of ownership.

22.4 **Laws**. "**Laws**" means all federal, state and local laws, ordinances, building codes and standards, rules and regulations, all court orders, governmental directives, and governmental orders and all interpretations of the foregoing, and all restrictive covenants affecting the Property, and "**Law**" means any of the foregoing.

22.5 **Tenant**. The term "**Tenant**," as used in this Lease, shall include more than one person if more than one person is Tenant and that if, at any time, the term "Tenant" shall include more than one person, the obligations of all such persons under this Lease shall be joint and several.

22.6 **Tenant Party**. "**Tenant Party**" means any of the following persons: Tenant; any assignees claiming by, through or under Tenant; any subtenants claiming by, through or under Tenant; and any of their respective agents, contractors, officers, employees, licensees, guests and invitees.

22.7 **Unavoidable Delays**. "**Unavoidable Delays**" shall mean delays caused by strikes, lockouts, acts of God, inability to obtain labor or materials, governmental restrictions, enemy action, civil commotion, fire, terrorist action, epidemic, public utility failure, unavoidable casualty, moratorium or similar Laws prohibiting performance or severe weather conditions or any other similar matter which shall be beyond the reasonable control of Tenant or Landlord, as the case may be; but the lack or insufficiency of funds shall not constitute an Unavoidable Delay nor shall the time for performing or complying with a party's obligations under this Lease that can be performed by the payment of money (e.g., Tenant's payment of Rent to Landlord or Landlord's payment of "Base Rent" to Ground Lessor, and maintenance of insurance) ever be extended by reason of Unavoidable Delays.

23. Net Lease; Non-Terminability.

23.1 **Non-Terminability**. This Lease shall not terminate, nor shall Tenant have any right to terminate this Lease, nor shall Tenant be entitled to any abatement or (except as otherwise expressly provided in Section 7) reduction of Rent hereunder, nor shall the obligations of Tenant under this Lease be affected, by reason of (a) subject to Section 6, any damage to or destruction of all or any part of the Property from whatever cause, (b) subject to Section 7, the taking of the Property or any portion thereof by condemnation, requisition or otherwise, (c) the prohibition, limitation or restriction of Tenant's use of all or any part of the Property, or any interference with such use, (d) Tenant's acquisition or ownership of all or any part of the Property otherwise than as expressly provided herein, (e) any default on the part of Landlord under this Lease, or under any other agreement to which Tenant and Landlord may be parties, (f) the failure of Landlord to deliver possession of the Property on the commencement of the term hereof or (g) any other cause whether similar or dissimilar to the foregoing, any present or future Law to the contrary notwithstanding. It is the intention of the parties hereto that the obligations of Tenant hereunder shall be separate and independent covenants and agreements, that the Rent and all other sums payable by Tenant hereunder shall continue to be payable in all events and that the obligations of Tenant hereunder shall continue unaffected unless the requirement to pay or perform the same shall have been terminated pursuant to any express provision of this Lease.

23.2 **Tenant Remains Obligated**. Tenant agrees that it will remain obligated under this Lease in accordance with its terms, and that it will not take any action to terminate, rescind or avoid this Lease, notwithstanding (a) the bankruptcy, insolvency, reorganization, composition, readjustment, liquidation, dissolution or winding up or other proceeding affecting Landlord or its successor in interest, or (b) any action with respect to this Lease which may be taken by any trustee or receiver of Landlord or its successor in interest or by any court in any such proceeding.

23.3 **Tenant's Waivers**. Tenant waives all rights which may now or hereafter by conferred by Law (a) to quit, terminate or surrender this Lease or the Property or any part thereof, (b) to any abatement, suspension, deferment or reduction of the Base Rent, Percentage Rent, Additional Rent or any other sums payable under this Lease, except as otherwise expressly provided herein, or (c) to cause Landlord to make repairs to the Property at Landlord's expense.

24. Hazardous Materials; Environmental Requirements.

24.1 **Prohibition against Hazardous Materials**. Except for Hazardous Materials contained in products used by Tenant in *de minimis* quantities for ordinary cleaning and office purposes, or as allowed pursuant to Section 24.7 below, Tenant shall not permit or cause any party to bring any Hazardous Materials upon the Property or transport, store, use, generate, manufacture or Release (defined below) any Hazardous Materials on or from the Property without Landlord's prior written consent. As used herein, "**Release**" means depositing, spilling, leaking, migrating, pumping, pouring, emitting, emptying, discharging, discarding, abandoning, placing, injecting, escaping, leaching, dumping or disposing. Tenant, at its sole cost and expense, shall operate its business in the Property in strict compliance with all Environmental Requirements and all requirements of this Lease. Tenant shall complete and certify to disclosure statements as requested by Landlord from time to time relating to Tenant's transportation, storage, use, generation, manufacture or Release of Hazardous Materials on the Property, and Tenant shall promptly deliver to Landlord a copy of any notice of violation relating to the Property of any Environmental Requirement.

24.2 **Environmental Requirements**. The term "**Environmental Requirements**" means all Laws regulating or relating to workplace health, occupational safety, prevention of pollution, or environmental conditions on, under, or about the Property or protection of the environment including the following: the Comprehensive Environmental Response, Compensation and Liability Act; the Resource Conservation and Recovery Act; the Clean Air Act; the Clean Water Act; the Toxic Substances Control Act; the Hazardous Materials Transportation Act; and all state and local counterparts thereto, and any common or civil Law obligations including nuisance or trespass, and any other requirements of this Lease. The term "**Hazardous Materials**" means and includes any substance, material, waste, pollutant, or contaminant that is or could be regulated under any Environmental Requirement or that may adversely affect human health or the environment, including any solid or hazardous waste, hazardous substance, toxic substance, medical or infectious waste, asbestos, petroleum (including crude oil or any fraction thereof, natural gas, synthetic gas, polychlorinated biphenyls [PCBs], and radioactive material). For purposes of Environmental Requirements, to the extent authorized by Law, Tenant is and shall be deemed to be the responsible party, including the "owner" and "operator" of Tenant's "facility" and the "owner" of all Hazardous Materials brought on the Property by Tenant or any Tenant Party and the wastes, by-products, or residues generated, resulting, or produced therefrom.

24.3 **Inspections; SDS**. Without limiting the generality of Tenant's obligation to comply with Laws as otherwise provided in this Lease, Tenant shall, at its sole cost and expense, comply with all present and future Environmental Requirements. Tenant shall obtain and maintain any and all necessary government permits, licenses, certifications and approvals appropriate or required by applicable Law for the use, handling, storage, and disposal of any Hazardous Materials used, stored, generated, transported, handled, blended, or recycled by Tenant on the Property. Landlord shall have a continuing right, without obligation, to require Tenant to obtain, and to review and inspect any and all such permits, licenses, certifications and approvals, together with copies of any and all Hazardous Materials management plans and programs, any and all Hazardous Materials risk management and pollution prevention programs, and any and all Hazardous Materials emergency response and employee training programs respecting Tenant's use of Hazardous Materials. Upon request of Landlord, Tenant shall deliver to Landlord, a narrative description explaining the nature and scope of Tenant's activities involving Hazardous Materials and showing to Landlord's satisfaction compliance with all Environmental Requirements and the terms of this Lease. Additionally, Tenant shall deliver to Landlord copies of the Safety Data Sheets ("**SDS**") for all Hazardous Materials used, stored or handled on the Property, and Tenant shall update the same from time to time, as applicable. If any information provided to Landlord by Tenant in the SDS or otherwise relating to information concerning Hazardous Materials is false in any material respect, the same shall be deemed an Event of Default by Tenant under this Lease.

24.4 **Notice of Spills**. Unless Tenant is required by Law to give earlier notice to Landlord, Tenant shall notify Landlord in writing as soon as possible but in no event later than five days after (a) the occurrence of any spill, discharge, leak, seep or any other release of any Hazardous Material on, under, from or about the Property, regardless of the quantity of any such spill, discharge, leak, seep or release of Hazardous Material, or (b) Tenant becomes aware of any regulatory inquiries, inspections, investigations, directives, or any cleanup, compliance or abatement proceedings (including any threatened or potential investigations or proceedings), or claims by any third parties relating to any Hazardous Materials in, on, under, from or about the Property. Landlord shall have the right to appear at and participate in, any and all legal or other administrative proceedings concerning the release of any Hazardous Materials on, under, from or about the Property.

24.5 **Removal of Hazardous Materials**. Tenant, at its sole cost and expense, shall remove all Hazardous Materials stored or Released by Tenant or any Tenant Party onto or from the Property, in a manner and to a level satisfactory to Landlord in its sole discretion, but in no event to a level and in a manner less than that which complies with all Environmental Requirements and does not limit any future uses of the Property or require the recording of any deed restriction or notice regarding the Property. Tenant shall perform such work at any time during the period of this Lease upon written request by Landlord or, in the absence of a specific request by Landlord, before Tenant's right to possession of the Property terminates or expires. If Tenant fails to perform such work within the time period specified by Landlord or before Tenant's right to possession terminates or expires (whichever is earlier), Landlord may at its discretion, and without waiving any other remedy available under this Lease or at law or equity (including an action to compel Tenant to perform such work), perform such work at Tenant's cost. Tenant shall pay all costs incurred by Landlord in performing such work within ten days after Landlord's request therefor. Such work performed by Landlord is on behalf of Tenant and Tenant remains the owner, generator, operator, transporter, and/or arranger of the Hazardous Materials for purposes of Environmental Requirements. Tenant agrees not to enter into any agreement with any person, including any governmental authority, regarding the removal of Hazardous Materials that have been Released onto or from the Property without the written approval of the Landlord.

24.6 **Tenant's Indemnity**. TENANT SHALL INDEMNIFY, DEFEND, AND HOLD LANDLORD AND GROUND LESSOR HARMLESS FROM AND AGAINST ANY AND ALL LOSSES (INCLUDING DIMINUTION IN VALUE OF THE PROPERTY OR THE LAND AND LOSS OF RENTAL INCOME FROM THE PROPERTY OR THE LAND), CLAIMS, DEMANDS, ACTIONS, SUITS, DAMAGES (INCLUDING PUNITIVE DAMAGES), EXPENSES (INCLUDING REMEDIATION, REMOVAL, REPAIR, CORRECTIVE ACTION, OR CLEANUP EXPENSES), AND COSTS (INCLUDING ACTUAL ATTORNEYS' FEES, CONSULTANT FEES OR EXPERT FEES AND INCLUDING REMOVAL OR MANAGEMENT OF ANY HAZARDOUS MATERIALS BROUGHT ONTO THE PROPERTY OR DISTURBED IN BREACH OF THE REQUIREMENTS OF THIS SECTION 24, REGARDLESS OF WHETHER SUCH HAZARDOUS MATERIALS CONSTITUTE PERMITTED HAZARDOUS SUBSTANCES (DEFINED BELOW) AND REGARDLESS OF WHETHER SUCH REMOVAL OR MANAGEMENT IS REQUIRED BY LAW) WHICH ARE BROUGHT OR RECOVERABLE AGAINST, OR SUFFERED OR INCURRED BY LANDLORD OR GROUND LESSOR AS A RESULT OF ANY RELEASE OF HAZARDOUS MATERIALS OR ANY BREACH OF THE REQUIREMENTS UNDER THIS SECTION 24 BY TENANT OR A TENANT PARTY REGARDLESS OF WHETHER TENANT HAD KNOWLEDGE OF SUCH NONCOMPLIANCE AND REGARDLESS OF WHETHER LANDLORD WAS NEGLIGENT OR SUBJECT TO ANY STRICT LIABILITY OR OTHERWISE CAUSED OR CONTRIBUTED TO ANY RELEASE OF HAZARDOUS MATERIALS ON OR FROM THE PROPERTY. THIS INDEMNITY PROVISION IS INTENDED TO ALLOCATE RESPONSIBILITY BETWEEN LANDLORD AND TENANT UNDER ENVIRONMENTAL LAWS AND SHALL SURVIVE TERMINATION OR EXPIRATION OF THIS LEASE. THIS SECTION 24.6 INCLUDES, BUT IS NOT LIMITED TO, THIRD PARTY CLAIMS AND DIRECT CLAIMS BETWEEN THE PARTIES.

24.7 **Medical and Bioscience Use and Inspections**. Subject to Tenant's compliance with the preceding provisions of this Article 24, Landlord acknowledges that the Improvements will be used for medical and bioscience purposes and that Tenant's employees, contractors, consultants, clients and other individuals entering the Improvements may include practicing physicians and medical and/or biological research faculty and professionals, and facilities in the Improvements may include clinical and diagnostic laboratories, imaging facilities, and research and teaching facilities, including but not limited to research relating to infectious diseases and viruses and development of drugs and countermeasures relating to same. All such uses of the Building are Permitted Uses, and Landlord acknowledges that such uses of the Premises may result in, and Landlord consents to, the presence, use, storage, and disposal of Permitted Hazardous Substances on the Premises and the transportation of Permitted Hazardous Substances to and from the Premises. Tenant must obtain the written approval of Ground Lessor as required in Section 6.4(d) of the Ground Lease, prior to the construction and/or operation of any biosafety level (BSL) 3 laboratory on the Land (or a comparable substitute or replacement classification) and Tenant shall provide Landlord with copies of all documentation relating to its application for such approval and the issuance by Ground Lessor of its approval thereof. Once constructed or operational, any BSL-3 laboratory shall be subject to routine inspection by Ground Lessor for safety and compliance with biosafety standards and guidelines, including NIH- CDC Biosafety in Microbiological and Biomedical Laboratories (BMBL), USDA Facilities Design Standards, OSHA, and the NIH Design Policy and Guidelines. Pursuant to Section 6.4(d) of the Ground Lease, Ground Lessor is required to give Tenant at least 5 business days prior written notice of any such intended inspection, except in the cases of emergency when no such advance notice shall be required. Tenant shall notify Landlord immediately of any notice of inspection by Ground Lessor and, subject to consent by Ground Lessor, Tenant shall allow Landlord the opportunity to attend any such inspection along with Tenant. Any such inspection shall be conducted in a manner reasonably designed to minimize any interference in the operation of Tenant's operations in the subject laboratories. "**Permitted Hazardous Substances**" means those substances and materials, which may include certain Hazardous Materials, which are used by Tenant in connection with the Permitted Use, which shall be stored, transported, handled, used and disposed of in strict accordance with all Laws, including Environmental Requirements. On or prior to the Lease Date, Tenant shall provide Ground Lessor and Landlord with a list of Hazardous Materials anticipated to be used on the Land and such Hazardous Materials shall be deemed to be "Permitted Hazardous Substances" so long as such items are stored, transported, handled, used, and disposed of in strict accordance with all Laws, including Environmental Requirements, and the provisions of this Section 24.7.

24.8 **Tenant's Financial Assurance in the Event of a Breach**. In addition to all other rights and remedies available to Landlord under this Lease or otherwise, Landlord may, in the event of a breach of the requirements of this Section 24 that is not cured within 30 days following notice of such breach by Landlord, require Tenant to provide financial assurance (such as insurance, escrow of funds or third-party guarantee) in an amount and form satisfactory to Landlord. The requirements of this Section 24 are in addition to and not in lieu of any other provision in this Lease.

25. Financial Information and Representations.

25.1 **Financial Reports**. If Tenant is an entity that is domiciled in the United States of America, and whose securities are funded through a public securities exchange subject to regulation by the United States of America publicly traded over exchanges based in the United States and whose financial statements are readily available at no cost to Landlord, the terms of this Section 25.1 shall not apply. Otherwise, within 15 days after Landlord's request, Tenant will furnish Tenant's most recent audited financial statements (including any notes to them) to Landlord, or, if no such audited statements have been prepared, such other financial statements (and notes to them) as may have been prepared by an independent certified public accountant or, failing those, Tenant's internally prepared financial statements. Tenant will discuss its financial statements with Landlord and, following the occurrence of an Event of Default hereunder, will give Landlord access to Tenant's books and records in order to enable Landlord to verify the financial statements. Landlord will not disclose any aspect of Tenant's financial statements that Tenant designates to Landlord as confidential except (a) to Landlord's Mortgagee, Tenant's Mortgagee or prospective mortgagees or purchasers of the Property, (b) in litigation between Landlord and Tenant, and/or (c) if required by Law or court order. Tenant shall not be required to deliver the financial statements required under this Section 25.1 more than once in any 12-month period unless requested by Landlord's Mortgagee, Tenant's Mortgagee or a prospective buyer or lender of the Property or an Event of Default occurs.

25.2 **Representations and Warranties of Tenant**. Tenant represents and warrants to Landlord that:

25.2.1 Tenant (a) is a duly organized and validly existing corporation in good standing under the Laws of the jurisdiction of its incorporation, and (b) is duly qualified as a foreign corporation and in good standing in the State of Texas.

25.2.2 Tenant's organizational number assigned by the Delaware Secretary of State is SR 20151379428.

25.2.3 Tenant has full power and authority, and has taken all actions necessary, to enter into this Lease. The execution and delivery of, and the performance by Tenant of its obligations under, this Lease have been duly authorized by all requisite corporate action on the part of Tenant, and does not (a) violate any provision of any Law, rule, regulation, order, writ, judgment, decree, determination or award, (b) violate or conflict with, result in a breach of, any of the provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any lien upon any of the property or assets of Tenant pursuant to the terms of, any indenture, loan agreement or other agreement or instrument to which Tenant is a party, or by which it or any of its property is bound or to which it may be subject, or (c) violate any provision of any document or instrument (including articles of incorporation and by-laws) relating to the due organization and formation of Tenant or to which it may be subject.

25.2.4 This Lease has been duly executed by or on behalf of Tenant and constitutes the legal, valid and binding obligation of Tenant, enforceable against Tenant in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting the enforcement of creditors' rights generally.

25.2.5 No authorization, consent, approval, license, or formal exemption from, nor any filing, recording, declaration or registration with, any federal, state, local or foreign court, governmental agency or regulatory authority is required in connection with (a) the execution, delivery and performance of this Lease, or (b) the legality, validity, binding effect or enforceability of this Lease.

25.2.6 To the best current actual knowledge of Tenant, Tenant is in compliance with all applicable statutes, regulations and orders of, and all applicable restrictions imposed by, all governmental bodies, domestic or foreign, in respect of the conduct of its business and the ownership of its property (including applicable statutes, regulations, orders and restrictions relating to environmental standards and controls), except such noncompliance as would not, in the aggregate, have a material adverse effect on the business, operations, assets or financial condition of Tenant.

26. **Miscellaneous**.

26.1 **Brokerage**. Neither Landlord nor Tenant has dealt with any broker or agent in connection with the negotiation or execution of this Lease. Tenant and Landlord shall each indemnify, defend and hold harmless the other against all costs, expenses, attorneys' fees, liens and other liability for commissions or other compensation claimed by any broker or agent claiming the same by, through or under the indemnifying party.

26.2 **Separability**. If any term or provision of this Lease shall to any extent be held invalid or unenforceable, the remaining terms and provisions of this Lease shall not be affected thereby, but each term and provision shall be valid and be enforced to the fullest extent permitted by Law.

26.3 **Estoppel Certificates**. From time to time, each party hereto shall furnish to the requesting party and/or any third party designated by the other party hereto, within 10 business days after the requesting party hereto has made a request therefor, a certificate signed by the responding party hereto confirming and containing such factual certifications and representations as to this Lease as the requesting party hereto may reasonably request. Unless otherwise required by Landlord's Mortgagee or a prospective purchaser or mortgagee of Landlord's interest in this Lease and its estate hereunder in the Property, the initial form of estoppel certificate to be signed by Tenant is attached hereto as Exhibit C; provided, however, the factual statements contained therein may be amended or modified to the extent any of the certifications or representations contained therein are not true as of the date Tenant executes the same. If the responding party hereto does not deliver to the requesting party hereto the certificate signed by such responding party within such required time period, the requesting party hereto and any prospective purchaser or prospective or current mortgagee, may conclusively presume and rely upon the following facts: (a) this Lease is in full force and effect; (b) the terms and provisions of this Lease have not been changed except as otherwise represented by the requesting party hereto; (c) not more than one quarterly installment of Base Rent and other charges have been paid in advance; (d) there are no claims against the requesting party hereto nor any defenses or rights of offset against collection of Rent or other charges except in the event that Landlord fails to pay "Base Rent" under the Ground Lease to Ground Lessor and Tenant pays such Base Rent to Ground Lessor to cure such failure by Landlord; and (e) the requesting party hereto is not in default under this Lease. In such event, the party hereto that should have responded to such request shall be estopped from denying the truth of the presumed facts.

26.4 **Entire Agreement; No Reliance**. This Lease constitutes the entire agreement between Landlord and Tenant regarding the subject matter hereof and supersedes all oral statements and prior writings relating thereto. Except for those set forth in this Lease, no representations, warranties, or agreements have been made by Landlord or Tenant to the other with respect to this Lease or the obligations of Landlord or Tenant in connection herewith. Except as otherwise provided herein, no subsequent alteration, amendment, change or addition to this Lease shall be binding unless in writing and signed by Landlord and Tenant. The normal rule of construction that any ambiguities be resolved against the drafting party shall not apply to the interpretation of this Lease or any exhibits or amendments hereto. Further, Tenant disclaims any reliance upon any and all representations, warranties or agreements not expressly set forth in this Lease.

26.5 **Recording**. Tenant shall not record this Lease or any memorandum hereof without the prior written consent of Landlord, which consent may be withheld or denied in the sole and absolute discretion of Landlord. Tenant grants to Landlord a power of attorney to execute and record a release releasing any such recorded instrument of record that was recorded without the prior written consent of Landlord, which power is coupled with an interest and is irrevocable. Notwithstanding the foregoing, at any time following the Commencement Date, at the request of Landlord or Tenant, Landlord and Tenant shall execute a memorandum of lease in the form attached hereto as Exhibit D. The cost of recording such memorandum of lease shall be paid by Tenant. If any conflict exists or arises between the terms of this Lease and the terms of such memorandum, the terms of this Lease shall prevail. Tenant agrees that on or before the date which is 5 business days following the expiration or earlier termination of the Term or Tenant's right of possession hereunder, Tenant shall execute, acknowledge and deliver to Landlord a release of such memorandum of lease in a form to be prepared by Landlord at Tenant's cost.

26.6 **Landlord's Liability**. The liability of Landlord (and its successors, partners, shareholders or members) to Tenant (or any person or entity claiming by, through or under Tenant) for any default by Landlord under the terms of this Lease or any matter relating to or arising out of the occupancy or use of the Property shall be limited to Tenant's actual direct, but not consequential, damages therefor and shall be recoverable only from the interest of Landlord in the Property. Further, Landlord (and its successors, partners, shareholders or members) shall not be personally liable for any deficiency, and in no event shall any liability hereunder extend to any sales or insurance proceeds received by Landlord (or its successors, partners, shareholders or members) in connection with the Property. Additionally, Tenant hereby waives its statutory lien under Section 91.004 of the Texas Property Code. The provisions of this Section shall survive any expiration or termination of this Lease.

26.7 **Records and Books of Account**. Tenant shall at all times keep and maintain full and correct records and books of account of the operations of the Property in accordance with generally accepted accounting principles consistently applied and shall accurately record and preserve the records of such operations. Upon an Event of Default, Tenant shall permit Landlord and Landlord's accountants and Landlord's Mortgagee access to such Property records, with the right to make copies and excerpts therefrom upon reasonable advance notice to Tenant; provided, however, that Landlord and Tenant hereby stipulate and agree that all such records are proprietary information of Tenant and shall not be delivered to Ground Lessor or any other governmental entity or third party without the prior written consent of Tenant.

26.8 **Captions**. The captions of this Lease are for convenience of reference only and in no way define, limit or describe the scope or intent of this Lease or of any provisions thereof, or in any way affect this Lease.

26.9 **Number and Gender**. The use herein of (a) the singular shall include the plural, and (b) the neuter pronoun in any reference to Landlord or Tenant shall be deemed to include any individual Landlord or Tenant.

26.10 **Governing Law; Jurisdiction**. **THIS LEASE AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO SHALL BE INTERPRETED, CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS. LANDLORD AND TENANT STIPULATE THAT ALL DISPUTES ARISING FROM THIS LEASE SHALL BE RESOLVED IN THE FEDERAL DISTRICT COURT IN WHICH DISTRICT BRAZOS COUNTY, TEXAS IS LOCATED OR IN STATE COURT LOCATED IN BRAZOS COUNTY, TEXAS.** In any legal proceeding regarding this Lease, including enforcement of any judgments, each of Landlord and Tenant irrevocably and unconditionally (a) submits to the jurisdiction of the state courts of law in Brazos County, Texas; (b) accepts the venue of such courts and waives and agrees not to plead any objection thereto; and (c) agrees that (1) service of process may be effected at the address specified for notice to Landlord and Tenant in this Lease, or at such other address of which either party hereto has been properly notified in writing, and (2) nothing herein will affect either party's right to effect service of process in any other manner permitted by applicable law.

26.11 **Landlord's Expenses**. Whenever Tenant requests Landlord to take any action not required of Landlord hereunder or give any consent required or permitted under this Lease, Tenant will reimburse Landlord for Landlord's reasonable, out-of-pocket costs payable to third parties and incurred by Landlord in reviewing and taking the proposed action or consent, including reasonable attorneys', engineers' or architects' fees, within 30 days after Landlord's delivery to Tenant of a statement of such costs. Tenant will be obligated to make such reimbursement without regard to whether Landlord consents to any such proposed action.

26.12 **Joint and Several Liability**. If Tenant consists of more than one party (or if Tenant permits any other party to occupy the Property), each such party shall be jointly and severally liable for Tenant's obligations under this Lease. All unperformed obligations of Tenant at the end of the Term of this Lease shall survive the end of the Term of this Lease, including payment obligations with respect to Rent and all obligations concerning the condition and repair of the Property.

26.13 **No Merger**. There shall be no merger of the leasehold estate hereby created with the ground-leasehold estate in the Property or any part thereof if the same person acquires or holds, directly or indirectly, this Lease or any interest in this Lease and the ground-leasehold estate in the leasehold premises or any interest in such ground-leasehold estate.

26.14 **No Mortgage or Joint Venture**. Tenant and Landlord acknowledge and agree that this Lease is, in fact, a lease arrangement, and does not constitute a loan or a joint venture, and that Tenant has been represented by experienced legal counsel, who has advised Tenant of the rights and duties of Tenant. Tenant will not assert that the transaction evidenced hereby is a loan or a joint venture if Landlord or Landlord Mortgagee subsequently seeks to enforce its legal rights as a landlord.

26.15 **Confidentiality**. Each party hereto acknowledges that the terms and conditions of this Lease are to remain confidential for the other party's benefit, and may not be disclosed by either party hereto to anyone, by any manner or means, directly or indirectly, without the other party's prior written consent; however, each party hereto may disclose the terms and conditions of this Lease to its attorneys, accountants, employees and existing or prospective financial partners, or if required by Law or court order, provided all person or entities to whom either party hereto is permitted hereunder to disclose such terms and conditions are advised by the disclosing party of the confidential nature of such terms and conditions and agree to maintain the confidentiality thereof (in each case, prior to disclosure), except to the extent such disclosure is required by Laws or judicial order to be made to the public. Each party hereto shall be liable for any disclosures made in violation of this Section by such party or by any entity or individual to whom the terms of and conditions of this Lease were disclosed or made available by such party if the disclosing party failed to inform the recipient of such material of the confidential nature of the same. The consent by either party hereto to any disclosures shall not be deemed to be a waiver on the part of such party of any prohibition against any future disclosure. For clarification, Landlord and Tenant acknowledge that under the Ground Lease, Landlord may be obligated to release certain information relating to this Lease to Ground Lessor, which is a governmental entity subject to the Texas Public Information Act, as amended. The disclosure of any information relating to this Lease to Ground Lessor shall be made only if required by Laws and shall be submitted to Ground Lessor in a manner that seeks the maximum protection against disclosure as permitted under applicable exceptions set forth in such statute.

26.16 **Landlord's Lien**. In addition to any statutory landlord's lien, now or hereafter enacted, Tenant grants to Landlord, to secure performance of Tenant's obligations hereunder, a security interest in all of Tenant's personal property now or hereafter situated in or upon, or used in connection with, the Property, and all proceeds thereof (except (a) Tenant's rights and interests as licensee under that certain technology License Agreement with iBio Inc. as licensor; (b) merchandise sold in the ordinary course of business; and (c) the New Improvements Personalty) (collectively, the "**Collateral**"), and the Collateral shall not be removed from the Property without the prior written consent of Landlord until all obligations of Tenant have been fully performed. The Collateral includes specifically (subject to the exclusions listed in clauses (a), (b) and (c) above) all of the Replacement Property, Tenant's furniture and trade and other fixtures, inventory, equipment, contract rights, accounts receivable and the proceeds thereof. Upon the occurrence of an Event of Default, Landlord may, in addition to all other remedies, without notice or demand except as provided below, exercise the rights afforded to a secured party under the Uniform Commercial Code of the state in which the Property is located (the "**UCC**"). To the extent the UCC requires Landlord to give to Tenant notice of any act or event and such notice cannot be validly waived before a default occurs, then 5 days' prior written notice thereof shall be reasonable notice of the act or event. In order to perfect such security interest, Landlord may file any financing statement or other instrument necessary at Tenant's expense at the state and county Uniform Commercial Code filing offices. Tenant shall repair or replace any of the Collateral that is damaged and replace any of the Collateral that is worn out or obsolete. For the sake of clarity, neither items owned by customers of Tenant and located in the Property nor Property that is owned by Landlord shall constitute Collateral. Tenant may, in the ordinary course of business, dispose of any of the Collateral that is damaged, worn out or obsolete and Landlord's lien and security interest in such damaged, worn out or obsolete item shall be released provided that, to the extent needed in connection with the operation of the Property or in the operation of Tenant's business in the Property, Tenant has replaced the damaged, worn out or obsolete item with another item of equal or greater value and utility that becomes part of the Collateral.

26.17 **Landlord Transfer**. Subject to the terms of the Ground Lease, Landlord may transfer all or any portion of, or any of its interest in, the Property and its rights under this Lease. No such transfer will result in the termination of this Lease, Tenant's rights hereunder or the subleasehold estate created hereby, all of which shall remain in full force and effect notwithstanding such transfer. If Landlord assigns its rights under this Lease, then Landlord shall thereby be released from any further obligations hereunder arising after the date of transfer, provided that the assignee assumes in writing Landlord's obligations hereunder arising from and after the transfer date. So long as Landlord or any Affiliate of Landlord is a member in Tenant, and no Event of Default then remains uncured under this Lease, prior to entering into a Cash Sale (defined below) Landlord will discuss with Tenant the proposed Cash Sale, but Landlord is not obligated to sell or offer to sell all or any portion of the Property to Tenant, nor is Tenant obligated to purchase or offer to purchase all or any portion of the Property from Landlord. As used herein, "**Cash Sale**" means a sale only for cash, or for cash plus a promissory note secured only by a mortgage lien on the Property (or portion thereof to be sold), to a person or entity that is not an Affiliate of Landlord, of all or any significant portion of the Property as a stand-alone transaction (i.e., not in connection with the transfer of any other real or personal property interests of Landlord or any Affiliate of Landlord). By way of illustration, but not by way of limitation, none of the following will constitute a Cash Sale: (a) a sale or other transfer to an Affiliate of Landlord; (b) an exchange transaction involving all or any portion of the Property and any real or personal property interest owned or to be acquired by a third party (including any deferred exchange transaction); (c) any contribution of all or any portion of the Property to the equity of a third party; (d) any transfer of all or any portion of the Property wherein the consideration to be received includes anything other than cash, or cash plus a promissory note secured only by a mortgage lien on the Property (or portions thereof to be transferred); (e) any transfer in connection with the transfer of other property interests of Landlord or any Affiliate of Landlord; (f) Landlord's grant of any lien on or security interest in all or any portion of or any interest in the Property; (g) the foreclosure of any such lien or security interest or any transfer in lieu (or in partial lieu) of foreclosure; or (h) any merger, consolidation, reorganization or restructuring involving Landlord.

26.18 **Counterparts**. This Lease (and amendments to this Lease) may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of such counterparts shall constitute one document. To facilitate execution of this Lease, the parties may execute and exchange, by telephone facsimile or electronic mail PDF, counterparts of the signature pages. Signature pages may be detached from the counterparts and attached to a single copy of this Lease to physically form one document.

26.19 **No Offer**. The submission of this Lease to Tenant shall not be construed as an offer, and Tenant shall not have any rights under this Lease unless Landlord executes a copy of this Lease and delivers it to Tenant.

26.20 **Waiver of Jury Trial**. **TO THE MAXIMUM EXTENT PERMITTED BY LAW, TENANT (ON BEHALF OF ITSELF AND ITS RESPECTIVE SUCCESSORS, ASSIGNS AND SUBTENANTS) AND LANDLORD EACH, AFTER CONSULTATION WITH COUNSEL, KNOWINGLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY LITIGATION OR TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE ARISING OUT OF OR WITH RESPECT TO THIS LEASE OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS RELATED HERETO. TENANT FURTHER WAIVES ITS RIGHTS TO INTERPOSE ANY COUNTERCLAIM OR OFFSET IN ANY SUMMARY PROCEEDING INSTITUTED BY LANDLORD BASED UPON NON-PAYMENT OF RENT, AND TENANT ACKNOWLEDGES THAT ANY SUCH COUNTERCLAIM OR OFFSET MUST BE BROUGHT IN A SEPARATE SUIT AGAINST LANDLORD.**

26.21 **Water or Mold Notification**. To the extent Tenant or its agents or employees discover any water leakage, water damage or mold in or about the Property, Tenant shall promptly notify Landlord thereof in writing.

26.22 **Determination of Charges**. Landlord and Tenant agree that each provision of this Lease for determining charges and amounts payable by Tenant (including provisions regarding Additional Rent) is commercially reasonable and, as to each such charge or amount, constitutes a statement of the amount of the charge or a method by which the charge is to be computed for purposes of Section 93.012 of the Texas Property Code.

26.23 **Prohibited Persons and Transactions**. Tenant represents and warrants that neither Tenant nor any of its affiliates, nor any of their respective partners, members, shareholders or other equity owners, and none of their respective employees, officers, directors, representatives or agents is, nor will they become, a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Assets Control ("**OFAC**") of the Department of the Treasury (including those named on OFAC's Specially Designated Nationals and Blocked Persons List) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action and is not and will not Transfer this Lease to, contract with or otherwise engage in any dealings or transactions or be otherwise associated with such persons or entities.

26.24 **WAIVER OF CONSUMER RIGHTS**. **TENANT HEREBY WARRANTS AND REPRESENTS TO LANDLORD THAT EITHER (a) TENANT IS A BUSINESS CONSUMER THAT HAS ASSETS OF $25 MILLION OR MORE OR IS CONTROLLED BY A CORPORATION OR OTHER ENTITY WITH ASSETS OF $25 MILLION OR MORE OR (b) (1) TENANT IS NOT IN A SIGNIFICANTLY DISPARATE BARGAINING POSITION VIS-À-VIS LANDLORD, (2) TENANT IS REPRESENTED BY LEGAL COUNSEL IN ENTERING INTO THIS LEASE, AND (3) TENANT'S LEGAL COUNSEL WAS NOT DIRECTLY OR INDIRECTLY IDENTIFIED, SUGGESTED OR SELECTED BY LANDLORD OR AN AGENT OR AFFILIATE OF LANDLORD. TENANT HEREBY WAIVES ALL ITS RIGHTS UNDER THE TEXAS DECEPTIVE TRADE PRACTICES – CONSUMER PROTECTION ACT, SECTION 17.41 *ET SEQ.* OF THE TEXAS BUSINESS AND COMMERCE CODE, A LAW THAT GIVES CONSUMERS SPECIAL RIGHTS AND PROTECTIONS. AFTER CONSULTATION WITH AN ATTORNEY OF TENANT'S OWN SELECTION, TENANT VOLUNTARILY ADOPTS THIS WAIVER.**

26.25 **Security Service**. Tenant acknowledges and agrees that Landlord is not providing any security services with respect to the Property and that Tenant shall be solely responsible for providing security for the Property, its personal property and Tenant. Tenant may, at Tenant's cost and expense, install security monitors at the ingress/egress points to the Property or any building constructed thereupon. For all purposes under this Lease, such security devices shall be deemed to be Tenant's equipment. **TENANT AND EACH PARTY CLAIMING BY, THROUGH OR UNDER TENANT HEREBY RELEASES FROM LIABILITY LANDLORD AND ITS AGENTS AND REPRESENTATIVES AND WAIVES ALL LOSSES AND CLAIMS (WHETHER UNDER THEORIES OF STRICT LIABILITY, TORT OR OTHERWISE) THAT TENANT OR SUCH OTHER PARTY NOW OR HEREAFTER HAVE AGAINST LANDLORD AND ITS AGENTS AND REPRESENTATIVES FOR ANY LOSS ARISING OUT OF OR RELATED TO LANDLORD'S FAILURE TO PROVIDE ANY SECURITY SERVICE IN, AT OR FOR THE PROPERTY**. Sections 9 and 16 of this Lease shall govern Tenant's installation, maintenance and Landlord's removal rights with respect to any such security devices or connections.

26.26 **No Construction Contract**. Landlord and Tenant acknowledge and agree that this Lease, including all exhibits a part hereof, is not a construction contract or an agreement collateral to or affecting a construction contract.

26.27 **Exhibits**. All exhibits and attachments attached hereto are incorporated herein by this reference.

Exhibit A	-	Description of the Land
Exhibit B	-	Percentage Rent
Exhibit C	-	Form of Tenant Estoppel Certificate
Exhibit D	-	Form of Memorandum of Lease

26.28 **Indemnification**. All of the indemnity provisions in this Lease shall survive termination or expiration of this Lease, and such indemnities shall include both third party claims and direct claims between the parties.

27. **Ground Lease**.

27.1 **Copy of Ground Lease**. Tenant has been provided with a copy of the Ground Lease and has had an opportunity to review it. This Lease is subject and subordinate in all respects to the Ground Lease.

27.2 **Obligations under Ground Lease**. Tenant hereby assumes and shall perform all of the obligations of the "Tenant" under the Ground Lease other than the obligation to pay "Base Rent" thereunder. If Tenant fails to perform any such obligations, Landlord may do so and recover from Tenant the reasonable amounts spent by Landlord in doing so together with interest thereon at the Default Rate. Upon discussion with Tenant, Landlord shall use all commercially reasonable efforts to exercise and enforce, at Tenant's expense, all of Landlord's rights as tenant under the Ground Lease, including but not limited to rights relating to Ground Lessor's obligations, approvals and other actions as landlord under the Ground Lease. If either party to this Lease receives a written or electronic communication from Ground Lessor relating to or affecting the Ground Lease, this Lease or the Property, such party shall promptly deliver a copy of such communication to the other party hereto.

27.3 **Expiration or Termination of Ground Lease**. The expiration or termination of the Ground Lease will entitle Landlord to terminate this Lease.

27.4 **No Termination or Amendment to Ground Lease**. Landlord shall not voluntarily terminate the Ground Lease or amend the Ground Lease (other than with respect to Rent which Landlord is obligated to pay) if any such amendment would have a material adverse effect on the rights of Tenant under this Lease.

27.5 **Payment of Base Rent under Ground Lease**. Landlord shall pay "Base Rent" as and when due under the Ground Lease. If Landlord fails to do so, Tenant may do so and, at its election, offset against any Rent due to Landlord hereunder or recover directly from Landlord, the reasonable amounts incurred by Tenant in connection with curing Landlord's failure to do so together with interest thereon at the Default Rate.

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LANDLORD AND TENANT EXPRESSLY DISCLAIM ANY IMPLIED WARRANTY THAT THE PROPERTY IS SUITABLE FOR TENANT'S INTENDED COMMERCIAL PURPOSE, AND TENANT'S OBLIGATION TO PAY RENT HEREUNDER IS NOT DEPENDENT UPON THE CONDITION OF THE PROPERTY OR THE PERFORMANCE BY LANDLORD OF ITS OBLIGATIONS HEREUNDER, AND, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, TENANT SHALL CONTINUE TO PAY THE RENT, WITHOUT ABATEMENT, DEMAND, SETOFF OR DEDUCTION, NOTWITHSTANDING ANY BREACH BY LANDLORD OF ITS DUTIES OR OBLIGATIONS HEREUNDER, WHETHER EXPRESS OR IMPLIED.

Executed as of the date first written above.

LANDLORD:

COLLEGE STATION INVESTORS LLC, a Texas limited liability company

By: Third Palm LLC, a Delaware limited liability company, its manager

By: /s/ Timothy J. Sullivan
Name: Timothy J. Sullivan
Title: CFO

TENANT:

IBIO CMO LLC, a Delaware limited liability company

By: /s/ Robert L. Erwin
Name: Robert L. Erwin
Title: Manager

EXHIBIT A

LEGAL DESCRIPTION OF LAND

All that certain lot, tract or parcel of land being 21.401 acres situated in the J.H. Jones Survey, Abstract No. 26, Brazos County, Texas, and being all of that certain called 21.401 acre tract as described in Memorandum of Lease between The Board of Regents of The Texas A&M University System and TEXAS BIOPROPERTIES, LP, as recorded in Volume 9536, Page 255 of the Official Records of Brazos County, Texas, said 21.401 acre tract being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2" Iron Rod with Cap found in the southwest right-of-way line of South Traditions Drive as described in Volume 9267, Page 132 for the most northerly corner, said corner being the most easterly corner of the Texas A&M University System called 198.0559 acre tract as described in Volume 7988, Page 209;

THENCE S 51°09'57" E, along the southerly Right-of-Way line of said South Traditions Drive a distance of 125.17 feet to a 1/2" Iron Rod with Cap found for point of curvature;

THENCE continuing along the southerly Right-of-Way line of said South Traditions Drive around a curve in a counterclockwise direction having a delta angle of 40°38'12", an arc distance of 425.55 feet, a radius of 600.00 feet, and a chord of S 71°29'03" E, a distance of 416.68 feet to a 1/2" Iron Rod with Cap found for the northeast corner;

THENCE S 1°48'09" E, a distance of 221.86 feet to a 1/2" Iron Rod with Cap found for angle point;

THENCE S 48°08'12" E, a distance of 429.28 feet to a 1/2" Iron Rod with Cap found for the most easterly corner, said corner being located in the southeast City of Bryan City Limits Line as per deed described in Volume 3481, Page 81, said corner also being located in the northwest Right-of-Way line of HSC Parkway;

THENCE S 41°51'48" W, along the City Limits Line a distance of 464.43 feet to a 1/2" Iron Rod with Cap found for a point of curvature;

THENCE around a curve in a clockwise direction having a delta angle of 31°10'07", an arc distance of 401.19 feet, a radius of 737.50 feet, and a chord of S 57°26'51" W, a distance of 396.27 feet to a 1/2" Iron Rod with Cap found for the most southerly corner;

THENCE N 47°19'28" W, a distance of 981.81 feet to a 1/2" Iron Rod with Cap found in the southeast line of said called 198.0559 acre tract, a 1/2" Iron Rod with Cap found for the most southerly corner of said called 198.0559 Acre Tract bears S 41°44'03" W a distance of 1412.75 feet;

THENCE N 41°44'03" E, along the southeast line of said called 198.0559 acre tract a distance of 820.96 feet to the PLACE OF BEGINNING AND CONTAINING AN AREA OF 21.401 ACRES OF LAND MORE OR LESS.

EXHIBIT B

PERCENTAGE RENT

	Percentage Rent Rate	Annual Gross Sales Range (in US$)	
Tier 1	7%	-	5,000,000
Tier 2	6%	5,000,001	25,000,000
Tier 3	5%	25,000,001	50,000,000
Tier 4	4%	50,000,001	100,000,000
Tier 5	3%	100,000,001	500,000,000

For illustration purposes, if Gross Sales are $27,000,000, Percentage Rent would be calculated as follows: Tier 1 [7% of the first $5,000,000 of Gross Sales = $350,000], plus Tier 2 [6% of Gross Sales between $5,000,000 and $25,000,000 = $1,200,000], plus Tier 3 [5% of Gross Sales between $25,000,000 and $27,000,000 = $100,000], for a total Percentage Rent of $1,650,000.

EXHIBIT C

FORM OF TENANT ESTOPPEL CERTIFICATE

The undersigned is the Tenant under the Lease (defined below) between College Station Investors, LLC, a Texas limited liability company, as Landlord, and the undersigned as Tenant, for the Property located at 8800 Health Science Center Parkway, Bryan, Brazos County, Texas, and hereby certifies as follows:

1 . The Lease consists of the original Lease Agreement dated as of January 13, 2016, between Tenant and Landlord[‘s predecessor-in-interest] and the following amendments or modifications thereto (if none, please state “none”):

The documents listed above are herein collectively referred to as the “**Lease**” and represent the entire agreement between the parties with respect to the Property. All capitalized terms used herein but not defined shall be given the meaning assigned to them in the Lease.

2. The Lease is in full force and effect and has not been modified, supplemented or amended in any way except as provided in Section 1 above.

3. The initial term of the Lease commenced on January 13, 2016, and expires, excluding any renewal options, on March 6, 2050, plus one 10-year renewal option, and Tenant has no option to purchase all or any part of the Property or any option to terminate or cancel the Lease.

4 . Tenant currently occupies the Property described in the Lease and Tenant has not transferred, assigned, or sublet any portion of the Property nor entered into any license or concession agreements with respect thereto except as follows (if none, please state “none”):

5. All quarterly installments of Base Rent and Percentage Rent and all Additional Rent have been paid when due through_____. The current quarterly installment of Base Rent is $_____.

6. All conditions of the Lease to be performed by Landlord necessary to the enforceability of the Lease have been satisfied and Landlord is not in default thereunder. In addition, Tenant has not delivered any notice to Landlord regarding a default by Landlord thereunder.

7. As of the date hereof, there are no existing defenses or offsets, or, to Tenant’s knowledge, claims or any basis for a claim, that Tenant has against Landlord and no event has occurred and no condition exists, which, with the giving of notice or the passage of time, or both, will constitute a default under the Lease.

8. No quarterly installment of rental has been paid more than 30 days in advance and no security deposit has been delivered to Landlord except as provided in the Lease.

9. If Tenant is a corporation, partnership, limited liability company or other business entity, each individual executing this Estoppel Certificate on behalf of Tenant hereby represents and warrants that Tenant is and will remain during the Term of this Lease a duly formed and existing entity qualified to do business in the state in which the Property is located and that Tenant has full right and authority to execute and deliver this Estoppel Certificate and that each person signing on behalf of Tenant is authorized to do so.

10. There are no actions pending against Tenant under any bankruptcy or similar laws of the United States or any state.

11. Other than in compliance with all applicable laws and incidental to the ordinary course of the use of the Property, Tenant has not used or stored any hazardous substances in the Property.

12. All tenant improvement work to be performed by Landlord under the Lease has been completed in accordance with the Lease and has been accepted by Tenant and all reimbursements and allowances due to Tenant under the Lease in connection with any tenant improvement work have been paid in full.

Tenant acknowledges that this Estoppel Certificate may be delivered to Landlord, Landlord's Mortgagee, Tenant's Mortgagee or to a prospective mortgagee of or prospective purchaser from Landlord, and their respective successors and assigns, and acknowledges that Landlord, Landlord's Mortgagee, Tenant's Mortgagee and/or such prospective mortgagee or prospective purchaser will be relying upon the statements contained herein in disbursing loan advances or making a new loan secured by either Tenant's or Landlord's interest in the Property arising under the Lease or acquiring the Property and that receipt by it of this certificate is a condition of disbursing loan advances or making such loan or acquiring the Property.

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Executed as of_____, 20_____.

TENANT: _____a _____

By: _____
Name: _____
Title: _____

EXHIBIT D

FORM OF MEMORANDUM OF LEASE

THIS MEMORANDUM OF SUBLEASE (this "**Memorandum**") is made effective as of January , 2016 (the "**Effective Date**"), by and between COLLEGE STATION INVESTORS LLC, a Texas limited liability company (" **Landlord**"), and IBIO CMO LLC, a Delaware limited liability corporation ("**Tenant**").

1 . **Property**. Landlord and Tenant have entered into a Sublease Agreement (the " **Lease**") dated of even date herewith, covering and describing that certain tract of land, containing approximately 21.401 acres of land, together with all improvements and fixtures now or hereafter situated thereon and all easements appurtenant thereto, located in Brazos County, Texas, which tract of land is more particularly described on Exhibit "A" attached hereto (collectively, the "**Lease Premises**").

2 . **Term**. The Lease has an initial term of ending on March 6, 2050. Tenant has an option to renew and extend the term of the Lease for one additional ten (10) year term, subject to the terms and conditions set forth in the Lease.

3. **Incorporation of Lease**.

(a) This Memorandum is for informational purposes only and nothing contained herein shall be deemed to in any way modify or otherwise affect any of the terms and conditions of the Lease, the terms of which are incorporated herein by reference. This Memorandum is merely a memorandum of the Lease and is subject to all of the terms, provisions and conditions of the Lease. In the event of any inconsistency between the terms of the Lease and this Memorandum, the terms of the Lease shall prevail.

(b) The Lease is a sublease that is expressly made subordinate to that certain Ground Lease Agreement referred to in the Memorandum of Lease dated March 8, 2010, between The Board of Regents of The Texas A&M University System, as landlord, and Texas Bioproperties, LP, recorded in Vol. 9536, P. 255, Official Public Records of Brazos County, Texas, as amended by the Estoppel Certificate and Amendment to Ground Lease dated December 22, 2015. Such Ground Lease Agreement, as amended, has been assigned to Landlord herein by Special Warranty Deed and Assignment of Ground Lease dated as of December 22, 2015, from Texas Bioproperties, LP, and Caliber BioTherapeutics, LLC, to Landlord, recorded under Document No. 2015-1251621 in the Official Records of Brazos County, Texas.

(c) NOTICE IS HEREBY GIVEN THAT LANDLORD SHALL NOT BE LIABLE FOR ANY LABOR OR MATERIALS FURNISHED TO OR FOR THE TENANT. FURTHERMORE, NOTICE IS HEREBY GIVEN TO TENANT AND TENANT'S MECHANICS, LABORERS AND MATERIALMEN WITH RESPECT TO THE PROPERTY (AS DEFINED IN THE LEASE) THAT NO MECHANIC'S, MATERIALMAN'S OR LABORER'S LIEN SHALL ATTACH TO OR AFFECT THE REVERSION OR OTHER INTEREST OF LANDLORD IN OR TO THE PROPERTY.

(d) Nothing in the Lease contained shall be deemed or construed in any way as constituting the consent or request of Landlord, expressed or implied, by inference or otherwise, to any contractor, subcontractor, laborer or materialman for the performance of any labor or the furnishing of any materials for any specific improvement, alteration to or repair of Landlord's interest in the Lease or its estate as sublandlord thereunder in the Property or any part thereof. Landlord and Tenant acknowledge and agree that their relationship is and shall be solely that of "landlord-tenant" (thereby excluding a relationship of "owner-contractor," "owner-agent" or other similar relationships) and that Tenant is not authorized to act as Landlord's common law agent or construction agent, or to encumber Landlord's estate thereunder in connection with any work performed on the Property. Accordingly, all materialmen, contractors, artisans, mechanics, laborers and any other persons now or hereafter contracting with Tenant, any contractor or subcontractor of Tenant or any Tenant Party (as defined in the Lease) for the furnishing of any labor, services, materials, supplies or equipment with respect to any portion of the Property, at any time from the date hereof until the end of the Term (as defined in the Lease), are hereby charged with notice that they look exclusively to Tenant to obtain payment for same. Nothing in the Lease shall be deemed a consent by Landlord to any liens being placed upon Landlord's interest in the Lease or its estate thereunder in the Property due to any work performed by or for Tenant or deemed to give any contractor or subcontractor or materialman any right or interest in any funds held by Landlord to reimburse Tenant for any portion of the cost of such work.

4 . **Binding Effect**. The rights and obligations set forth herein shall be binding upon and inure to the benefit of the patties hereto and their respective heirs, personal representatives, successors and assigns.

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EXECUTED in multiple counterpart originals on the dates of the acknowledgments set forth below; to be effective, however, for all purposes, as of the Effective Date set forth above.

LANDLORD:

COLLEGE STATION INVESTORS LLC,
A Texas limited liability company
By: Third Palm LLC,
A Delaware limited liability company
Its Manager

By: _____
Name: Tim Sullivan
Title: CFO

STATE OF _____§

COUNTY OF _____§

This instrument was acknowledged before me, the undersigned authority, this day of January, 2016, by Tim Sullivan, Chief Financial Officer of Third Palm LLC, a Delaware limited liability company, manager of College Station Investors LLC, a Texas limited liability company, on behalf of said limited liability company.

(SEAL)

_____
Notary Public in and for

(REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

[TENANT'S SIGNATURE ON FOLLOWING PAGE]

TENANT:

IBIO CMO LLC
a Delaware limited liability company

By: iBio Inc.,
A Delaware corporation,
Manager

By: _____
Name: Robert B. Kay
Title: CEO

STATE OF _____§

COUNTY OF _____§

This instrument was acknowledged before me, the undersigned authority, this day of January, 2016, by Robert B. Kay, Chief Executive Officer of iBio, Inc., a Delaware corporation, in its capacity as Manager of iBio CMO LLC, a Delaware limited liability company, on behalf of said limited liability company.

(SEAL)

_____
Notary Public in and for

_____
Printed Name: _____
My Commission Expires: _____

After Recording, Please Return To:

Cassie B. Stinson Boyar Miller
4265 San Felipe, Ste. 1200
Houston, TX 77027

EXHIBIT A

LEGAL DESCRIPTION OF LAND

All that certain lot, tract or parcel of land being 21.401 acres situated in the J.H. Jones Survey, Abstract No. 26, Brazos County, Texas, and being all of that certain called 21.401 acre tract as described in Memorandum of Lease between The Board of Regents of The Texas A&M University System and TEXAS BIOPROPERTIES, LP, as recorded in Volume 9536, Page 255 of the Official Records of Brazos County, Texas, said 21.401 acre tract being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2" Iron Rod with Cap found in the southwest right-of-way line of South Traditions Drive as described in Volume 9267, Page 132 for the most northerly corner, said corner being the most easterly corner of the Texas A&M University System called 198.0559 acre tract as described in Volume 7988, Page 209;

THENCE S 51°09'57" E, along the southerly Right-of-Way line of said South Traditions Drive a distance of 125.17 feet to a 1/2" Iron Rod with Cap found for point of curvature;

THENCE continuing along the southerly Right-of-Way line of said South Traditions Drive around a curve in a counterclockwise direction having a delta angle of 40°38'12", an arc distance of 425.55 feet, a radius of 600.00 feet, and a chord of S 71°29'03" E, a distance of 416.68 feet to a 1/2" Iron Rod with Cap found for the northeast corner;

THENCE S 1°48'09" E, a distance of 221.86 feet to a 1/2" Iron Rod with Cap found for angle point;

THENCE S 48°08'12" E, a distance of 429.28 feet to a 1/2" Iron Rod with Cap found for the most easterly corner, said corner being located in the southeast City of Bryan City Limits Line as per deed described in Volume 3481, Page 81, said corner also being located in the northwest Right-of-Way line of HSC Parkway;

THENCE S 41°51'48" W, along the City Limits Line a distance of 464.43 feet to a 1/2" Iron Rod with Cap found for a point of curvature;

THENCE around a curve in a clockwise direction having a delta angle of 31°10'07", an arc distance of 401.19 feet, a radius of 737.50 feet, and a chord of S 57°26'51" W, a distance of 396.27 feet to a 1/2" Iron Rod with Cap found for the most southerly corner;

THENCE N 47°19'28" W, a distance of 981.81 feet to a 1/2" Iron Rod with Cap found in the southeast line of said called 198.0559 acre tract, a 1/2" Iron Rod with Cap found for the most southerly corner of said called 198.0559 Acre Tract bears S 41°44'03" W a distance of 1412.75 feet;

THENCE N 41°44'03" E, along the southeast line of said called 198.0559 acre tract a distance of 820.96 feet to the PLACE OF BEGINNING AND CONTAINING AN AREA OF 21.401 ACRES OF LAND MORE OR LESS.

Exhibit 31.1

CERTIFICATION PURSUANT TO
SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Robert B. Kay, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended December 31, 2015 of iBio, Inc. (the registrant);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer 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 these entities, particularly during the period in which this report is being prepared;
   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 19, 2016

/s/ Robert B. Kay
Robert B. Kay
Executive Chairman
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO
SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Mark Giannone, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended December 31, 2015 of iBio, Inc. (the registrant);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer 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 these entities, particularly during the period in which this report is being prepared;
   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 19, 2016

/s/ Mark Giannone
Mark Giannone
Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of iBio, Inc. (the Company) for the quarterly period ended December 31, 2015 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Robert B. Kay, Executive Chairman of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 19, 2016

/s/ Robert B. Kay
Robert B. Kay
Executive Chairman
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of iBio, Inc. (the Company) for the quarterly period ended December 31, 2015 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Mark Giannone, Chief Financial Officer of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 19, 2016

/s/ Mark Giannone
Mark Giannone
Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)