Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2016

OR

o 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: 001-36783

BELLICUM PHARMACEUTICALS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**2836**	**20-1450200**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

2130 W. Holcombe Blvd., Ste. 800
Houston, TX 77030
(832) 384-1100
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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

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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). **Yes** x **No** o

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	o		Accelerated filer	x
Non-accelerated filer	o	(Do not check if a smaller reporting company)	Smaller reporting company	o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). **Yes** o **No** x
As of July 29, 2016, there were 27,048,639 outstanding shares of Bellicum's common stock, par value, $0.01 per share.

TABLE OF CONTENTS

		Page
PART I. FINANCIAL INFORMATION		3
Item 1.	Financial Statements	3
	Balance Sheets as of June 30, 2016 (Unaudited) and December 31, 2015	3
	Statements of Operations and Comprehensive Loss for the three and six months ended June 30, 2016 and 2015 (Unaudited)	4
	Statements of Cash Flows for the six months ended June 30, 2016 and 2015 (Unaudited)	5
	Notes to Financial Statements (Unaudited)	6
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	14
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	23
Item 4.	Controls and Procedures	23
PART II. OTHER INFORMATION		24
Item 1.	Legal Proceedings	24
Item 1A.	Risk Factors	24
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	24
Item 6.	Exhibits	24
SIGNATURES		25

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Bellicum Pharmaceuticals, Inc.
Balance Sheets
(In thousands, except share and par value amounts)

	June 30, 2016 (Unaudited)	December 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	$ 49,549	$ 70,241
Investment securities, available for sale - short-term	56,025	23,820
Accounts receivable, interest and other receivables	382	440
Prepaid expenses and other current assets	2,223	2,389
Total current assets	108,179	96,890
Investment securities, available for sale - long-term	30,999	56,304
Property and equipment, net	10,512	6,882
Other assets	240	330
TOTAL ASSETS	$ 149,930	$ 160,406
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 980	$ 2,106
Accrued expenses and other current liabilities	5,367	5,080
Current portion of capital lease obligation	18	13
Current portion of deferred rent	246	246
Total current liabilities	6,611	7,445
Long-term liabilities:		
Long-term debt	14,951	—
Capital lease obligation	140	118
Deferred rent and other liabilities	741	826
TOTAL LIABILITIES	22,443	8,389
Commitments and contingencies: (Note: 9)		
Stockholders' equity:		
Preferred stock: $0.01 par value; 10,000,000 shares authorized: no shares issued and outstanding	—	—
Common stock, $0.01 par value; 200,000,000 shares authorized at June 30, 2016 and December 31, 2015, 27,720,406 shares issued and 27,042,943 shares outstanding at June 30, 2016; 27,609,344 shares issued and 26,931,881 shares outstanding at December 31, 2015	277	276
Treasury stock: 677,463 shares held at June 30, 2016 and December 31, 2015	(5,056)	(5,056)
Additional paid-in capital	325,246	318,591
Accumulated other comprehensive income (loss)	96	(302)
Accumulated deficit	(193,076)	(161,492)
Total stockholders' equity	127,487	152,017
Total liabilities and stockholders' equity	$ 149,930	$ 160,406

See accompanying notes, which are an integral part of these unaudited financial statements.

Bellicum Pharmaceuticals, Inc.
Statements of Operations and Comprehensive Income (Loss)
(In thousands, except share and per share amounts)

(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2016	**2015**	**2016**	**2015**
REVENUES				
Grants	$ 101	$ 84	$ 193	$ 191
Total revenues	101	84	193	191
OPERATING EXPENSES				
Research and development	12,181	8,012	23,169	13,730
General and administrative	4,179	2,777	8,463	4,974
Total operating expenses	16,360	10,789	31,632	18,704
Loss from operations	(16,259)	(10,705)	(31,439)	(18,513)
OTHER INCOME (EXPENSE):				
Interest income	236	171	463	221
Interest expense	(486)	—	(608)	—
Total other income (expense)	(250)	171	(145)	221
NET LOSS	$ (16,509)	$ (10,534)	$ (31,584)	$ (18,292)
Net loss per common share attributable to common shareholders, basic and diluted	$ (0.61)	$ (0.40)	$ (1.17)	$ (0.70)
Weighted-average shares outstanding, basic and diluted	26,910,284	26,268,610	26,896,405	26,264,025
Net loss	$ (16,509)	$ (10,534)	$ (31,584)	$ (18,292)
Other comprehensive income (loss):				
Unrealized gain (loss) on investment securities	152	(204)	398	(204)
Comprehensive loss	$ (16,357)	$ (10,738)	$ (31,186)	$ (18,496)

See accompanying notes, which are an integral part of these unaudited financial statements.

Bellicum Pharmaceuticals, Inc.
Statements of Cash Flows
(In thousands)
(Unaudited)

	Six months ended June 30,	
	2016	**2015**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (31,584)	$ (18,292)
Adjustments to reconcile net loss to net cash used in operating activities:		
Share-based compensation	6,183	3,636
Depreciation expense	951	375
Amortization of premium on investment securities, net	340	169
Amortization of lease liability	(85)	(22)
Amortization of deferred financing costs	150	—
Loss on disposition of fixed assets	20	—
Changes in operating assets and liabilities:		
Receivables	58	(164)
Prepaid expenses and other assets	256	(945)
Accounts payable	(1,126)	(395)
Accrued liabilities and other	287	(513)
NET CASH USED IN OPERATING ACTIVITIES	(24,550)	(16,151)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment securities	(22,700)	(73,619)
Proceeds from sale of investment securities	15,858	2,327
Purchases of property and equipment	(4,567)	(2,746)
CASH USED IN INVESTING ACTIVITIES	(11,409)	(74,038)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common stock - ESPP	188	159
Proceeds from exercise of stock options	285	82
Proceeds from notes payable	15,000	—
Payment of debt issuance costs	(199)	—
Payment of issuance costs on common stock	—	(8)
Payment on capital lease obligation	(7)	—
NET CASH PROVIDED BY FINANCING ACTIVITIES	15,267	233
NET CHANGE IN CASH AND CASH EQUIVALENTS	(20,692)	(89,956)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	70,241	191,602
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 49,549	$ 101,646
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid	$ 342	$ —
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Capital lease obligation incurred for property and equipment	$ 34	$ —
Purchases of property and equipment in accounts payables and accrued liabilities	$ 1,119	$ —
Accrued issuance costs for long-term debt	$ 1,216	$ —

See accompanying notes, which are an integral part of these unaudited financial statements.

Bellicum Pharmaceuticals, Inc.

Notes to Unaudited Financial Statements

NOTE 1 - ORGANIZATION AND BUSINESS DESCRIPTION

Bellicum Pharmaceuticals, Inc., the Company or Bellicum, was incorporated in Delaware in July 2004 and is based in Houston, Texas. The Company is a clinical stage biopharmaceutical company focused on discovering and developing novel cellular immunotherapies for various forms of cancer, including both hematological cancers and solid tumors, as well as orphan inherited blood disorders. The Company is devoting substantially all of its present efforts to developing next-generation product candidates in some of the most important areas of cellular immunotherapy, including, hematopoietic stem cell transplantation, CAR T and TCR cell therapy. The Company has not generated any revenue from product sales to date and does not anticipate generating revenues from product sales in the foreseeable future.

The Company is subject to risks common to companies in the biotechnology industry and the future success of the Company is dependent on its ability to successfully complete the development of, and obtain regulatory approval for, its product candidates, manage the growth of the organization, obtain additional financing necessary in order to develop, launch and commercialize its product candidates, and compete successfully with other companies in its industry.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying interim financial statements are unaudited. These unaudited interim financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) and following the requirements of the U.S. Securities and Exchange Commission (SEC) for interim reporting. As permitted under those rules, certain footnotes or other financial information that are normally required by GAAP have been omitted. In management's opinion, the unaudited interim financial statements have been prepared on the same basis as the audited financial statements and include all adjustments, which include only normal recurring adjustments, necessary for the fair presentation of the Company's financial position and its results of operations and its cash flows for the periods presented. These statements do not include all disclosures required by GAAP and should be read in conjunction with the Company's Annual Report on Form 10-K filed for the fiscal year ended December 31, 2015 (the Annual Report). A copy of the Annual Report is available on the SEC's website, www.sec.gov, under the Company's ticker symbol "BLCM" or on Bellicum's website, www.bellicum.com. The results for the interim periods are not necessarily indicative of the results expected for the full fiscal year or any other interim period. Any reference in these footnotes to applicable guidance is meant to refer to GAAP as found in the Accounting Standards Codification (ASC) and Accounting Standards Update (ASU) of the Financial Accounting Standards Board (FASB).

Use of Estimates

The preparation of the financial statements in accordance with GAAP requires management to make certain estimates and judgments that affect the reported amounts of assets, liabilities, and expenses. Actual results could differ from those estimates.

Net Loss and Net Loss per Share of Common Stock Attributable to Common Stockholders

Basic net loss per share attributable to common stockholders is calculated by dividing the net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period without consideration for common stock equivalents. Diluted net loss per share of common stock is the same as basic net loss per share of common stock, since the effects of potentially dilutive securities are antidilutive. The following outstanding shares of common stock equivalents were excluded from the computations of diluted net loss per shares of common stock attributable to common stockholders for the periods presented, as the effect of including such securities would be anti-dilutive.

Common Stock Equivalents:	As of June 30,	
	2016	**2015**
	Number of shares	
Warrants to purchase common stock	—	355,392
Unvested shares of restricted stock	88,236	117,647
Options to purchase common stock	4,518,961	3,541,577
	4,607,197	4,014,616

Investment Securities

Consistent with its investment policy, the Company invests its cash allocated to fund its short-term liquidity requirements with prominent financial institutions in bank depository accounts and institutional money market funds and the Company invests the remainder of its cash in corporate debt securities and municipal bonds rated at least A quality or equivalent, U.S. Treasury notes and bonds and U.S. and state government agency-backed securities.

The Company determines the appropriate classification of investment securities at the time of purchase and reevaluates its classification as of each balance sheet date. All investment securities owned during the six months ended June 30, 2016, were classified as available-for-sale. The cost of securities sold is based on the specific identification method. Investment securities are recorded as of each balance sheet date at fair value, with unrealized gains and, to the extent deemed temporary, unrealized losses included in stockholders' equity. Interest and dividend income on investment securities, accretion of discounts and amortization of premiums and realized gains and losses are included in interest income in the Statements of Operations and Comprehensive Income Loss.

An investment security is considered to be impaired when a decline in fair value below its cost basis is determined to be other than temporary. The Company evaluates whether a decline in fair value of an investment security is below its cost basis and is other than temporary using available evidence. In the event that the cost basis of the investment security exceeds its fair value, the Company evaluates, among other factors, the amount and duration of the period that the fair value is less than the cost basis, the financial health of and business outlook for the issuer, including industry and sector performance, and operational and financing cash flow factors, overall market conditions and trends, the Company's intent to sell the investment security and whether it is more likely than not the Company would be required to sell the investment security before its anticipated recovery. If a decline in fair value is determined to be other than temporary, the Company records an impairment charge in the statement of comprehensive income (loss) and establishes a new cost basis in the investment.

Debt Issuance Costs

Costs related to debt issuance are presented in the balance sheet as a direct deduction from the carrying amount of the debt liability, consistent with debt discounts.

Recently Issued Accounting Pronouncements

In April 2015, the FASB issued ASU No. 2015-03, *"Simplifying the Presentation of Debt Issuance Costs."* ASU 2015-03 requires 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. In the first quarter of 2016, the Company adopted ASU No. 2015-03.

In February 2016, the FASB issued ASU No. 2016-02, *"Leases"* ASU 2016-01 requires companies that lease assets to recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, in its balance sheet. The pronouncement will also require additional disclosures about the amount, timing and uncertainty of cash flows arising from leases. This pronouncement is effective for fiscal years, and interim periods within those years, beginning after December 15, 2018, and early adoption is permitted. Management is currently evaluating the impact of this pronouncement on the Company's statements.

In March 2016, the FASB issued ASU No. 2016-09, *"Compensation-Stock Compensation."* ASU 2016-09 simplifies accounting for share-based compensation arrangements, primarily as it relates to accounting for the income tax effects of share-based compensation. Under the pronouncement, an entity can make an entity-wide accounting policy decision to either estimate the number of awards that are expected to vest (current GAAP) or account for forfeitures as they occur. The pronouncement is effective for annual periods beginning after December 31, 2016, and interim periods within those annual periods. Earlier application is permitted in any interim or annual period. The Company does not believe the adoption of this standard will have a material impact on the Company's financial statements.

In June 2016, the FASB issued ASU 2016-13, "*Measurement of Credit Losses on Financial Instruments*", which replaces the incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The new standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years with early adoption permitted in fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Management is currently evaluating the impact of this pronouncement on the Company's statements.

The Company has evaluated other recent accounting pronouncements and believes that none of them will have a material effect on the Company's financial statements.

NOTE 3 - FAIR VALUE MEASUREMENTS AND INVESTMENT SECURITIES

Fair Value Measurement

The Company follows ASC, Topic 820, *Fair Value Measurements and Disclosures*, or ASC 820, for application to financial assets. ASC 820 defines fair value, provides a consistent framework for measuring fair value under GAAP and requires fair value financial statement disclosures. ASC 820 applies only to the measurement and disclosure of financial assets that are required or permitted to be measured and reported at fair value under other ASC topics (except for standards that relate to share-based payments such as ASC Topic 718, *Compensation – Stock Compensation*).

The valuation techniques required by ASC 820 may be based on either observable or unobservable inputs. Observable inputs reflect readily obtainable data from independent sources, and unobservable inputs reflect the Company's market assumptions.

These inputs are classified into the following hierarchy:

Level 1 Inputs – quoted prices (unadjusted) in active markets for identical assets that the reporting entity has the ability to access at the measurement date;

Level 2 Inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly; and

Level 3 Inputs – unobservable inputs for the assets.

The following tables present the Company's investment securities (including, if applicable, those classified on the Company's balance sheet as cash equivalents) that are measured at fair value on a recurring basis as of June 30, 2016 and December 31, 2015, respectively:

		Fair Value Measurements at Reporting Date		
	Balance at June 30, 2016	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	(in thousands)			
Cash Equivalents:				
Money market funds	$ 35,472	$ 35,472	$ —	$ —
Corporate debt securities	2,900	—	2,900	—
Total Cash Equivalents	$ 38,372	$ 35,472	$ 2,900	$ —
Investment Securities:				
U.S. government agency-backed securities	$ 33,983	$ —	$ 33,983	$ —
Corporate debt securities	48,882	—	48,882	—
Municipal bonds	4,159	—	4,159	—
Total Investment Securities	$ 87,024	$ —	$ 87,024	$ —

	Balance at December 31, 2015	Fair Value Measurements at Reporting Date		
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	(in thousands)			
Cash Equivalents:				
Money market funds	$ 52,714	$ 52,714	$ —	$ —
U.S. government agency-backed securities	9,500	—	9,500	—
Total Cash Equivalents	$ 62,214	$ 52,714	$ 9,500	$ —
Investment Securities:				
U.S. government agency-backed securities	$ 22,388	$ —	$ 22,388	$ —
Corporate debt securities	51,547	—	51,547	—
Municipal bonds	6,189	—	6,189	—
Total Investment Securities	$ 80,124	$ —	$ 80,124	$ —

Corporate debt securities and municipal bonds are valued based on various observable inputs such as benchmark yields, reported trades, broker/dealer quotes, benchmark securities and bids.

Investment securities, all classified as available-for-sale, consisted of the following as of June 30, 2016:

	June 30, 2016			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Aggregate Estimated Fair Value
	(in thousands)			
Investment Securities:				
U.S. government agency-backed securities	$ 33,956	$ 31	$ (4)	$ 33,983
Corporate debt securities	48,816	101	(35)	48,882
Municipal bonds	4,156	4	(1)	4,159
Total Investment Securities	$ 86,928	$ 136	$ (40)	$ 87,024

The Company's investment securities as of June 30, 2016, will reach maturity between July 2016 and January 2019, with a weighted-average maturity date in May 2017.

Management believes that the carrying value of the debt facility approximates its fair value, as the Company's debt facility bears interest at a rate that approximates prevailing market rates for instruments with similar characteristics. The fair value of the Company's debt facility is determined under Level 2 in the fair value hierarchy.

NOTE 4 – ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued liabilities and other liabilities consist of the following:

	June 30, 2016	December 31, 2015
	(in thousands)	
Accrued manufacturing costs	$ 1,585	$ 2,412
Accrued payroll	896	1,332
Accrued property and equipment purchases	943	139
Accrued patient treatment costs	296	333
Accrued medical facility fees	159	282
Accrued other	1,488	582
Total accrued expenses and other current liabilities	$ 5,367	$ 5,080

NOTE 5 - DEBT

On March 10, 2016 (the Closing Date), the Company, entered into a Loan and Security Agreement (the Loan Agreement) with Hercules Capital, Inc. (Hercules), as agent and a lender, Hercules Technology II, L.P., as a lender, and Hercules Technology III, L.P., as a lender, under which the Company borrowed $15.0 million on the Closing Date and may borrow an additional $5.0 million on or prior to September 15, 2016. Subject to the terms and conditions of the Loan Agreement, including approval by Hercules' investment committee and the Company's achievement of specified milestones in the Loan Agreement (the Milestones), the Company may borrow an additional $10.0 million through March 15, 2017. The Company intends to use the proceeds received under the Loan Agreement for funding the build-out of our manufacturing facilities and general corporate purposes.

The interest rate will be calculated at a rate equal to the greater of either (i) 9.35% plus the prime rate as reported in The Wall Street Journal minus 3.50%, and (ii) 9.35%. Payments under the Loan Agreement are interest only for 18 months from the Closing Date, extendable to 24 months upon the Company achieving the Milestones. The interest only period will be followed by equal monthly payments of principal and interest amortized over a 30 months schedule through the maturity date of March 1, 2020 (the "Loan Maturity Date"); provided that if the Milestones are achieved, the Company will make equal monthly payments of principal and interest amortized over a 24 months schedule through the Loan Maturity Date. The remaining principal balance will be due and payable on the Loan Maturity Date. In addition, upon the Loan Maturity date or such earlier date specified in the Loan Agreement, a final payment equal to $1,216,250 (the Final Facility Charge), plus, subject to and contingent on the funding of the additional $5.0 million loan advance, $173,750; plus, subject to and contingent on the funding of the additional $10.0 million loan advance, $695,000. The Company's obligations under the Loan Agreement are secured by a security interest in substantially all of its assets, other than its intellectual property.

If the Company prepays the loan, including interest, prior to December 31, 2016, there will be no prepayment penalty. If the Company prepays the loan, including interest, after January 1, 2017 but prior to the date that is 24 months following the Closing Date, it will pay Hercules a prepayment charge based on a prepayment fee equal to 2.00% of the amount prepaid; if the prepayment occurs thereafter, it will pay Hercules a prepayment charge based on a prepayment fee equal to 1.00% of the amount prepaid. The prepayment charge is also applicable upon the occurrence of a change of control of the Company. In addition to a prepayment charge, if any, the Company will pay Hercules the Final Facility Charge.

The Loan Agreement includes customary affirmative and restrictive covenants, but does not include any financial maintenance covenants, and also includes standard events of default, including payment defaults. Upon the occurrence of an event of default, a default interest rate of an additional 5% may be applied to the outstanding loan balance and Hercules may declare all outstanding obligations immediately due and payable and take such other actions as set forth in the Loan Agreement.

The Company paid expenses related to the Loan Agreement of $199,000, which, along with the Final Facility Charge of $1,216,250, have been recorded as deferred financing costs, which offset long-term debt on the Company's balance sheet. Deferred financing costs of $1,415,250 will be amortized over the term of the loan, and included in interest expense. During the three and six months ended June 30, 2016, interest expense included $122,000 and $150,000, respectively, of amortized deferred financing costs.

NOTE 6 - SHARE-BASED COMPENSATION

At June 30, 2016, the Company had share-based awards outstanding under four share-based compensation plans as follows:

The 2006 Stock Option Plan (the 2006 Plan) provided for the issuance of non-qualified stock options to employees, including officers, non-employee directors and consultants to the Company. As of June 30, 2016, 151,410 shares of common stock were reserved for issuance pursuant to outstanding options previously granted under the 2006 Plan to purchase common stock of the Company. The 2006 Plan was terminated by the Board in October 2014.

The 2011 Stock Option Plan (the 2011 Plan) provided for the issuance of incentive and non-qualified stock options to employees, including officers, non-employee directors and consultants to the Company. As of June 30, 2016, 2,141,616 shares of common stock were reserved for issuance pursuant to outstanding options previously granted under the 2011 Plan to purchase common stock of the Company. The 2011 Plan terminated upon the effectiveness of the 2014 Plan described below.

The 2014 Equity Incentive Plan (the 2014 Plan) became effective in December 2014, upon the closing of the Company's initial public offering. The 2014 Plan provides for the issuance of equity awards, including incentive and non-qualified stock options and restricted stock awards to employees, including officers, non-employee directors and consultants to the Company or its affiliates. The 2014 Plan also provides for the grant of performance cash awards and performance-based stock awards. The aggregate number of shares of common stock that are authorized for issuance under the 2014 Plan is 2,990,354 shares, plus any shares subject to outstanding options that were granted under the 2011 Plan or 2006 Plan that are forfeited, terminated, expired or are otherwise not issued.

The 2014 Employee Stock Purchase Plan (the ESPP) provides for eligible Company employees, as defined by the ESPP, to be given an opportunity to purchase our common stock at a discount, through payroll deductions, with stock purchases being made upon defined purchase dates. The ESPP authorizes the issuance of up to 550,000 shares of our common stock, pursuant to purchase rights granted to our employees. During the six months ended June 30, 2016, 17,115 shares were purchased under the ESPP and the company received $0.2 million in proceeds.

A summary of activity within the ESPP follows:

	Six months ended June 30,	
	2016	2015
	(in thousands)	
Deductions from employees	$ 188	$ 159
Share-based compensation expense recognized	$ 133	$ 109
Remaining share-based compensation expense	$ 134	$ 300

The Company granted options to purchase 145,333 and 1,040,457 shares of its common stock during the three and six months ended June 30, 2016. The fair value of the option grants during the six months ended June 30, 2016 and 2015 was estimated at the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions:

	Six months ended June 30,	
	2016	2015
Expected volatility	72.0%	91.2%
Expected term (in years)	6.08	6.08
Risk-free interest rate	1.81%	1.60%
Expected dividend yield	—%	—%

At June 30, 2016, there was $32.0 million of unrecognized compensation expense related to unvested stock options and stock that is expected to be recognized over a weighted-average period of 2.8 years.

During the three and six months ended June 30, 2016, the Company received cash proceeds from the exercise of stock options of approximately $0.2 million and $0.3 million, respectively. The aggregate intrinsic value of options exercised during the three and six months ended June 30, 2016 was $0.4 million and $1.1 million, respectively.

Share-based compensation for the three and six months ended June 30, 2016 and 2015 are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
	(in thousands)		(in thousands)	
General and administrative	$ 1,374	$ 962	$ 2,760	$ 1,561
Research and development	1,744	1,186	3,423	2,075
Total	$ 3,118	$ 2,148	$ 6,183	$ 3,636

The following table summarizes the stock option activity for all stock plans during the six months ended June 30, 2016:

	Options	Weighted-Average Exercise Price Per Share	(in years) Weighted-Average Contractual Life	(in thousands) Aggregate Intrinsic Value (1)
Outstanding at December 31, 2015	3,628,973	$ 10.32	8.03	$ 39,021
Granted	1,040,457	$ 17.49		
Exercised	(93,947)	$ 3.04		
Canceled or forfeited	(56,522)	$ 12.39		
Outstanding at June 30, 2016	4,518,961	$ 12.10	8.01	$ 19,699
Exercisable at June 30, 2016	2,042,365	$ 7.01	6.83	$ 15,798

(1) The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying options and the estimated fair value of the common stock for the options that were in the money at June 30, 2016.

At June 30, 2016 and December 31, 2015, there were 88,236 shares of unvested common stock outstanding.

NOTE 7 - GRANT REVENUE

NIH Grant

During both 2015 and 2016, the Company was awarded $0.3 million, under grants from the National Institutes of Health (NIH). The awards cover the period from April 2015 through March 2017. The awards were made pursuant to the authority of 42 USC 241 42 CFR 52, and are subject to the requirements of the statute. Funds spent on the grant are reimbursed through monthly reimbursement requests. Funds spent under the grant were approximately $0.1 million and $0.2 million during the three and six month periods ended June 30, 2016, respectively. As of June 30, 2016 and December 31, 2015, the Company had a receivable of $5,400 and $57,000, respectively, pursuant to the grants.

NOTE 8 - LICENSE AGREEMENTS

License Agreements - Baylor

In March 2016, the Company and Baylor College of Medicine (“BCM”) entered into two additional license agreements pursuant to which the Company obtained exclusive rights to technologies and patent rights owned by BCM. The Company paid BCM a non-refundable license fee of $0.1 million, and could incur additional payments upon the achievement of certain milestone events as set forth in the agreement. If the Company is successful in developing any of the licensed technologies, resulting sales would be subject to a royalty payment in the low single digits.

License Agreements - Leiden

In May 2016, the Company and Academisch Ziekenhuis Leiden (“Leiden”) entered into a research collaboration agreement pursuant to which the Company will provide Leiden with financial support for research to discover and validate high-affinity TCR product candidates targeting several cancer-associated antigens.

The Company agreed to pay Leiden an aggregate of EURO 2,547,415 in quarterly installments during the three-year term of the research, which will be recognized as services are incurred. During the three and six months ended June 30, 2016, $0.1 million of

research services were recognized. With respect to any inventions arising from the research that are relevant to or useful for any high affinity TCR that is studied in the research, Leiden granted the Company an exclusive option to obtain an exclusive, worldwide license to practice and exploit such inventions. The parties agreed to negotiate in good faith the commercially reasonable terms of each such license agreement entered into between the parties, based on terms similar to those set forth in the previously executed license agreement between the parties and those specified in the agreement.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Litigation

The Company, from time to time, may be involved in litigation relating to claims arising out of its ordinary course of business. Management believes that there are no material claims or actions pending or threatened against the Company.

NOTE 10 - SUBSEQUENT EVENTS

On July 11, 2016, the Company entered into a First Amendment to Lease Agreement (the “Lease Amendment”) with Life Science Plaza Investment Group, LP, as successor-in-interest to Sheridan Hills Developments, L.P. (the “Original Landlord”) to amend the Lease Agreement, dated May 6, 2015, between the Company and the Original Landlord (the “Lease”). Pursuant to the Lease Amendment, the initial term of the Lease was extended to August 31, 2026 and the Company leased an aggregate of 3,328 additional square feet (the “Expansion Space”). For the Expansion Space, the Company is required to remit base monthly rent of approximately $5,800, which will increase at an average approximate rate of 5% per year.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2015, or our Annual Report, as well as our unaudited financial statements and related notes included in this Quarterly Report on Form 10-Q, or this Quarterly Report.

Forward-Looking Statements

This report contains forward-looking statements and information within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, which are subject to the "safe harbor" created by those sections. These forward-looking statements include, but are not limited to, statements concerning our strategy, future operations, future financial position, future revenues, projected costs, prospects and plans and objectives of management. The words "anticipate," "believe," "could," "designed," "estimate," "expect," "intend," "may," "plan," "potential," "project," "will," "would," and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements that we make. These forward-looking statements involve risks and uncertainties that could cause our actual results to differ materially from those in the forward-looking statements, including, without limitation, the risks set forth in Part I, Item 1A, "Risk Factors" in our Annual Report and in our other filings with the SEC. The forward-looking statements are applicable only as of the date on which they are made, and we do not assume any obligation to update any forward-looking statements.

Overview

We are a clinical stage biopharmaceutical company focused on discovering and developing novel cellular immunotherapies for various forms of cancer, including both hematological cancers and solid tumors, as well as orphan inherited blood disorders. We are using our proprietary Chemical Induction of Dimerization, or CID, technology platform to engineer our product candidates with switch technologies that can control components of the immune system in real time. By incorporating our CID platform, our product candidates may offer better safety and efficacy outcomes than are seen with current cellular immunotherapies.

We are developing next-generation product candidates in some of the most important areas of cellular immunotherapy, including hematopoietic stem cell transplantation, or HSCT, chimeric antigen receptor T cell therapy, or CAR Ts, and T cell receptors, or TCRs. HSCT, also known as bone marrow transplantation, has for decades been curative for many patients with hematological cancers or orphan inherited blood disorders. However, adoption of HSCT to date has been limited by the risks of transplant-related morbidity and mortality from graft-versus-host-disease, or GvHD, and the potential for serious infections due to the lack of an effective immune system following a transplant. CAR T and TCR cell therapies are an innovative approach in which a patient's T cells are genetically modified to carry chimeric antigen receptors, or CARs, or TCRs which redirect the T cells against cancer cells. While high objective response rates have been reported in some hematological malignancies, serious and sometimes fatal toxicities have arisen in patients treated with CAR T cell therapies. These toxicities include instances in which the CAR T cells have caused high levels of cytokines due to over-activation, referred to as "cytokine release syndrome", neurologic toxicities and cases in which they have attacked healthy organs. In each case, these toxicities have sometimes resulted in death. In solid tumors, where the behavior of CAR T cells is particularly unpredictable and results have been inconsistent, researchers are developing enhanced CAR T cell approaches called "armored CARs" that raise even greater safety concerns.

Our proprietary CID platform is designed to address these challenges. Events inside a cell are controlled by cascades of specialized signaling proteins. CID consists of molecular switches, modified forms of these signaling proteins, which are triggered inside the patient by infusion of a small molecule, rimiducid, instead of by natural upstream signals. We include these molecular switches in the appropriate immune cells and deliver the cells to the patient in the manner of conventional cellular immunotherapy. We have developed two such switches: a "safety switch," designed to initiate programmed cell death, or apoptosis, of the immunotherapy cells, and an "activation switch," designed to stimulate activation and in some cases proliferation and/or persistence of the immunotherapy cells. Each of our product candidates incorporates one of these switches, for enhanced, real time control of safety and efficacy:

- CaspaCIDe is our safety switch, incorporated into our HSCT, and in certain of our TCR, product candidates, where it is inactive unless the patient experiences a serious side effect. In that event, rimiducid is administe

red to fully or partially eliminate the cells, with the goal of terminating or attenuating the therapy and resolving the serious side effect.

- Our “Go” switch incorporated into our GoCAR T product candidates is designed to allow control of the activation and proliferation of the T cells through the scheduled administration of a course of rimiducid infusions that may continue until the desired patient outcome is achieved. In the event of emergence of side effects, the level of activation of the GoCAR T cells is designed to be attenuated by extending the interval between rimiducid doses, reducing the dosage per infusion, or suspending further rimiducid administration.

By incorporating our novel switch technologies, we are developing product candidates with the potential to elicit positive clinical outcomes and ultimately change the treatment paradigm in various areas of cellular immunotherapy. Our lead clinical product candidate is described below.

- **BPX-501.** We are developing a CaspaCIDe product candidate, BPX-501, as an adjunct T cell therapy administered after allogeneic HSCT. BPX-501 is designed to improve transplant outcomes by enhancing the recovery of the immune system following an HSCT procedure. BPX-501 addresses the risk of infusing donor T cells by enabling the elimination of donor T cells through the activation of the CaspaCIDe safety switch if there is an emergence of uncontrolled GvHD.

In addition, our preclinical product candidates are designed to overcome the current limitations of CAR T and TCR therapies and include the following:

- **BPX-701** is a CaspaCIDe-enabled natural high affinity T cell receptor, or TCR, product candidate designed to target malignant cells expressing the preferentially-expressed antigen in melanoma, or PRAME. Initial planned indications for BPX-701 development are Refractory or Relapsed Acute Myeloid Leukemia, or AML, and Myelodysplastic Syndromes, or MDS, with an additional study planned for metastatic uveal melanoma. Each of these is an orphan indication where PRAME is highly expressed and for which current treatment options are limited.

- **BPX-601** is a GoCAR T product candidate containing our proprietary iMC, inducible MyD88/CD40, activation switch, designed to treat solid tumors expressing prostate stem cell antigen, or PSCA. Preclinical data shows enhanced T cell proliferation, persistence and *in vivo* anti-tumor activity compared to traditional CAR T therapies. The initial planned indication for BPX-601 development is non-resectable pancreatic cancer.

On January 11, 2016, we submitted required documentation, for our two most advanced CAR T and TCR adoptive cell therapy product candidates, BPX-601 and BPX-701, for review by the National Institutes of Health, or NIH, Recombinant DNA Advisory Committee (RAC). Public review of those programs occurred at the RAC Meeting on March 9, 2016.

We filed Investigational New Drug Applications, or INDs, for BPX-601 and BPX-701, in the second quarter of 2016. Both INDs have been allowed and we are in final preparation for these product candidates to begin clinical studies.

We have developed an efficient and scalable process to manufacture genetically modified T cells of high quality, which is currently being used by our third-party contract manufacturers to produce BPX-501 for our clinical trials. We are leveraging this process, as well as our resources, capabilities and expertise for the manufacture of our CAR T and TCR product candidates.

Recent Developments

On July 11, 2016, we entered into a first amendment to our lease agreement with Life Science Plaza Investment Group, LP, as successor-in-interest to Sheridan Hills Developments, L.P., or the Original Landlord, to amend the Lease Agreement, dated May 6, 2015, between the Original Landlord and us. Pursuant to the first amendment, the initial term of the lease was extended to August 31, 2026 and we leased an aggregate of 3,328 additional square feet, or the “Expansion Space”. For the expansion space, we are required to remit base monthly rent of approximately $5,800, which will increase at an average approximate rate of 5% per year. See Note 10.

In July 2016, the Company decided to support CD19 programs designed to establish clinical proof of concept for CaspaCIDe in the CD19 setting being advanced by two of our academic collaborators, in place of advancing BPX-401. The Company believes

that this strategy allows a cost-effective and differentiated approach to the highly competitive landscape of CD19-targeted therapies in development.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires us to make judgments, estimates and assumptions in the preparation of our financial statements and accompanying notes. Actual results could differ from those estimates. We believe there have been no material changes in our critical accounting policies as discussed in our Annual Report.

Financial Operations Overview

Financial Operations Overview

Revenues

To date, we have only recognized revenue from government grants and we have not generated any product revenue. We have received funds from the National Institutes of Health, or NIH, which was awarded based on the progress of the program being funded. In cases when the grant money is not received until expenses for the program are incurred, we accrue the revenue based on the costs incurred for the programs associated with the grant.

During 2013, we entered into a grant agreement with the NIH. The grant is a modular five year grant with funds being awarded each year based on the progress of the program being funded. Grant money is not received until expenses for the program are incurred. We have been awarded approximately $1.3 million to date, of which $1.0 million has been received. We accrue the revenue based on the costs incurred for the programs associated with the grant.

In the future, we may generate revenue from a combination of product sales, government or other third-party grants, marketing and distribution arrangements and other collaborations, strategic alliances and licensing arrangements or a combination of these approaches. We expect that any revenue we generate will fluctuate from quarter to quarter as a result of the timing and amount of license fees, milestone and other payments, and the amount and timing of payments that we receive upon the sale of our products, to the extent any are successfully commercialized. If we fail to complete the development of our product candidates in a timely manner or obtain regulatory approval of them, our ability to generate future revenue, and our results of operations and financial position, would be materially adversely affected.

Research and Development Expenses

To date, our research and development expenses have related primarily to the development of our CID platform and the identification and development of our product candidates. Research and development expenses consist of expenses incurred in performing research and development activities, including compensation and benefits for research and development employees and consultants, facilities expenses, overhead expenses, cost of laboratory supplies, manufacturing expenses, fees paid to third parties and other outside expenses.

Research and development costs are expensed as incurred. Clinical trial and other development costs incurred by third parties are expensed as the contracted work is performed. We accrue for costs incurred as the services are being provided by monitoring the status of the clinical trial or project and the invoices received from our external service providers. We adjust our accrual as actual costs become known. Where contingent milestone payments are due to third parties under research and development arrangements, the milestone payment obligations are expensed when the milestone events are achieved.

We utilize our research and development personnel and infrastructure resources across several programs, and many of our costs are not specifically attributable to a single program. Accordingly, we cannot state precisely our total costs incurred on a program-by-program basis.

Research and development activities are central to our business model. Product candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. We expect our research and development expenses to increase over the next several years as we seek to conduct our ongoing and planned clinical trials for BPX-501, BPX-601 and BPX-701 and as we selectively develop additional product candidates. However, it is difficult to determine with certainty the duration and completion costs of our current or future preclinical programs and clinical trials of our product candidates.

The duration, costs and timing of clinical trials and development of our product candidates will depend on a variety of factors that include, but are not limited to, the following:

- per patient clinical trial costs;
- the number of patients that participate in the clinical trials;
- the number of sites included in the clinical trials;
- the process of collection, differentiation, selection and expansion of immune cells for our cellular immuno-therapies;
- the countries in which the clinical trials are conducted;

- the outcomes of our clinical trials;
- the length of time required to enroll eligible patients;
- the number of doses that patients receive;
- the drop-out or discontinuation rates of patients;
- potential additional safety monitoring or other studies requested by regulatory agencies;
- the duration of patient follow-up; and
- the efficacy and safety profile of the product candidates.

In addition, the probability of success for each product candidate will depend on numerous factors, including competition, manufacturing capability and commercial viability. We will determine which programs to pursue and how much to fund each program in response to the ongoing scientific and clinical success of each product candidate, as well as an assessment of each product candidate's commercial potential.

General and administrative expenses

General and administrative expenses consist primarily of salaries and other related costs, including share-based compensation, for personnel in executive, finance, accounting, business and commercial development, legal and human resources functions. Other significant costs include facility costs not otherwise included in research and development expenses, legal fees relating to corporate matters, insurance costs and professional fees for consultancy, legal, accounting, audit and investor relations.

We anticipate that our general and administrative expenses will increase in the future to support our growth, expanding research and development activities, potential commercialization of our product candidates and costs of operating as a public company. These increases will likely include increased costs related to the hiring of additional personnel, facilities and fees to outside consultants, lawyers and accountants, among other expenses.

Income Taxes

We did not recognize any income tax expense for the three and six months ended June 30, 2016 or 2015.

Results of Operations

Comparison of the Three and Six Months Ended June 30, 2016 and 2015

The following table sets forth our results of operations for the three and six months ended June 30, 2016 and 2015:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2016	2015	Change	2016	2015	Change
	(in thousands)			(in thousands)		
Grant revenues	$ 101	$ 84	$ 17	$ 193	$ 191	$ 2
Operating expenses:						
Research and development	12,181	8,012	4,169	23,169	13,730	9,439
General and administrative	4,179	2,777	1,402	8,463	4,974	3,489
Total operating expenses	16,360	10,789	5,571	31,632	18,704	12,928
Loss from operations	(16,259)	(10,705)	(5,554)	(31,439)	(18,513)	(12,926)
Other income (expense):						
Interest income	236	171	65	463	221	242
Interest expense	(486)	—	(486)	(608)	—	(608)
Total other income (expense)	(250)	171	(421)	(145)	221	(366)
Net loss	$ (16,509)	$ (10,534)	$ (5,975)	$ (31,584)	$ (18,292)	$ (13,292)

Research and Development Expenses

Research and development expenses were $12.2 million and $8.0 million for the three months ended June 30, 2016 and June 30, 2015, respectively. The $4.2 million increase in research and development expenses for the three months ended June 30, 2016, was due to an increase in clinical and manufacturing costs of $4.5 million related to BPX-501, primarily due to increased patient enrollment in our clinical trials. The higher research and development expenses were also due to an increase of $0.9 million for IND enabling activities on our product candidates, BPX-601 and BPX-701, partially offset by a decrease of $1.2 million in general research and development costs, primarily due to a change order agreed to with a service provider that reduced our work commitment and financial obligations.

Research and development expenses were $23.2 million and $13.7 million for the six months ended June 30, 2016 and 2015, respectively. The $9.4 million increase in research and development expenses for the six months ended June 30, 2016, was due to an increase in clinical and manufacturing costs of $6.9 million related to BPX -501, primarily due to increased patient enrollment in our clinical trials. The increase in research and development expenses is also due to an increase of $1.7 million related to IND enabling activities on BPX-601; plus an increase of $0.8 million in general research and development costs which includes personnel costs and allocated overhead costs.

The following table presents our research and development expense by project/category for the periods indicated:

	Three Months Ended June 30,			Six Months Ended June 30,		
Product Candidates	2016	2015	Change	2016	2015	Change
	(in thousands)			(in thousands)		
BPX-501	$ 7,447	$ 2,899	$ 4,548	$ 12,505	$ 5,645	$ 6,860
BPX-601	1,310	167	1,143	1,899	192	1,707
BPX-701	68	339	(271)	280	358	(78)
General	3,356	4,607	(1,251)	8,485	7,535	950
Total	$ 12,181	$ 8,012	$ 4,169	$ 23,169	$ 13,730	$ 9,439

General and Administrative Expenses

General and administrative, or G&A, expenses were $4.2 million and $8.4 million for the three and six months ended June 30, 2016, respectively, and $2.8 million and $5.0 million for the three and six months ended June 31, 2015, respectively. The increase in G&A expenses of $1.4 million and $3.5 million for the three and six months ended June 30, 2016, respectively, was primarily due to our overall growth, including an increase in costs related to personnel, higher facility costs and increased legal, accounting and travel expenses.

Liquidity and Capital Resources

Sources of Liquidity

We are a clinical stage biopharmaceutical company with a limited operating history. To date, we have financed our operations primarily through equity and debt financings and grants. We have not generated any revenue from the sale of any products. As of June 30, 2016 and December 31, 2015, we had cash, cash equivalents and investment securities of $136.6 million and $150.4 million, respectively. Cash in excess of near term requirements is invested in accordance with our investment policy, primarily with a view to liquidity and capital preservation.

On March 10, 2016, we entered into a term loan arrangement with Hercules Capital, Inc. as agent and lender, and borrowed $15.0 million on the closing date. We have the ability to borrow another $5.0 million on or prior to September 15, 2016, and, subject to the achievement of specified milestones in the loan agreements and approval by Hercules' investment committee, may borrow another $10 million through March 15, 2017. We intend to use the proceeds to fund the build-out of our manufacturing facilities, and for general corporate purposes.

We are required to make monthly interest only payments through September 2017. The interest only feature can be extended for an additional six months if we achieve specified milestones. After the expiration of the interest only period, we are required to repay the loan over the remaining term of the loan, through its final maturity date of March 1, 2020.

We incurred issuance costs of $0.2 million, and have accrued an additional $1.2 million for a facility charge which is payable at the earlier of the repayment of the loan in full or the final maturity date. The $1.4 million debt issuance costs will be recognized over the term of the loan as additional interest expense.

We will pay interest on the loan at the greater of either (i) 9.35% plus the prime rate as reported in the Wall Street Journal minus 3.5% and (ii) 9.35%. For additional information about the loan, see Note 5 - Debt to the unaudited financial statements included herein.

Cash Flows

The following table sets forth a summary of our cash flows for the six months ended June 30, 2016 and 2015:

	Six Months Ended June 30,		
	2016	2015	Change
	(in thousands)		
Net cash used in operating activities	$ (24,550)	$ (16,151)	$ (8,399)
Net cash used in investing activities	(11,409)	(74,038)	62,629
Net cash provided by financing activities	15,267	233	15,034
Net change in cash and cash equivalents	$ (20,692)	$ (89,956)	$ 69,264

Operating Activities

Net cash used in operating activities for the six months ended June 30, 2016 was comprised of a net loss of $31.6 million, which included depreciation expense of $1.0 million and share-based compensation expense of $6.2 million. Net cash used in operating activities was also primarily comprised of the following primary components: a decrease in receivables of $0.1 million, a decrease in prepaid expenses and other assets of $0.3 million and a decrease in accounts payable and other liabilities of $0.8 million.

Net cash used in operating activities for the six months ended June 30, 2015, was comprised of a net loss of $18.3 million, which included depreciation expense of $0.4 million and share-based compensation expense of $3.6 million. Net cash used in operating activities was also primarily comprised of the following primary components: a decrease in receivables of $0.2 million, a decrease in other assets of $0.9 million and a decrease in accounts payable and other liabilities of $0.9 million.

Investing Activities

Net cash used in investing activities for the six months ended June 30, 2016 was $11.4 million, consisting of the purchase of investment securities of $22.7 million, offset by the proceeds from sale of investment securities of $15.9 million and the purchase of property and equipment of $4.6 million. Net cash used in investing activities for the six months ended June 30, 2015 consisted of $74.0 million, consisting of the purchase of investment securities of $73.6 million, offset by proceeds from the sale of investment securities of $2.3 million and purchases of property and equipment of $2.7 million.

Financing Activities

Net cash provided by financing activities for the six months ended June 30, 2016 was $15.3 million, which was derived from borrowings on long-term debt of approximately $15.0 million, payment of debt issuance costs of approximately $0.2 million, proceeds from the exercise of stock options of $0.3 million and proceeds of $0.2 million from employee purchases of common stock under the ESPP. Net cash provided by financing activities for the six months ended June 30, 2015 was $0.2 million, which was derived primarily from proceeds from employee purchases of common stock under the ESPP.

Funding Requirements

Our primary uses of capital are, and we expect will continue to be, compensation and related expenses, third-party clinical research and development services, laboratory and related supplies, clinical costs, legal and other regulatory expenses, facility costs and general overhead costs. In addition, we expect to use capital to expand our manufacturing capabilities.

The successful development of any of our product candidates is highly uncertain. As such, at this time, we cannot reasonably estimate or know the nature, timing and costs of the efforts that will be necessary to complete the development of BPX-501 or our other current and future product candidates. We are also unable to predict when, if ever, material net cash inflows will commence

from the sale of product candidates. This is due to the numerous risks and uncertainties associated with developing medical treatments, including, but not limited to, the uncertainty of:

- successful enrollment in, and successful completion of, clinical trials;
- receipt of marketing approvals from applicable regulatory authorities;
- making arrangements with third-party manufacturers;
- obtaining and maintaining patent and trade secret protection and regulatory exclusivity;
- launching commercial sales of our products, if and when approved, whether alone or in collaboration with others; and
- market acceptance of our products, if and when approved.

A change in the outcome of any of these variables with respect to the development of any of our product candidates would significantly change the costs and timing associated with the development of that product candidate.

Because all of our product candidates are in the early stages of clinical and preclinical development and the outcome of these efforts is uncertain, we cannot estimate the actual amounts necessary to successfully complete the development and commercialization of product candidates or whether, or when, we may achieve profitability. Until such time, if ever, as we can generate substantial product revenue, we expect to finance our cash needs through a combination of equity or debt financings and collaboration arrangements.

We plan to continue to fund our operations and capital funding needs through equity and/or debt financing. We may also consider new collaborations or selectively partnering our technology. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interests of our stockholders will be diluted, and the terms may include liquidation or other preferences that adversely affect the rights of our existing stockholders. The incurrence of indebtedness would result in increased fixed payment obligations and could involve certain restrictive covenants, such as limitations on our ability to incur additional debt, limitations on our ability to acquire or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. If we raise additional funds through strategic partnerships and alliances and licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies or product candidates, or grant licenses on terms unfavorable to us. Any of these actions could harm our business, results of operations and future prospects.

Outlook

Based on our research and development plans and our timing expectations related to the progress of our programs, we expect that our cash and cash equivalents as of June 30, 2016 will enable us to fund our operating expenses and capital expenditure requirements through 2017. We have based this estimate on assumptions that may prove to be wrong, and we could utilize our available capital resources sooner than we currently expect. Furthermore, our operating plan may change, and we may need additional funds to meet operational needs and capital requirements for product development and commercialization sooner than planned. Because of the numerous risks and uncertainties associated with the development and commercialization of our product candidates and the extent to which we may enter into additional collaborations with third parties to participate in their development and commercialization, we are unable to estimate the amounts of increased capital outlays and operating expenditures associated with our current and anticipated clinical trials. Our future funding requirements will depend on many factors, as we:

- initiate or continue clinical trials of BPX-501, BPX-701 and BPX-601 and any other product candidates;
- continue the research and development of our product candidates; seek to discover additional product candidates; seek regulatory approvals for our product candidates if they successfully complete clinical trials;
- establish a sales, marketing and distribution infrastructure and scale-up manufacturing capabilities to commercialize any products that may receive regulatory approval; enhance operational, financial and information management systems and hire additional personnel, including personnel to support development of our product candidates and, if a product candidate is approved, our commercialization efforts; and
- incur additional costs associated with being a public company.

Contractual Obligations and Commitments

Our contractual obligations as of June 30, 2016 were as follows:

	Commitment	Less Than 1 Year	1 to 3 Years	3 to 5 Years	More Than 5 Years
			(in thousands)		
License agreements (1)	$ 143,634	$ 1,568	$ 6,976	$ 20,395	$ 114,695
Long-term debt obligations (2)	15,000	—	10,128	4,872	—
Operating lease agreements (3)	14,638	1,927	4,052	2,703	5,956
Manufacturing arrangements (4)	3,004	2,274	730	—	—
Sponsored research agreements (5)	2,995	988	2,007	—	—
Preclinical studies (6)	630	630	—	—	—
Capital lease agreements (7)	279	55	109	109	6
Other	453	370	83	—	—
Total contractual obligations	$ 180,633	$ 7,812	$ 24,085	$ 28,079	$ 120,657

(1) License agreements - We have entered into several license agreements under which we obtained rights to certain intellectual property. Under the agreements, we could be obligated for payments upon successful completion of clinical and regulatory milestones regarding the products covered by this license. The obligations listed in the table above represent estimates of when the milestones will be achieved. The milestones may not be completed when estimated or at all. See Note 12 to the audited financial statements included in our Annual Report.

(2) Long-term debt obligations - Obligations under our credit facility. See Note 5 to the unaudited financial statements included herein and Note 15 to the audited financial statements included in our Annual Report.

(3) Operating lease agreements - The amounts above are comprised of one five-year lease agreement, and one 11-year lease agreement. The first lease will expire on January 31, 2020 and the second lease expires on August 31, 2026. See Note 12 to the audited financial statements included in our Annual Report.

(4) Manufacturing arrangements - We have entered into a number of manufacturing service arrangements with various terms. The obligations listed in the table above represent estimates of when certain services will be performed.

(5) Sponsored research agreements - We entered into a number of separate sponsored research agreements to undertake research which is of mutual interest to all parties. The various commitments range from 14 months to three years.

(6) Preclinical studies - We have entered into a number of preclinical studies with various terms. The obligations listed in the table above represent estimates of when certain services will be performed.

(7) Capital lease agreements - We have entered into a number of office capital lease agreements with various terms. The commitments include equipment, maintenance and supplies. See Note 12 to the audited financial statements included in our Annual Report.

Recent Accounting Pronouncements

See Note 2 to the Notes to Unaudited Financial Statements in “Item 1 - Financial Statements” in this Quarterly Report for discussion regarding recent accounting pronouncements.

Off-Balance Sheet Arrangements

During the periods presented, we did not have, and we do not currently have, any off-balance sheet arrangements, as defined in the rules and regulations of the Securities and Exchange Commission.

Item 3. Quantitative and Qualitative Disclosures about Market Risks

The primary objective of our investment activities is to preserve our capital and meet our liquidity needs to fund operations. We also seek to generate competitive rates of return from our investments without assuming significant risk. To achieve our objectives, we maintain a portfolio of cash equivalents and investments in a variety of securities that are of high credit quality based on ratings from commonly relied upon rating agencies. As of June 30, 2016, we had cash, cash equivalents and investment securities of $136.6 million. Our cash, cash equivalents and investments in investment securities may be subject to interest rate risk and could fall in value if market interest rates increase. However, because our cash is invested in accounts with market interest rates and because our cash equivalents and investments in investment securities are traded in active markets, we believe that our exposure to interest rate risk is not significant and estimate that an immediate and uniform 10% increase in market interest rates from levels as of June 30, 2016 would not have a material impact on the total fair value of our portfolio.

We sometimes contract for the conduct of clinical trials or other research and development and manufacturing activities with contract research organizations, clinical trial sites and contract manufacturers in Europe, and in the future potentially elsewhere outside of the United States. We may be subject to exposure to fluctuations in foreign currency exchange rates in connection with these agreements. If the average exchange rate between the currency of our payment obligations under any of these agreements and the U.S. dollar were to strengthen or weaken by 10% against the corresponding exchange rate as of June 30, 2016, we estimate that the impact on our financial position, results of operations and cash flows would not be material. We do not hedge our foreign currency exposures.

We have not used derivative financial instruments for speculation or trading purposes.

Item 4. Controls and Procedures

Management’s Evaluation of our Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial and Accounting Officer (our principal executive officer and principal financial officer, respectively), evaluated the effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of June 30, 2016. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure.

Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of June 30, 2016, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during our latest fiscal quarter 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

None.

Item 1A. Risk Factors

Our business and results of operations are subject to a number of risks and uncertainties. You should carefully consider the risk factors described under the heading "Risk Factors" in our Annual Report and in other reports we file with the SEC.

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

Recent Sales of Unregistered Securities

None.

Use of Proceeds from Initial Public Offering of Common Stock

On December 23, 2014, we completed the initial public offering of our common stock pursuant to a registration statement on Form S-1(File Nos. 333-200328 and 333-201031), which was declared effective by the SEC on December 17, 2014.

As of June 30, 2016, we have used the net offering proceeds from our initial public offering to fund operations, capital expenditures, working capital and other general corporate purposes and for debt repayment. We are holding the balance of the net proceeds from the offering in cash, cash equivalents and investment securities. There has been no material change in our planned use of the balance of the net proceeds from the offering described in our final prospectus filed with the SEC on December 17, 2014 pursuant to Rule 424(b) under the Securities Act.

Purchase of Equity Securities

We did not purchase any of our registered securities during the period covered by this Quarterly Report.

Item 6. Exhibits

The exhibits filed as part of this Quarterly Report are set forth on the Exhibit Index, which is incorporated herein by reference.

Signatures

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

Bellicum Pharmaceuticals, Inc.

Date: August 8, 2016

By: /s/ Thomas J. Farrell

Thomas J. Farrell

President and Chief Executive Officer

Date: August 8, 2016

By: /s/ Alan A. Musso

Alan A. Musso

Chief Financial Officer and Treasurer
Principal Financial and Accounting Officer

EXHIBIT INDEX

Exhibit number	Description of exhibit
3.1(1)	Amended and Restated Certificate of Incorporation of the Registrant.
3.2(1)	Amended and Restated Bylaws of the Registrant.
4.1	Reference is made to Exhibits 3.1 and 3.2.
4.2(2)	Form of Common Stock Certificate of the Registrant.
4.3(2)	Second Amended and Restated Investor Rights Agreement by and among the Registrant and certain of its stockholders, dated August 22, 2014.
4.4(3)	Registration Rights Agreement by and among the Registrant and Baker Brothers Life Sciences, LP, and two of its affiliated funds, dated January 15, 2016.
10.1+	Consulting Agreement, by and between the Registrant and Kevin M. Slawin, M.D., dated May 18, 2016.
10.2*	Sponsored Research Agreement No. 2, by and between the Registrant and Academish Ziekenhuis Leiden, also acting under the name Leiden University Medical Centre, dated May 20, 2016.
10.3	First Amendment to Lease Agreement, by and between the Registrant and Life Science Plaza Investment Group, LP, as successor-in-interest to Sheridan Hills Developments, L.P., dated July 11, 2016.
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
(1)	Incorporated by reference to the Registrant's Current Report on Form 8-K, filed with the SEC on December 23, 2014.
(2)	Incorporated by reference to the Registrant's Registration Statement on Form S-1 (File No. 333-200328), as amended, originally filed with the SEC on November 18, 2014.
(3)	Incorporated by reference to the Registrant's Annual Report on Form 10-K, filed with the SEC on March 14, 2016.
+	Indicates management contract or compensatory plan.
*	Confidential treatment has been granted with respect to certain portions of this exhibit. Omitted portions have been filed separately with the SEC.

BELLICUM PHARMACEUTICALS, INC.

CONSULTING AGREEMENT

This CONSULTING AGREEMENT (**"Agreement"**), dated effective as of May 18, 2016 (**"Effective Date"**) is by and between Bellicum Pharmaceuticals, Inc. a Delaware corporation (the "**Company**"), having an office at 2130 West Holcombe Boulevard, Suite 800, Houston, Texas 77030 (the "**Company Premises**") and Kevin M. Slawin, M.D. (the "**Advisor**"). (The Company and Advisor are referred to individually as a **"Party"** and collectively as the **"Parties"**).

WHEREAS, Advisor is currently providing employment services to the Company pursuant to an Employment Agreement with the Company dated April 6, 2015 (the "**Employment Agreement**"), and the Company and Advisor desire to provide for the terms and conditions of Advisor's continued engagement with the Company; and

WHEREAS, the Company and Advisor desire to enter into this Agreement to memorialize the terms and conditions of Advisor's continued services to the Company.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein and for other good and valuable consideration, the Parties agree as follows:

1. **Termination of Employment Services**. The Term (as defined in the Employment Agreement) of the Employment Agreement shall be extended until December 31, 2016 (the "**Employment Termination Date**"). Upon the Employment Termination Date, unless Advisor's employment is terminated sooner pursuant to the terms of Section 6 of the Employment Agreement, Advisor's employment will automatically expire and terminate. During the Term, Advisor's employment with the Company shall continue pursuant to all of the terms and conditions of the Employment Agreement, except that Advisor's duties during the Term shall be updated as set forth on **EXHIBIT A**.

Advisor and the Company agree that this Agreement, and the termination of Advisor's employment and transition to a consultant as provided for herein, shall not constitute an Involuntary Termination, Cause for termination or Good Reason (as such terms are defined in the Employment Agreement) for Advisor to terminate employment under the Employment Agreement or otherwise entitle Advisor to severance benefits under the Employment Agreement or any other agreement between the Company and Advisor. If Advisor's employment with the Company terminates sooner than the Employment Termination Date, for any reason, Advisor shall not be engaged by the Company to provide the Consulting Services (as defined below) and this Agreement shall become immediately null and void.

2. **Commencement of Consulting Services**. Provided that Advisor remains employed with the Company through the Employment Termination Date, on January 1, 2017, Advisor shall become an independent contractor to the Company and shall provide the Consulting Services to the Company pursuant to the remaining provisions of this Agreement, for a term of six (6) months ending on June 30, 2017, or until such earlier date if Advisor's

Consulting Services are terminated by either the Company or Advisor pursuant to the terms of Section 6 herein (the "**Consulting Term**").

3. **Nature of Consulting Services**. During the Consulting Term, Advisor shall serve as a Special Advisor to the Science Committee (the "**Science Committee**") of the Company's Board of Directors (the "**Board**"), undertaking special projects from time to time as requested by the Chair of the Science Committee, consistent with the charter of the Science Committee, and as further described on **EXHIBIT B** (the "**Consulting Services**"). Additionally, during the Consulting Term, Advisor agrees to serve on the Science Committee, if requested by the Board, and shall continue as a member of the Board, subject to election by the stockholders of the Company and in accordance with the Bylaws of the Company.

The Chair of the Science Committee may from time to time submit a written request to Advisor for projects within the parameters of the Consulting Services. Subject to the terms of this Agreement, Advisor will provide the services set forth in each such written request accepted by Advisor (the "**Project(s)**"). The manner and means that Advisor chooses to complete the Projects are in Advisor's sole discretion and control. Advisor shall perform the services necessary to complete the Projects in a timely and professional manner consistent with industry standards and at a location, place and time that Advisor deems appropriate. In completing the Projects, Advisor agrees to provide his own equipment, tools, and other materials at his own expense; however, the Company will make its facilities and equipment available to Advisor when necessary. The Chair of the Science Committee retains the right to unilaterally modify, amend or change a written request for a Project at any time. During the Consulting Term, the Company shall provide Advisor with an office space at the Company Premises to conduct the Consulting Services.

Advisor's relationship with Company during the Consulting Term will be that of an independent contractor, and nothing in this Agreement should be construed to create a partnership, joint venture, or employer-employee relationship between Company and Advisor. During the Consulting Term Advisor (a) is not the agent of Company; (b) is not authorized to make any representation, contract, or commitment on behalf of Company without the express written approval of the Company's Chief Executive Officer; (c) will not be entitled to any of the benefits that Company makes available to its employees, such as group insurance, profit-sharing or retirement benefits (and waives the right to receive any such benefits, except for Advisor's eligibility for the 2016 Bonus (as defined in Section 4 below) and stock options described in Section 4 below and COBRA benefits described in Section 5 below (the "**Employment-Related Benefits**")); and (d) will be solely responsible for all tax returns and payments required to be filed with or made to any federal, state, or local tax authority with respect to Advisor's receipt of Consulting Fees under this Agreement. If applicable, Company will report Consulting Fees paid to Advisor by filing Form 1099-MISC with the Internal Revenue Service, as required by law. Advisor agrees to accept exclusive liability for complying with all applicable state and federal laws, including laws governing self-employed individuals, if applicable, as such laws relate to payment of taxes, social security, disability, and other contributions based on fees paid to Advisor under this Agreement. Except with respect to the Employment-Related Benefits or otherwise as required by applicable law, Company will not withhold or make payments for social security, unemployment insurance or disability insurance

contributions, or obtain workers' compensation insurance on Advisor's behalf. Advisor hereby agrees to indemnify and defend Company against any and all such taxes or contributions, including penalties and interest. Advisor agrees to provide proof of payment of appropriate taxes on any Consulting Fees paid to Advisor under this Agreement upon reasonable request of Company.

4. **Compensation for Consulting Services**. During the Consulting Term, Company will pay Advisor a fee of $25,000 per month for the Consulting Services (the "**Consulting Fee**"). The Consulting Fee shall be payable in equal bi-monthly installments. Advisor shall also be reimbursed by the Company for documented expenses incurred by Advisor in accordance with Company policy, subject to approval by the Chair of the Science Committee, of expenses related to Advisor's participation in external meetings and conferences.

Advisor shall remain eligible to receive the Annual Performance Bonus (as defined in the Employment Agreement) relating to the 2016 calendar year, based on achievement of the performance goals established for such year as determined by the Board or its Compensation Committee (the "**2016 Bonus**"), notwithstanding the fact that Advisor's employment terminated on December 31, 2016 under this Agreement.

For the avoidance of doubt, Advisor's Consulting Services shall constitute "continuous service" for purposes of the vesting of the stock options previously granted to Advisor to purchase shares of the Company's common stock that are outstanding and unexercised as of the Employment Termination Date, and accordingly, such options shall continue to vest and otherwise remain subject to their terms and conditions through the Consulting Term.

5. **Benefits.** Advisor will receive no Company-sponsored benefits during the Consulting Term; provided, however, that in consideration of Advisor's prior services as an employee, if, upon the Employment Termination Date, Advisor is eligible for and timely elects to continue the health insurance coverage under the Company's group health plans under the Consolidated Omnibus Budget Reconciliation Act of 1985 or the state equivalent ("**COBRA**") following the Employment Termination Date, the Company will pay, towards the COBRA group health insurance premiums for Advisor and Advisor's eligible dependents, the same proportion of such insurance premiums that the Company paid on behalf of Advisor and Advisor's eligible dependents for such group health plans immediately prior to the Employment Termination Date (the "**COBRA Payment**") until the earliest of (A) the end of the Consulting Term, (B) June 30, 2017, or (C) the expiration of Advisor's eligibility for the continuation coverage under COBRA (the "**COBRA Period**"). For purposes of this Section 5, references to COBRA premiums shall not include any amounts payable by Advisor under a Section 125 health care reimbursement plan under the Internal Revenue Code of 1986, as amended and the treasury regulations thereunder. Notwithstanding the foregoing, if at any time the Company determines, in its sole discretion, that it cannot pay the COBRA Payment without potentially incurring financial costs or penalties under applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then regardless of whether Advisor elects continued health coverage under COBRA, and in lieu of providing the COBRA Payment, the Company will instead pay Advisor on the last day of each remaining month of the COBRA Period, a fully taxable cash payment in an amount equal to 150% of the COBRA Payment for that month, subject to applicable tax withholdings (such amount, the "**Health Care Benefit**

Payment"). The Health Care Benefit Payment shall be paid in monthly installments on the same schedule that the COBRA Payment would otherwise have been paid, and shall be paid until the earlier of (i) expiration of the COBRA Period or (ii) the date Advisor voluntarily enrolls in a health insurance plan offered by another employer or entity.

6. **Termination**.

(a) Advisor may terminate this Agreement upon fifteen (15) days' prior written notice to the Company. The Company will pay Advisor only those fees and expenses related to services requested by the Chair of the Science Committee and actually performed during such notice period. This Agreement and the Consulting Term shall terminate immediately upon Advisor's death or permanent disability, as determined by the Board.

(b) Either the Company or Advisor may terminate the Consulting Term and this Agreement immediately in the event that the other Party has materially breached this Agreement and fails to cure such breach within five (5) business days of receipt of notice by the non-breaching Party, setting forth in reasonable detail the nature of the breach. The Company may also terminate this Agreement immediately in its sole discretion in the event of Advisor's material breach of the Continuing Provisions. If the Company terminates this Agreement pursuant to this Section 6(b) during the Consulting Term, the Company will pay Advisor only the monthly Consulting Fees and approved expenses accrued through the effective date of termination. If Advisor terminates this Agreement pursuant to this Section 6(b) during the Consulting Term, subject to Advisor signing and not revoking a general release of legal claims in a form provided by the Company, the Company shall continue to pay Advisor the monthly Consulting Fee through June 30, 2017 and shall pay approved expenses accrued through the date of termination.

7. **Continuing Obligations under Employment Agreement; Ownership of Work Product**.

(a) The provisions of Section 8 (Confidential Information), Section 9 (Non-Competition; Non-Solicitation; etc.), Section 10 (Injunction), Section 11 (Inventions), and Section 12 (Disputes) of the Employment Agreement shall continue to apply during the Consulting Term to the Consulting Services (such provisions, the "**Continuing Provisions**") and Section 12 (Disputes) shall also apply to disputes relating to the Consulting Services. For the avoidance of doubt, the "Non-Compete Period" (as defined in the Employment Agreement) shall continue in full force and effect during the Consulting Term and for the twelve (12) months following the Employment Termination Date. Notwithstanding the Continuing Provisions, the Employment Agreement, or anything in this Agreement or otherwise, the Parties acknowledge that Advisor is also a member of the Board and a stockholder of the Company, and that as such, Advisor shall retain all rights and privileges commensurate with such positions, including maintaining the right to retain any and all information and documentation provided to Advisor in his capacity as a member of the Board (including Confidential Information, as defined in the Employment Agreement, received as a member of the Board) or a stockholder, subject to Advisor's confidentiality and fiduciary obligations as a member of the Board or as a stockholder, as applicable.

(b) Advisor hereby assigns to the Company all right, title and interest in and to any work product created or contributed by Advisor while providing the Consulting Services pursuant to this Agreement (the "**Work Product**"), including all copyrights, trademarks and other intellectual property rights contained therein. Advisor understands and agrees that Advisor has no right to use the Work Product except as necessary to perform the Consulting Services for the Science Committee. Advisor agrees to execute, at the Company's request and expense, all documents and other instruments necessary or desirable to confirm such assignment. In the event that Advisor does not, for any reason, execute such documents within a reasonable time of the Company's request, Advisor hereby irrevocably appoints the Company as Advisor's attorney-in-fact for the purpose of executing such documents on Advisor's behalf, which appointment is coupled with an interest. Advisor agrees not to incorporate any third party information or technology in any such Work Product, without the prior written consent of the Company.

8. **Notices**. All notices given under this Agreement shall be in writing and shall be deemed to have been duly given (a) when delivered personally, (b) three (3) business days after being mailed by first class certified mail, return receipt requested, postage prepaid, (c) one (1) business day after being sent by a reputable overnight delivery service, postage or delivery charges prepaid, or (d) on the date on which a facsimile is transmitted to the Parties at their respective addresses stated below. Any Party may change its address for notice and the address to which copies must be sent by giving notice of the new addresses to the other Party in accordance with this Section 8, except that any such change of address notice shall not be effective unless and until received.

If to the Company:

2130 West Holcombe Boulevard
Suite 800
Houston, Texas 77030
Attention: Chairman of the Board of Directors

with a copy (which shall not constitute notice) to:

Cooley LLP
4401 Eastgate Mall
San Diego, California 92121
Attention: Julie Robinson

If to Advisor, to Advisor's address on file with the Company.

With a copy (which shall not constitute notice) to:

Gary Eisenstat
Ogletree, Deakins, Nash, Smoak & Stewart, P.C.
8117 Preston Road, Suite 500
Dallas, Texas 75225

9. **Miscellaneous**.

(a) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas without reference to principles of conflict of laws.

(b) Entire Agreement/Amendments. This Agreement amends the Employment Agreement as provided in Section 1 of this Agreement. Except to the extent amended herein, the Employment Agreement shall continue pursuant to its terms during the Term (as defined in the Employment Agreement). Upon the Employment Termination Date, this Agreement and the Exhibits attached and instruments contemplated herein contain the entire understanding of the Parties with respect to the service of Advisor to the Science Committee from and after the Employment Termination Date and supersede any prior agreements or promises between the Company and Advisor, except that, as set forth in this Agreement, the Continuing Provisions shall survive and continue to apply as set forth in Section 7 above and any outstanding stock option or other equity award agreement previously entered into between Executive and the Company shall continue pursuant to its terms. There are no restrictions, agreements, promises, warranties, covenants or undertakings between the parties with respect to the subject matter herein other than those expressly set forth herein and therein. This Agreement may not be altered, modified, or amended except by written instrument signed by the Parties.

(c) No Waiver. The failure of a Party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver of such Party's rights or deprive such party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement. Any waiver under this Agreement must be in writing and signed by Advisor and an authorized officer of the Company.

(d) Assignment. This Agreement shall be binding upon and inure to the benefit of the Company and Advisor and their respective successors, assigns, executors and administrators. This Agreement shall not be assignable by Advisor.

(e) Representation. Advisor represents that Advisor's services under this Agreement and the performance of his obligations under this Agreement do not, and shall not, breach any agreement, including, but not limited to, any agreement that obligates him to (1) keep in confidence any trade secrets or confidential or proprietary information of his own or of any other party, (2) notify or consult with any other Party or (3) refrain from competing, directly or indirectly, with the business of any other party. Advisor shall not disclose to the Company or use any trade secrets or confidential or proprietary information of any other party.

(f) Successors; Binding Agreement; Third Party Beneficiaries. This Agreement shall inure to the benefit of and be binding upon the personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees, legatees and permitted assignees of the Parties.

(g) Survivorship. Subject to the Terms of this Agreement, the respective rights and obligations of the Parties under this Agreement, including without limitation those

set forth in Section 7 hereof, shall survive the termination of Advisor's employment services, and any termination of Advisor's Consulting Services and the Consulting Term to the extent necessary to the agreed preservation of such rights and obligations.

(h) Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

(i) Headings. The headings of the sections contained in this Agreement are for convenience only and shall not be deemed to control or affect the meaning or construction of any provision of this Agreement.

Signature Page Follows

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

By: Bellicum Pharmaceuticals, Inc.

By: /s/ Thomas J. Farrell
Name: Thomas J. Farrell
Title: President and Chief Executive Officer

/s/ Kevin M. Salwin, M.D.
Name: Kevin M. Slawin, M.D.

EXHIBIT A

The principal role of the Advisor, as Chief Technology Officer of the Company (the "**CTO**") for the duration of the Term, is to work with the Science Committee (the "**Science Committee**") of the Board of Directors of the Company (the "**Board**") and its integration into the strategic and Board-level processes of the Company, including:

- Establish a regular schedule of Science Committee meetings and work with the Science Committee chairman and senior management to identify and prioritize key agenda items and ensure follow-up and closure.
- Interface with the Finance Committee with respect to technical and scientific evaluations of third-party assets and capabilities, in an appropriately comprehensive and timely manner. In this capacity, participate in an internal deal committee and, as requested by the Company's Chief Executive Officer (the "**CEO**") or Senior Vice President Business Development, in business development activities of the Company.
- Undertake special projects as identified in consultation with the CEO and/or the Science Committee, related to emerging science and technology issues and trends which are relevant to the Company and in alignment with the Company's strategy and on areas that are important to the success of the Company's R&D activities. In this capacity, participate in relevant external scientific and clinical meetings and conferences.
- Interface with the R&D leadership and participate in activities and meetings as requested by the Company's Chief Scientific Officer.

The CTO will also continue to serve as a full member of the Company's Executive Committee, Product Steering Committee and Collaboration Committee; as an observer on the Company's Scientific Advisory Board and Clinical Advisory Board; and as a full member of the Science Committee. The CEO and CTO will meet on a regular basis, and will work together to ensure that internal resources, including personnel, are assigned to participate in special projects as needed.

EXHIBIT A

EXHIBIT B

- Identify and evaluate emerging science and technology issues and trends which are relevant to the Company and in alignment with the Company's strategy and on areas that are important to the success of the Company's R&D activities; in this capacity, participate and report back to the Chair of the Science Committee as an advisor in relevant external scientific and clinical meetings and conferences.

- Review the Company's preclinical and clinical pipelines, and assess the quality and competitiveness of the Company's R&D programs and technology initiatives from a scientific perspective, including associated risk profile; in this capacity, continue to participate as an observer and advisor in meetings of the Company's Product Steering Committee, Scientific Advisory Board and Clinical Advisory Board or other meetings as requested by the Chair of the Science Committee or the Company's Chief Executive Officer ("CEO") or Chief Science Officer.

- For any major external investments in R&D that require approval of the Company's Board of Directors, assess those opportunities on the scientific/technical/medical merit of the opportunity; in this capacity, continue to participate, as requested by the Chair of the Science Committee or CEO or the Company's Senior Vice President Business Development as an advisor in critical meetings between members of management and prospective external parties.

EXHIBIT B

BELLICUM PHARMACEUTICALS, INC.
SPONSORED RESEARCH AGREEMENT NO. 2

THIS SPONSORED RESEARCH AGREEMENT (the **"Agreement"**) is entered into and made and effective as of May 20, 2016 (**"Effective Date"**) by and between **BELLICUM PHARMACEUTICALS, INC.**, with offices at 2130 West Holcombe Boulevard, Suite 800, Houston, Texas 77030, United States of America (**"Sponsor"**), and **ACADEMISCH ZIEKENHUIS LEIDEN**, also acting under the name **Leiden University Medical Centre**, with offices at Albinusdreef 2, 2333 ZA Leiden, The Netherlands (**"Leiden"**). Sponsor and Leiden are referred to herein collectively as the **"Parties"** or individually as a **"Party."**

RECITALS

WHEREAS, the Parties desire to undertake the research contemplated by this Agreement, which is of mutual interest and benefit to Leiden and Sponsor;

WHEREAS, under this Agreement Sponsor will provide funding and/or other support for certain research to be performed at Leiden, as described more fully in the Research Program attached hereto as **Appendix A**, and Sponsor shall have the license and option rights specified herein;

NOW, THEREFORE, in consideration of the foregoing, the mutual promises hereinafter set forth, and for valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties, intending to be legally bound by the terms, conditions, and covenants of this Agreement, hereby agree as follows:

1. **RESEARCH PROGRAM.** Leiden shall […***…] perform the work (the **"Research"**) set forth in **Appendix A** to this Agreement (the **"Research Program"**), which is attached hereto and incorporated herein and may be amended in accordance with the terms of this Agreement. Before starting any Research, Leiden must obtain all approvals necessary for the conduct of the Research.

2. **PRINCIPAL INVESTIGATOR.** Dr. […***…] (the **"Principal Investigator"**) will supervise the Research. If, for any reason, s/he is unable to continue to serve as Principal Investigator, Sponsor and Leiden shall attempt to find a successor acceptable to both Parties, in which case such mutually agreed successor thereafter shall be designated the Principal Investigator for purposes of this Agreement. If such a mutually agreed successor is not available or is not identified, this Agreement shall be immediately terminated upon Sponsor's delivery to Leiden of written notice of termination.

3. **PERIOD OF PERFORMANCE.** The Research shall be conducted during the period beginning on the date that is […***…] after the Effective Date (the "**Start Date**") and ending on the third anniversary of the Start Date, unless this period is extended in accordance with this Section 3 (this initial 3-year period, as it may be extended, the **"Term"**). Each twelve-month period after the Effective Date until the third anniversary of the Effective Date shall be referred to herein as a **"Contract Year."** In the third Contract Year, Leiden and Sponsor will negotiate in good faith a potential extension of the Term on the basis of how the Research is

proceeding. Any such extension of the Term requires mutual agreement of the Parties that is executed in writing by authorized signatories of each of the Parties.

4. **TOTAL COSTS.** In consideration of Leiden's performance of the Research in accordance with **Appendix A**, during the Term Sponsor agrees to support the Research by paying the amounts as specified in the Budget, which is set forth in **Appendix B**, provided that, if the Research is completed in accordance with this Research Program, the total of such costs paid by Sponsor under this Agreement will be Two Million Five Hundred Forty Seven Thousand and Four Hundred Fifteen Euro (EUR2,547,415) (**"Total Cost"**).

5. **PAYMENTS.** Leiden shall invoice Sponsor for each […***…] payment, such invoices to be delivered to Sponsor (a) for the first such […***…], within […***…] after the Effective Date, and (b) thereafter within […***…] after the end of each […***…]. So long as Leiden complies with the material terms and conditions of this Agreement, Sponsor shall pay Leiden, within […***…] of receipt of invoice, as follows: […***…] of the Total Cost (i.e., EUR212,284.58) per […***…].

Invoices should be sent to:

Name: Accounts Payable
Company: Belllicum Pharmaceuticals, Inc.
Address: 2130 West Holcombe Boulevard, Suite 800
Houston, Texas 77030, United States of America
Email: accounting@bellicum.com

Sponsor's checks shall be made payable to:

Leiden University Medical Centre
Attn. Managing Director Division 4
Albinusdreef 2
2333 ZA LEIDEN
The Netherlands

6. **EARLY TERMINATION.**

A. Should Leiden materially breach this Agreement or become unable to perform hereunder, Sponsor shall have the right to terminate this Agreement. Sponsor shall notify Leiden in writing of its intention to terminate, and termination shall become effective thirty (30) days thereafter if, during such thirty (30) day period, Leiden is unable to cure the breach or rectify its performance.

B. Material breach of this Agreement by Sponsor and failure of Sponsor to pay any undisputed amount owed hereunder within thirty (30) days after receipt of an invoice from Leiden shall be cause for Leiden to terminate

this Agreement. Leiden shall notify Sponsor in writing of its intention to terminate this Agreement on such grounds, and termination shall become effective thirty (30) days thereafter if, during such thirty (30) day period, Sponsor has not paid all undisputed amounts then owing in full.

7. **REPORTS AND CONFIDENTIAL INFORMATION.**

A. From time to time during the Term, and upon Sponsor's request, Leiden will provide Sponsor with written reports of Research progress (**"Interim Reports"**). As of the execution of this Agreement, the Parties contemplate that there will be one (1) Interim Report delivered for each calendar quarter of each Contract Year. If Sponsor identifies a problem in any such Interim Report, Sponsor may request additional Interim Reports at its discretion. A final written report will be provided to Sponsor at the completion or termination of the Research Program (which will be on or before the last day of the Term) and which will include all data and results (the **"Results"**) of such Research Program (**"Final Report"**). The Final Report will contain raw and summary data and will be written with sufficient detail as would be suitable for submission to a peer-reviewed journal or inclusion in a regulatory filing. Each of the Interim Reports and the Final Report are owned by Sponsor, and Sponsor has the right to use the Interim Reports and the Final Report and the contents thereof for any lawful purpose, subject to Article 9F.

B. As used herein, **"Confidential Information"** shall mean all information that has been or will be disclosed by or on behalf of a Party (the **"Disclosing Party"**), to the other Party (the **"Receiving Party"**), directly or indirectly, in whatever form, including (without limitation) any data, reports, analyses, specifications, techniques, processes, technical information, ideas, know-how, trade secrets, patents, patent applications and inventions (whether or not patentable), drawings, designs and computer software, and which is, or which should reasonably be expected to be, of a confidential nature. For clarity, any information disclosed by Sponsor related to any compounds, samples, or other materials provided by Sponsor under this Agreement shall be Confidential Information of Sponsor. With respect to any and all Confidential Information received from the Disclosing Party in the course of this Agreement, the Receiving Party shall:

a) keep such information confidential;

b) not communicate, disclose or otherwise make available such information to any third party (not including sublicensees) except with prior, written and explicit consent from the Disclosing Party;

c) communicate, disclose or otherwise make available such information to members of its personnel and sublicensees only and strictly on a "need-to-know" basis, that is, only in so far as disclosure to a particular individual is strictly necessary for the purpose of this

Agreement and always subject to confidentiality and non-use obligations no less stringent than those set out in this Article 7.B;

d) not use such information other than for the purpose for which the information was disclosed;

e) take all reasonable steps to ensure that such information shall be protected against unauthorized access, theft, and the like.

C. The obligations as set out in Article 7.B shall not apply or shall cease to apply, to information of which the Receiving Party can demonstrate by (documentary) evidence:

a) that it was in the public domain prior to the disclosure under this Agreement;

b) that it was in the Receiving Party's possession prior to the disclosure under this Agreement, provided it was not acquired by the Receiving Party under confidentiality obligations directly or indirectly from the Disclosing Party;

c) that, after its disclosure under this Agreement, it became part of the public domain through no act or omission of the Receiving Party;

d) that, after its disclosure under this Agreement, it was received by the Receiving Party on a non-confidential basis from a third party who was legally entitled to disclose that information; or

e) that it is required under a statutory duty and/or court order to disclose, provided that advance written notice is given to the Disclosing Party and the Receiving Party takes all reasonable measures to protect the confidentiality of the information and to cooperate with the Disclosing Party's efforts, at its expense, to avoid or limit disclosure.

D. Upon termination or expiry of this Agreement, each Receiving Party will at the first request of the Disclosing Party destroy any and all of the Disclosing Party's Confidential Information.

8. **PUBLICATIONS.** Leiden reserves the right to publish the results of the Research performed hereunder. Before publishing, however, Leiden agrees to […***…]. Sponsor may request that Leiden remove Sponsor's Confidential Information from such Proposed Publication, and Leiden will comply with all such requests. In the event Sponsor asks to defer publication for the purposes of seeking intellectual property protection upon inventions disclosed

therein, Leiden shall not publish or otherwise disclose to any third party any of the information contained in the Proposed Publication until (i) such time as the relevant patent application(s) has/have been filed or (ii) the […***…], whichever of (i) or (ii) occurs […***…]. Leiden shall give Sponsor the option, when requested by the Sponsor, of receiving an acknowledgement in any publication for its sponsorship of the Research. The Sponsor understands that the basic objective of research activities at Leiden is the generation of new knowledge and its expeditious dissemination. Therefore, in review of any publication, the Sponsor shall […***…].

9. **INTELLECTUAL PROPERTY.**

A. "**Background Technology and Background IP Rights**" shall mean, individually or collectively, all intellectual property rights (including in patents and patent applications) and other technology, know-how, and trade secrets, whether patentable or not, that a Party owns or controls as of the Effective Date. Under the terms of this Agreement, neither Party shall have any rights in any of the Background Technology and Background IP Rights of the other Party. Sponsor shall have no invention-related rights arising from this Agreement in any Leiden inventions other than in the Sole Leiden Inventions and Joint Inventions, as such terms are hereinafter defined.

B. Title to any discovery or invention conceived or first reduced to practice in the performance of the Research Program (herein a **"Project Invention"**) shall be: (i) assigned to Leiden if all of the inventors are Leiden employees, consultants or independent contractors (**"Sole Leiden Invention"**), (ii) assigned jointly to Sponsor and Leiden if the inventors include employees, consultants or independent contractors of both Parties (**"Joint Invention"**), and (iii) assigned to Sponsor if all the inventors are employees, consultants or independent contractors of Sponsor (**"Sole Sponsor Invention"**). Inventorship shall be determined in accordance with U.S. patent law.

C. [Reserved]

D. For any Sole Leiden Inventions and Joint Inventions that are of relevance to or useful for the development, manufacture, commercialization and/or other exploitation of Potential Products in the Field (as each of these capitalized terms is hereinafter defined), Leiden hereby grants to Sponsor an exclusive option to obtain (i) an exclusive license to use, practice, and otherwise exploit such Sole Leiden Inventions in the Field anywhere in the world, and (ii) an exclusive license to use, practice, and otherwise exploit Leiden's interest in such Joint Inventions in the Field anywhere in the world, including any patents and other intellectual property rights claiming or covering such Sole Leiden Inventions and Joint Inventions (the option granted for each such Sole Leiden Invention and each such Joint Invention is referred to as an **"Option"**). The option period with respect to the Option granted for each such Sole Leiden Invention or Joint Invention will

begin on the date of complete written disclosure of such Sole Leiden Invention or Joint Invention (as applicable) by Leiden to Sponsor, and will expire […***…] from that date (**"Option Period"**). Sponsor may, upon written notice to Leiden requesting an extension, extend a given Option Period for […***…] at no additional cost. Sponsor may exercise a given Option at any time during the applicable Option Period, by giving written notice to Leiden of its exercise of such Option. If Sponsor exercises a given Option, the Parties will enter into a license agreement on commercially reasonable terms for the corresponding license promptly thereafter.

For the purposes of this clause 9, Potential Products are defined as: any high affinity TCR directed against a cancer associated antigen (CAA) described in the Research Program, including but not limited to those specifically mentioned in part A of the Research Program proposal attached hereto as of the Effective Date, and high affinity TCRs directed against ovarian lineage antigens (OLA) as well as the corresponding OLA antigens that are recognized by the high affinity OLA specific TCRs. Each Party will use […***…] (i) to specifically identify CAAs and any corresponding high affinity TCRs that are researched by Leiden with Sponsor's funding support, and (ii) to update and amend the description of the Research Program to add such specifically identified CAAs and/or TCRs. If the Research Program is amended by mutual written consent of both Parties to add additional CAAs, other Potential Products directed against such additional CAAs are added to this clause 9. For the purposes of this clause 9, the "Field" is defined as: all fields relevant to or supportive of the development, manufacture, commercialization and/or other exploitation of each such Potential Product for use as a diagnostic or therapeutic in humans. For avoidance of doubt, it is the Parties' intention that Sponsor be granted an Option, under each Sole Leiden Invention and each Joint Invention that is conceived or first reduced to practice using Sponsor funding under this Agreement, that enables Sponsor to obtain a license to use, practice and exploit such Sole Leiden Invention and/or Joint Invention (as applicable) in connection with high affinity TCRs directed against such original and added CAAs.

For clarity, Sponsor may exercise multiple Options during the Term, and during any applicable Option Period and/or Option extension period following the Term, in relation to different Potential Products.

E. Leiden shall provide to Sponsor a complete written disclosure for each and every Sole Leiden Invention and Joint Invention, whether or not patentable, first conceived or reduced to practice in the performance of the Research funded under this Agreement, promptly after each such Sole Leiden Invention and Joint Invention is made.

F. Any data, information, results, technology, know-how, and trade secrets generated, developed, derived or otherwise obtained in the performance of the Research Program, to the extent the foregoing do not constitute a Sole Leiden

Invention, a Sole Sponsor Invention or a Joint Invention (**"Research Program IP"**), shall be jointly owned by Leiden and Sponsor. Each Party shall have the right to use the Research Program IP for all lawful purposes, and each will treat the Research Program IP in the same manner as it treats its own confidential information. Neither Party shall publish or otherwise publicly disclose any Research Program IP without the other Party's prior written approval (not to be unreasonably withheld, conditioned or delayed). Sponsor shall be provided reasonable access to any of Leiden's personnel and agents that performed any of the Research or created or generated any of the Research Program IP, upon reasonable advance written request by Sponsor.

G. It is anticipated that the form and terms of any license agreement entered into by the Parties pursuant to Section 9.D would be based on a form and terms similar to those set forth in the License Agreement and in **Appendix C**.

H. The Parties shall negotiate in good faith the commercially reasonable terms of each license agreement described in Section 9.D, subject to Article 9.G and the terms in **Appendix C**. The Parties shall reach agreement regarding the terms of each license agreement within a reasonable period of time, not to exceed […***…] from the date on which Sponsor exercises the corresponding Option, unless the Parties mutually agree in writing to extend such […***…] period. Each such license agreement shall be executed promptly after the Parties mutually agree on the terms of the license. If Sponsor elects not to exercise a particular Option within its corresponding Option Period, or if the Option Period corresponding to such particular Option expires, or if Sponsor exercises a particular Option and the Parties do not enter into a license agreement within the […***…] negotiation period described in this subsection H (which may be extended by mutual agreement in writing), Leiden shall be free to exploit or have exploited Leiden's rights in the relevant Sole Leiden Invention or Joint Invention (as applicable), as it sees fit; provided that (i) Sponsor has no obligation to grant Leiden any rights or licenses under Sponsor's intellectual property rights that may be necessary or useful for such exploitation by Leiden or its licensees or transferrees, and (ii) Sponsor is not limited in any manner from enforcing its intellectual property rights against Leiden or Leiden's licensees or transferrees.

I. Each Party makes no representation or warranty that any act or any manufacture that uses information from the Research Program, including any Project Invention and/or any Research Program IP, (whether under a license under this Article 9 or otherwise) will be free from infringement of patents of third parties or other rights of third parties.

10. **NO OTHER FUNDING.** Leiden and the Principal Investigator agree that no government funding or third-party funding will be used to conduct any of the Research, if such funding would require Leiden or the Principal Investigator to grant any rights and/or licenses to such government or third-party funder with respect to the Results.

11. **ANIMAL AND HUMAN STUDIES.** Any use of human subjects or live, vertebrate animals in the performance of Research hereunder shall comply with all applicable laws and government regulations. Leiden will not begin any research involving vertebrate animals until all necessary institutional approvals have been received.

12. **WARRANTIES; DISCLAIMER.**

A. Leiden shall not knowingly incorporate in any deliverable under this Agreement any intellectual property rights of any third party.

B. Except as expressly set forth in this Agreement, NEITHER PARTY MAKES ANY REPRESENTATIONS OR EXTENDS ANY WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED. THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, INCLUDING WITH RESPECT TO ANY PROJECT INVENTION, RESEARCH PROGRAM IP, COMPOUNDS, SAMPLES, OR OTHER MATERIALS PROVIDED BY SPONSOR OR THAT SAME SHALL BE FREE OF INFRINGEMENT OF THIRD PARTY INTELLECTUAL PROPERTY RIGHTS OR OTHER RIGHTS.

C. To the extent permitted by applicable law, a Party shall in no event be liable for any direct, indirect, consequential loss, damage, claim, demand and/or expense – of whatever nature – whether arising by way of a third party claim or otherwise – resulting from or in connection with the use and/or the exploitation of the Project Inventions and/or the Research Program IP by the other Party and its licensees and transferrees.

D. Each Party (the "**Indemnifying Party**") shall indemnify and hold harmless the other Party (the "**Indemnified Party**") in respect of any loss, liability, damage, claim, cost, demand and/or expense arising or resulting from a claim brought by a third party and incurred or suffered by or imposed upon the Indemnified Party as a result of or in connection with the use and/or the exploitation of the Project Inventions and/or the Research Program IP by the Indemnifying Party and its licensees and transferrees (each a "**Claim**"). The Indemnified Party shall provide prompt written notice to the Indemnifying Party of the initiation of any Claim that may reasonably lead to the Indemnified Party's claim for indemnification under this Section 12.D. Upon receipt of such notice, the Indemnifying Party shall have the right to assume the defence and settlement of such Claim, provided that it shall not settle any Claim without the Indemnified Party's written consent (such consent not to be unreasonably withheld, conditioned or delayed). The Indemnified Party shall cooperate with the Indemnifying Party in the defence of such Claim and provide assistance as may reasonably be required or requested by the Indemnifying Party.

13. **NOTICES.** Any notice or other communication under this Agreement shall be in writing and shall be sufficiently served if sent by recorded delivery post or registered mail,return receipt requested. or by reputable overnight courier, to the following address:

In the case of notices to Leiden to:

Leiden University Research & Innovation Services (LURIS)
Attn. Director Technology Transfer Office
Poortgebouw Noord
Rijnsburgerweg 10
2333 AA LEIDEN
The Netherlands
With reference number: INV14MC432
C14MC1930

In the case of notices to Sponsor to:

Bellicum Pharmaceuticals, Inc.
Attn. Ken Moseley, J.D.
Senior VP & General Counsel
Life Science Plaza
2130 West Holcombe Boulevard
Suite 800
Houston, Texas 77030
United States of America

14. **ASSIGNMENT.** Neither Party may assign or transfer, in whole or in part, its rights or obligations under this Agreement to any third party, without the other Party's prior written consent; provided that, without Leiden's prior written consent, Sponsor may assign this Agreement in its entirety to an Affiliate of Sponsor or to an assignee or transferee of Sponsor's entire business or of that part of Sponsor's business to which the subject matter of this Agreement relates.

15. **AMENDMENT.** This Agreement may only be amended by prior written agreement of authorized representatives of each of the Parties hereto.

16. **WAIVER.** A waiver by a Party of a breach or default of the other Party under any of the provisions of this Agreement shall not be construed as a waiver of any succeeding breach of the same or other provisions. Nor shall any delay or omission on the part of a Party to exercise or avail itself of any right, power or privilege that it has or may have under this Agreement, operate as a waiver of any breach or default by the other Party.

17. **USE OF NAMES.** Sponsor may not use the "LUMC" or the full name "Leiden University Medical Centre" or any adaptation thereof in any publicity or advertising without the prior written consent of Leiden. Leiden may not use the name or logo of Sponsor or its

sublicensees, or any adaptation thereof, in any publicity or advertising without the prior written consent of Sponsor.

14. **REFORM OF AGREEMENT.** If part of this Agreement is or becomes invalid or non-binding, the Parties shall remain bound to the remaining part. The Parties shall replace the invalid or non-binding part by provisions which are valid and binding and the effect of which, given the contents and purpose of this Agreement, is, to the greatest extent possible, similar to that of the invalid or non-binding part.

15. **ENTIRE AGREEMENT.** This Agreement contains the entire agreement of the Parties in relation to its subject matter. Any appendices and schedules to this Agreement shall form a part thereof. This Agreement may only be amended or supplemented in writing, by way of a document signed by (the authorised representatives of) all Parties. For the avoidance of doubt, each of the License Agreement, dated April 20, 2015, and the Sponsored Research Agreement, dated June 30, 2015, previously executed by the Parties remains in full force and effect in accordance with their respective terms.

16. **NO RESCISION.** This Agreement may not be rescinded ("(*in rechte*) *ontbonden*"), in whole or in part, by a Party to this Agreement.

17. **COUNTERPARTS.** This Agreement may be executed in one or more counterparts by original, facsimile or PDF signature, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument, binding on the Parties notwithstanding that each of the Parties may have signed different counterparts.

18. **SURVIVING TERMS.** Expiration or termination of this Agreement for any reason shall not relieve the Parties of any liability or obligation accruing prior to such expiration or termination, nor affect the survival of any provision hereto to the extent it is expressly stated to survive such expiration or termination. In addition, the rights and obligations of the Parties under the following provisions of this Agreement shall survive expiration or termination of this Agreement: Articles 5 (for payments invoiced by Leiden but not yet paid); 7, 8, 9, 12, 13, 14,17 and 19.

<< Signature Page Follows >>

The Parties have executed this Agreement as of the Effective Date as follows:

Leiden University Medical Center **Bellicum Pharmaceuticals, Inc.**

/s/ Guillaine E. de Blécourt /s/ Thomas J. Farrell

Name: Guillaine E. de Blécourt Name: Thomas J. Farrell

Title: Manager Division 4 Title: President & CEO

Date: May 27th, 2016 Date: May 27th, 2016

Appendix A

Research Program

Confidential

PROPOSAL

A. […***…]

***Confidential Treatment Requested

[…***…]

*****Confidential Treatment Requested**

[…***…]

*****Confidential Treatment Requested**

[…***…]

*****Confidential Treatment Requested**

[…***…]

*****Confidential Treatment Requested**

Appendix B

Budget

FINANCIAL SUPPORT

[…***…]

*****Confidential Treatment Requested**

Appendix C

License Terms

Upfront fee	No upfront fee shall be due
Payments	
Royalties on Net Sales	Licensee shall pay to LUMC a royalty rate of […***…]% on Net Sales (see definition below).
Annual license maintenance fee	As of the 8th anniversary of the effective date of the first license agreement, Licensee will begin paying an annual license maintenance fee of €30.000. As of the 8th anniversary of the effective date of any additional license agreement(s), Licensee will begin paying a supplementary annual license maintenance fee of €10.000 for each such additional license agreement then in effect.
Sublicense Income	a) […***…]% of Sublicense Income received for Sublicense Agreements entered into […***…]; b) […***…]% of Sublicense Income for Sublicense Agreements entered into […***…]; c) […***…]% of Sublicense Income for Sublicense Agreements entered into […***…] (See definition of Sublicense Income below).
Milestone payments	For each TCR selected for Bellicum development: […***…]: […***…] euro […***…]: […***…] euro […***…]: […***…] euro Milestone payments apply only once for a given TCR specificity, regardless of the number of HLA restricted TCRs and licensed products ("Licensed Products") that are developed for that specificity. So for example, a Licensed Product based on […***…] might go all the way through approval and trigger each of the milestone payments, but a Licensed Product based on […***…] would not trigger additional milestone payments. A TCR with specificity directed to a different antigen (and related Licensed Products) would trigger its own one-time only milestone payments.

Performance & license obligations	
Patent obligations	Licencee will insure that appropriate IP is secured on behalf of LUMC for inventions directed to a TCR that is the subject of a Research Program and for which a licence agreement is executed, as such TCR(s) is/are agreed within […***…] of the signing of said license agreement (for each such TCR, this IP is the "TCR IP"). Licensee will be obliged to diligently file and prosecute such applications on behalf of LUMC, with the objective of obtaining optimal commercially reasonable coverage for each such TCR IP. All patent expenses incurred in acquition of TCR IP rights, including filing and prosecution expenses, will be borne by Licensee. Should Licensee later elect not to pursue said TCR IP, all rights, including TCR IP prosecution rights, will revert to LUMC.
Performance obligations	Realistic performance obligations regarding each such TCR (and related Licensed Products) for which a license agreement is executed shall be agreed between Licensee and LUMC at time of signing such licence agreement. Should Licensee fail to meet such agreed performance obligations (as these may be amended or extended) regarding any such TCR (and related Licensed Products), all rights regarding such TCR (and related Licensed Products), including TCR IP prosecution rights, will revert to LUMC.

DEFINITIONS

Net Sales

The term "Net Sales" shall mean the gross amount of monies or cash equivalent or other consideration which is received for the first arms-length sale of Licensed Products by Licensee or its sublicensee(s) to third parties (whether end users, wholesaler(s) or distributor(s)), less:

(i) […***…];
(ii) […***…];
(iii) […***…]; and

(iv) […***…].

The term "Net Sales" in the case of non-cash sales, shall mean the fair market value of the non-monetary consideration received by Licensee or sublicensees that is attributable to the sale of Licensed Products to third parties. A sale of a Licensed Product between Licensee and a sublicensee for resale to a third party shall not be considered a “sale” for the purpose of this definition, but the arms-length resale of such Licensed Product by such sublicensee or Licensee (as applicable) to a third party shall be a “sale” under this definition.

Licensed Products
The term "Licensed Product(s)" shall mean any product, process or service the manufacture, use, sale, offer for sale or import of which, absent the rights and licenses granted by LUMC to Licensee hereunder, would infringe a Valid Claim.

Sublicense Income
The term "Sublicense Income" shall mean all cash and non-cash consideration, including upfront payments, equity, sublicensing fees, milestone payments and sublicense maintenance fees, actually received by Licensee that is directly attributable to the grant of a sublicense under the license rights granted to Licensee hereunder; provided that in the event that Licensee receives non-cash consideration, Sublicense Income shall be calculated based on the fair market value of such non-cash consideration, assuming an arm’s length transaction made in the ordinary course of business. Notwithstanding anything to the contrary, Sublicensing Income expressly excludes the following payments:

(a) […***…];
(b) […***…];
(c) […***…]; or,
(d) […***…].

Valid Claim
"Valid Claim" shall mean a claim of an issued or pending patent within the Patent Rights, which claim has not expired, lapsed, been cancelled or become abandoned irrevocably and has not been declared invalid or unenforceable by an un-reversed and un-appealable decision or judgment of a

court or other appropriate body of competent jurisdiction, and which has not been admitted to be invalid or unenforceable through reissue, disclaimer or otherwise.

Patent Rights

“Patent Rights” shall mean patent applications disclosing and claiming the Results and (i) all patent applications (including provisional applications) that claim priority from the referenced patent applications, (ii) any and all divisions, reissues, re-examinations, renewals, continuations, continuations-in-part (to the extent the claims are directed to subject matter specifically described in the aforementioned patent applications and are dominated by the claims of the existing Patent Rights), and extensions thereof, (iii) any and all patents which issue from the foregoing described patent applications, and all other counterparts, pending or issued, and patents in all countries. Certain Patent Rights shall be identified in an appendix to each license agreement.

FIRST AMENDMENT TO LEASE AGREEMENT

1bis First Amendment to Lease Agreement (this "First Amendment") is made and entered into by and between **LIFE SCIENCE PLAZA INVESTMENT GROUP, LP,** a Delaware limited partnership ("Landlord"), as successor-in-interest to Sheridan Hills Developments L.P. ("Original Landlord"), and **BELLICUM PHARMACEUTICALS, INC.,** a Delaware corporation ("Tenant"), effective on and as of the date on which the Landlord executes this First Amendment as set forth on the signature page hereto (the "Effective Date").

W I T N E S S E T H

WHEREAS, Landlord and Tenant are parties to that certain Lease Agreement originally entered into by and between Original Landlord and Tenant, dated as of May 6, 2015 (the "Lease"), pursuant to which Tenant currently leases certain premises containing approximately 26,817 square feet of Net Rentable Area (the "Original Leased Premises"), which consists of 25,304 square feet of Net Rentable Area of Manufacturing Space designated as Suite 500, 705 square feet of Net Rentable Area of Interior Mechanical Space on the fourth (4'h) floor, and 808 square feet of Net Rentable Area of Exterior Mechanical Space on the fifth (5th) floor, all in the building commonly known as Life Science Plaza, located at 2130 West Holcombe Boulevard, Houston, Texas (the "Building"), all as more particularly described in the Lease;

WHEREAS, Landlord has succeeded to all of the rights, interests and obligations of Original Landlord under the Lease; and

WHEREAS, Landlord and Tenant now desire to expand the Original Leased Premises and further amend the Lease as more particularly described hereinbelow.

NOW, THEREFORE, for and in consideration of the premises contained herein, and other good and valuable consideration paid by each of Landlord and Tenant to the other, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree that the Lease is hereby ratified and amended as follows:

1. Definitions. All capitalized terms used herein shall have the same mearung as defined in the Lease, unless otherwise defined in this First Amendment.

2. **Expansion Space.** Effective on and as of July 11, 2016 (the "Expansion Date"), the Original Leased Premises shall be expanded to include (i) that certain 3,075 square feet of Net Rentable Area in the penthouse of the Building (the "Expansion Manufacturing Space"), and (ii) that certain 253 square feet of Net Rentable Area of interior mechanical space on the first (1st) floor of the Building (the "Expansion Interior Mechanical Space"), as more particularly set forth on *Exhibit A* attached hereto and incorporated herein for all purposes (the Expansion Manufacturing Space and the Expansion Interior Mechanical Space, collectively, the "Expansion Space"), for a term that is co-terminous with the existing Term of the Lease (e.g., August 31, 2020). Landlord and Tenant acknowledge and agree that there is certain Building equipment currently located in the Expansion Manufacturing Space that will need to be relocated in order for the Tenant Improvements to be constructed.

Tenant shall, at Tenant's sole cost and expense, relocate such existing Building equipment from the Expansion Manufacturing Space to a location reasonably designated by Landlord (the "Relocation Work"). Tenant shall use commercially reasonable efforts to diligently complete the Relocation Work promptly following the Effective Date.

3. **Confirmation of Leased Premises.** Effective as of the Expansion Date, Landlord and Tenant hereby stipulate and agree that the term "Leased Premises" shall consist of 30,145 square feet of Net Rentable Area in the Building, and shall consist of both the Original Leased Premises and the Expansion Space.

4. **Condition of the Expansion Space.** Tenant hereby agrees to accept the Expansion Space from Landlord in its existing "AS-IS," "WHERE-IS" and "WITH ALL FAULTS" condition, and Landlord shall have no obligation whatsoever to refurbish or otherwise improve the Expansion Space at any time during the Term of the Lease. Tenant shall, at Tenant's sole cost and expense, construct the Tenant Improvements (defined in *Exhibit B)* in accordance with *Exhibit B* attached hereto and complete the Relocation Work (defined above).

5. **Term.** Section 2.A of the Lease is hereby deleted in its entirety and the following substituted in lieu thereof:

"A. The term of this Lease Agreement (the "Term") shall commence on September 1, 2015 (the "Commencement Date") and, unless sooner terminated or renewed and extended in accordance with the terms and conditions set forth herein, shall expire at 11:59
p.m. on August 31, 2026 (the "Expiration Date")."

6. **Leasehold Improvements in the Original Leased Premises.** *Exhibit G* attached to the Lease is hereby deleted in its entirety and replaced with the modified *Exhibit G* attached hereto. Landlord and Tenant acknowledge and agree that Landlord was originally obligated to construct the Original Leasehold Improvements (as defined in *Exhibit* G), however Tenant now desires to manage and oversee the construction of the Original Leasehold Improvements (construction of which has not yet commenced) in accordance with the terms and provisions of *Exhibit G* attached hereto.

7. **Base Rent for the Original Leased Premises.** Tenant shall pay Base Rent for the Original Leased Premises in accordance with the existing terms and provisions of the Lease, provided that Base Rent for the Original Leased Premises for months 61 through 132 of the Term shall be payable as follows:

(a) The Manufacturing Space Base Rent for months 61 -132 shall be:

Months following the Commencement Date	Annual Rate/SF	Annual Base Rent	Monthly Installments
61-72	$36.50	$923,596.00	$79,966.33
73 - 84	$37.80	$956,491.20	$79,707.60

85 - 96	$39.10	$989,386.40	$82,448.87
97 - 108	$40.50	$1,024,812.00	$85,401.00
109 - 120	$41.90	$1,060,237.60	$88,353.13
121- 132	$43.35	$1,096,888.00	$91,407.33

(b) The Interior Mechanical Space Base Rent for months 61 through 132 shall be:

Months following the Commencement Date	Annual Rate/SF	Annual Base Rent	Monthly Installments
61 - 72	$26.50	$18,682.50	$1,556.88
73 - 84	$27.80	$19,599.00	$1,633.25
85 - 96	$29.10	$20,515.50	$1,709.63
97 -108	$30.50	$21,502.50	$1,791.88
109 - 120	$31.90	$22,489.50	$1,874.13
121 - 132	$33.35	$23,512.00	$1,959.33

(c) The Exterior Mechanical Space Base Rent for months 61 through 132 shall be:

Months following the Commencement Date	Annual Rate/SF	Annual Base Rent	Monthly Installments
61 - 120	$8.00	$6,464.50	$538.67
121 - 132	$9.00	$7,272.00	$606.00

8. **Base Rent for the Expansion Space.** Tenant shall continue to pay Base Rent for the Original Leased Premises in accordance with the existing terms and provisions of the Lease applicable thereto; as amended herein; provided, however, commencing on the Expansion Date (as defined above) and continuing throughout the Term of the Lease, in addition to the Base Rent payable for the Original Leased Premises, Tenant shall also pay Base Rent for the Expansion Space as follows:

Period	Annual Rate/SF	Annual Base Rent	Monthly Installments
Expansion Date -August 31, 2016	$20.75	$69,056.00	$5,754.67
September 1, 2016 -August 31, 2017	$21.80	$72,550.00	$6,045.83
September 1, 2017 -August 31, 2018	$22.95	$76,378.00	$6,364.83
September 1, 2018 -August 31, 2019	$24.10	$80,205.00	$6,683.75
September 1, 2019 -August 31, 2020	$25.30	$84,198.00	$7,016.50
September 1, 2020 -August 31, 2021	$26.50	$88,192.00	$7,349.33
September 1, 2021 -August 31, 2022	$27.80	$92,518.00	$7,709.83
September 1, 2022 -August 31, 2023	$29.10	$96,845.00	$8,070.42
September 1, 2023 -August 31, 2024	$30.50	$101,504.00	$8,458.67
September 1, 2024 -August 31, 2025	$31.90	$106,163.00	$8,846.92
September 1, 2025 -August 31, 2026	$33.35	$110,989.00	$9,249.08

9. **Renewal Option.** Section 50 of the Lease is deleted in its entirety and the following substituted in lieu thereof:

"SEC. 50 RENEWAL OPTION. Tenant shall have, and is hereby granted the option (the "Renewal Option") to extend the term of this Lease Agreement for one (1) additional period of five (5) years (the "Extended Term") upon and subject to the following terms, conditions and provisions:

(a) The Renewal Option may only be exercised by Tenant giving irrevocable written notice (the "Renewal Option Notice") thereof to Landlord no later than twelve (12) months and one (1) day prior to the expiration of the Term. If Tenant fails to give Landlord the Renewal Option Notice within such specified time period, Tenant shall be deemed to have elected not to exercise, and to have waived, the Renewal Option, which shall be of no further force or effect. It is expressly agreed that Tenant shall not have the option to extend the Term of this Lease Agreement beyond the Extended Term. If Tenant exercises the Renewal Option, such Extended Term shall commence immediately upon the expiration of the Term (the "Extended Term Commencement Date"). Notwithstanding any provision herein to the contrary, Tenant shall not have the right to extend the Term of this Lease Agreement pursuant to this Section 50 and such right shall automatically terminate and be of no further force and effect if, at the time Tenant exercises such Renewal Option or on the Extended Term Commencement Date, an Event of Default then exists under this Lease Agreement. Tenant shall not have the right to assign the Renewal Options to any sublessee

or assignee of the Leased Premises other than a Permitted Transferee, nor may any such sublessee or assignee (other than a Permitted Transferee) exercise the Renewal Option unless in connection with an assignment of Tenant's entire interest in this Lease Agreement.

(b) If Tenant exercises the Renewal Option (in accordance with and subject to the provisions of this Section 50), the Extended Term shall be upon, and subject to, all of the terms, covenants and conditions provided in this Lease Agreement except for any terms, covenants and conditions that are expressly or by their nature inapplicable to the Extended Term (including, without limitation, the right to renew the Term of this Lease Agreement beyond the Extended Term) and except that (i) the Leased Premises and all leasehold improvements relating thereto will be provided in the condition they exist (i.e., "AS IS" and "WITH ALL FAULTS") on the Extended Term Commencement Date, and this Lease Agreement shall be deemed to have automatically amended as of the Extended Term Commencement Date in accordance with this Section 50, (ii) Tenant and Landlord shall promptly (but in no event longer than fifteen (15) days after Landlord's submissions of the amendment to Tenant) execute and deliver an appropriate amendment of this Lease Agreement to evidence such terms as will apply following commencement of the Extended Term, and (iii) the annual Base Rent during the Extended Term shall be as follows:

(i) The Manufacturing Space Base Rent for the Extended Term shall be:

Months following the commencement of the Extended Term	Annual Rate/SF	Annual Base Rent	Monthly Installments
1- 12	$44.65	$1,129,794.00	$94,149.50
13 - 24	$45.99	$1,163,688.00	$96,974.00
25 - 36	$47.37	$1,198,599.00	$99,883.25
37 - 48	$48.79	$1,234,557.00	$102,879.75
49 - 60	$50.25	$1,217,594.00	$105,966.17

(ii) The Interior Mechanical Space Base Rent for the Extended Term shall be:

Months following the commencement of the Extended Term	Annual Rate/SF	Annual Base Rent	Monthly Installments
1 - 12	$34.65	$24,427.00	$2,035.58
13 - 24	$35.99	$25,372.00	$2,114.33
25 - 36	$37.37	$26,344.00	$2,195.33

37 - 48	$38.79	$27,346.00	$2,278.83
49 - 60	$40.25	$28,378.00	$2,364.83

(iii) The Expansion Space Base Rent for the Extended Term shall be:

Months following the commencement of the Extended Term	Annual Rate/SF	Annual Base Rent	Monthly Installments
1 - 12	$34.65	$115,311.00	$9,609.25
13 - 24	$35.99	$119,769.00	$9,983.00
25 - 36	$37.37	$124,361.00	$10,363.42
37 - 48	$38.79	$129,090.00	$10,757.50
49 - 60	$40.25	$133,961.00	$11,163.42

(iv) The Exterior Mechanical Space Base Rent for the Extended Term shall be:

Months following the commencement of the Extended Term	Annual Rate/SF	Annual Base Rent	Monthly Installments
1 - 60	$9.00	$7,272.00	$606.00

10. **Net Rentable Area in Building.** Due to certain modifications in the Building and as contemplated by Section 6.A of the Lease, and notwithstanding anything to the contrary in the Lease, as of the Expansion Date, the Building shall contain 341,181 square feet of Net Rentable Area for all purposes under the Lease.

11. **Additional Rent.** Tenant shall continue to pay all items of Additional Rent for the Original Leased Premises in accordance with the terms and provisions of the Lease applicable thereto. Commencing from and after the Expansion Date, Tenant shall also pay Additional Rent for the Expansion Space, including, without limitation, Tenant's pro rata share of Operating Expenses, and, notwithstanding anything to the contrary in the Lease, "Tenant's pro rata share" for the Leased Premises shall be 8.5987% (equal to 29,337 square feet of Net Rentable Area in the Leased Premises (excluding the 808 sf Exterior Mechanical Space)/341,181 square feet of Net Rentable Area in the Building) for all purposes under the Lease.

12. Services and Utilities to Manufacturing Space and Expansion Space.

(a) Landlord and Tenant agree and acknowledge that Landlord is currently providing all of the Required Services (defined in Section 7 of the Lease) for the Original Leased Premises in accordance with the terms and provisions of the Lease, and Landlord shall continue to provide the Required Services throughout the Term of the Lease in accordance with the terms of the Lease. Currently, Landlord does not, and is not obligated to, provide any of the Required Services to the Expansion Space; provided, however, that Landlord will provide the Required Services to the Expansion Space upon Tenant designing, installing, connecting, and upgrading (if necessary) a system which ties the Expansion Space to the Building systems (at Tenant's sole cost). Additionally, Tenant intends to engage in manufacturing operations in the Expansion Space, and such manufacturing operations require supplemental electrical and chilled water service significantly in excess of that currently provided (or required to be provided) by Landlord. Landlord has agreed to permit Tenant to perform the necessary upgrades, all at Tenant's sole cost and expense, 1n accordance,vith the terms of this Section 12, and Tenant shall have the right to:

(i) connect and expand the existing main switchboard in the fourth (4'h) floor main electrical room to add additional sections to the existing main switchboard (the "Main Switchboard Additions") as may be necessary to enable up to 2000 amps of electrical service for Tenant's use and operations in the Manufacturing Space, and to install electrical submeters, wiring, risers, transformers and electrical panels determined by Tenant as necessary or desirable to enable such connection of the electrical facilities in the Manufacturing Space to said existing branch bus riser, the specific locations of which shall be subject to Landlord's reasonable approval; and if any changes to the existing Centerpoint transformer are required as a result of Tenant's installation of the Main S,vitchboard Additions and delivery of the electrical service required by Tenant, then Tenant shall also be solely responsible for all costs related thereto; and

(ii) connect the electrical facilities for the Expansion Space to the existing branch bus riser located on the tenth (10th) and/or eleventh (11th) floors of the Building and to install electrical submeters, wiring, risers, transformers and electrical panels determined by Tenant as necessary or desirable to enable such connection of the electrical facilities in the Expansion Space to said existing branch bus riser, the specific locations of which shall be subject to Landlord's reasonable approval.

(b) Tenant has represented to Landlord that it shall require approximately 400 tons of standard chilled water in the aggregate for air conditioning, heating and ventilation of the Manufacturing Space and the Expansion Space. Currently, Landlord is capable of only providing approximately 87.86 tons of the Building's current chilled water capacity (the "Current Capacity") to the Manufacturing Space in the Original Leased Premises. Tenant shall be solely responsible for adding chilled water capability above the Current Capacity being provided by Landlord, and Tenant shall have the right to install, at Tenant's sole cost, an additional chiller (or chillers, if more than one chiller is approved by Landlord) with a capacity of up to 350 tons in total and related pumps, piping and equipment (collectively the "Additional Chiller and Equipment") to service the Manufacturing Space in the Original Lease Premises and the Expansion Space. Landlord and Tenant agree to use good faith efforts to determine a mutually agreeable location for the Additional Chiller and Equipment

and Landlord shall use its best efforts to locate the Additional Chiller and Equipment in the vicinity of the Building's existing water chillers; provided, however, Landlord shall ultimately have the right to designate the location of the Additional Chiller and Equipment in Landlord's sole but reasonable discretion. Tenant shall be required to integrate the Additional Chiller and Equipment, at Tenant's expense, into the Building's existing chilled water system in a manner and using systems, equipment, manufacturers, and other specifications determined and designated by Landlord in its sole but reasonable discretion. Landlord agrees to deliver the Current Capacity chilled water generated by the Additional Chiller and Equipment to the Manufacturing Space of the Original Lease Premises only. Tenant agrees that Landlord shall only be obligated to deliver the Current Capacity and the chilled water actually generated by the Additional Chiller and Equipment as designed and installed by Tenant, and Landlord shall not be liable for any shortage of chilled water generated by the Additional Chiller and Equipment unless such shortage is a result of Landlord's failure to maintain and repair the Additional Chiller and Equipment as required hereunder (and in the event Landlord is liable, then Tenant's remedies therefor shall be governed by Section 7(C) of the Original Lease). Tenant shall be solely responsible for all costs related to routing the chilled water to the Expansion Space. Tenant, at Tenant's expense, shall be allowed to tap existing chilled water horizontal feeds at the northeast limits of the fifth (5th) floor of the Building for the chilled water needs of the Manufacturing Space and the Expansion Space. Upon such installation and integration, the Additional Chiller and Equipment shall be owned and maintained by Landlord and the repair and maintenance costs thereof shall be paid by Tenant as Additional Rent; provided, however, in no event shall Landlord be responsible for replacing the Additional Chiller and Equipment, including, without limitation, replacement due to the Additional Chiller and Equipment being at the end of its useful life, unless such replacement is necessitated by Landlord's failure to repair and maintain the Additional Chiller and Equipment as required hereunder. All work related to the Additional Chiller and Equipment shall be performed by DPR Construction and/or its subcontractors.

(c) Landlord acknowledges and agrees that during the Term (including any extension thereof), Tenant shall be entitled to capitalize the cost of the Additional Chiller and Equipment and the Main Switchboard Additions and shall be entitled to amortize or depreciate the cost of any Additional Chiller and Equipment and the Main Switchboard Additions in accordance with generally accepted accounting standards.

(d) Tenant shall submit detailed plans, drawings, and specifications relating to the Main Switchboard Additions and the Additional Chiller and Equipment to Landlord for Landlord's written approval prior to commencing any such work. Tenant acknowledges and agrees that the Main Switchboard Additions and the Additional Chiller and Equipment are significant upgrades that affect Building systems and could impact other tenants in the Building. Therefore, Landlord shall have the right to withhold its approval to any proposed plans, drawings or specifications, or any portion thereof, relating to the Main Switchboard Additions and Additional Chiller and Equipment in Landlord's sole but reasonable discretion. Landlord shall use commercially reasonable efforts to review Tenant's proposed plans and approve the plans or provide written comments within fifteen (15) days. Landlord also reserves the right to require Tenant to provide more specific information and/ or details regarding Tenant's proposed plans. Tenant shall have the right to commence work in connection with the Main Switchboard Additions and the Additional Chiller and Equipment

only after receiving Landlord's written approval to the respective plans relating thereto. The Main Switchboard Additions and the Additional Chiller and Equipment work shall (i) utilize Landlord's Building-standard materials and methods of construction, (ii) be compatible with the shell and core improvements and the design, construction and equipment of the Expansion Space and the Original Leased Premises, (iii) comply with all applicable laws, rules, regulations, codes and ordinances, and (iv) shall, except as otherwise expressly provided in this Section 12, be subject to the terms and conditions set forth in Section 10 of the Lease. Tenant's contract with the contractor performing the Additional Chiller Equipment and Main Switchboard Additions work shall name Landlord as a beneficiary of (and a party entitled to enforce) all of the warranties of the Tenant's contractor with respect to the work performed thereunder and the obligation of the Tenant's contractor to replace defective materials and correct defective workmanship for a period of not less than one (1) year following final completion of the work under such contract. Tenant shall reimburse Landlord, within twenty (20) days after the date Landlord invoices Tenant therefor, for all reasonable, out-of-pocket costs of Landlord, including, without limitation, fees paid to third party consultants, relating to the monitoring, review and approval of the Main Switchboard Additions and the Additional Chiller and Equipment.

(e) Landlord has not made, and disclaims, any representations to Tenant regarding the feasibility of the installation of the Main Switchboard Additions or the Additional Chiller and Equipment. Subject to Landlord's obligation to maintain the Additional Chiller and Equipment as set forth in Section 12(b) above, Landlord shall not be responsible for any failure, interruption, or diminution of the upgraded electrical and chilled water service provided by the Main Switchboard Additions or the Additional Chiller and Equipment. In addition, Tenant agrees that Landlord is making a substantial accommodation to Tenant by permitting upgrades that could affect existing Building systems. Accordingly, Tenant hereby agrees to indemnify, protect, defend and hold harmless Landlord and its designated property management company, all of their respective officers, employees, representatives, insurers and agents (collectively, "Landlord Indemnitees") for, from and against all liabilities, claims, fines, penalties, costs, damages or injuries to persons, damages to property, losses, liens, causes of action, suits, judgments and expenses (including court costs, attorneys' fees, expert witness fees and costs of investigation), of any nature, kind or description of any person or entity, directly or indirectly arising out of, caused by, or resulting from (in whole or part) Tenant's construction, installation, or replacement of the Main Switchboard Additions and the Additional Chiller and Equipment; EVEN IF SUCH LIABILITIES ARE CAUSED SOLELY OR IN PART BY THE NEGLIGENCE OF ANY LANDLORD INDEMNITEE, BUT NOT TO THE EXTENT SUCH LIABILITIES ARE CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY SUCH LANDLORD INDEMNITEE. This Section 12(e) shall survive the expiration or earlier termination of the Lease.

13. **Security Deposit.** Tenant has heretofore delivered to Landlord the sum of $76,460.98 (the "Existing Security Deposit"), and Tenant shall, concurrently with the execution of this First Amendment, deliver to Landlord an additional amount of $7,016.54 (the "Additional Security Deposit"), which Additional Security Deposit shall be added to the Existing Security Deposit for a total of $83,477.52, in the aggregate, which amount shall be held as and in accordance with the terms applicable to the "Security Deposit" under Section 4 of the Lease.

14. **Parking.** Tenant shall continue to have its parking rights as set forth in the Lease in accordance with the terms and provisions applicable thereto, including, without limitation, *Exhibit C* of the Lease; provided, however, from and after the Expansion Date, subject to availability and upon thirty (30) days' prior written notice to Landlord, Tenant shall have the right to lease an additional eight (8) unreserved parking spaces, of which one (1) may be converted to a reserved parking space, at the applicable rates set forth in *Exhibit C* of the Lease.

15. **Balance Owed to Landlord.** Tenant shall, within ten (10) days following the Effective Date, pay to **DPR** Construction all amounts owed under that certain construction contract (including any change orders thereto) dated November 16, 2015 for work which includes moving the construction management office to the fourth (4'h) floor. Tenant also acknowledges and agrees that the five percent (5%) construction management fee payable under *Exhibit* G to that certain Lease Agreement by and between Landlord and Tenant dated June 1, 2012, shall be paid to Landlord (or Landlord's designated payee) within ten (10) days after the date Landlord invoices Tenant therefor.

16. **Brokers.** Landlord and Tenant each warrants and represents to the other that each has had no dealings with any broker or agent in connection with the negotiation or execution of this First Amendment, and Landlord and Tenant agree to indemnify and hold the other harmless from and against any and all costs, expenses or liability for commissions or other compensations or charges claimed by any broker or agent, claiming by, through, or under such indemnifying party with respect to this First Amendment.

17. Miscellaneous.

(a) Amendment to Lease. The parties acknowledge and agree that the Lease has not been amended or modified in any respect, other than by this First Amendment, and there are no other agreements of any kind currently in force and effect between the parties.

(b) Counterparts. For the convenience of the parties any number of counterparts hereof may be executed, and each such executed counterpart shall be deemed an original, and all such counterparts together shall constitute one and the same instrument. Facsimile or .PDF transmission of an executed counterpart of this First Amendment shall be deemed to constitute due and sufficient delivery of such counterpart, and such facsimile or
.PDF signatures shall be deemed original signatures for purposes of enforcement and construction of this First Amendment.

(c) Entire Agreement. The Lease, as amended by this First Amendment, sets forth all covenants, agreements and understandings among the parties with respect to the subject matter hereof and there are no other covenants, conditions or understandings, either written or oral, between the parties hereto except as set forth in the Lease and this First Amendment.

(d) Full Force and Effect. Except as expressly amended hereby, all other items and provisions of the Lease remain unchanged and continue to be in full force and effect.

(e) Conflicts. The terms of this First Amendment shall control over any conflicts between the terms of the Lease and the terms of this First Amendment.

(f) Authority of Tenant. Tenant warrants and represents unto Landlord that (i) Tenant has full right and authority to execute, deliver and perform this First Amendment; and (ii) the person executing this First Amendment was authorized to do so.

(g) Capitalized Terms. Capitalized terms not defined herein shall have the same meanings attached to such terms under the Lease.

(h) Successors and Assigns. This First Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(i) Governing Law. This First Amendment shall be governed by, and construed in accordance with, the laws of the State of Texas, with venue in connection with any legal action thereunder being in Harris County, Texas.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, Landlord and Tenant, acting herein by duly authorized individuals, have caused these presents to be executed as of the Effective Date set forth herein.

LANDLORD:

LIFE SCIENCE PLAZA INVESTMENT GROUP, LP,
a Delaware limited partnership,

By: Life Science Plaza GP, Inc.,
a **Delaware corporation, its general partner**

By: /s/Samuel DePoy, Secretary

Date: July 11, 2016

TENANT:

BELLICUM PHARMACEUTICALS, INC.,
a Delaware corporation

By: /s/ Thomas J. Farrell
Name: Thomas J. Farrell
Title: President & CEO
Date: July 11, 2016

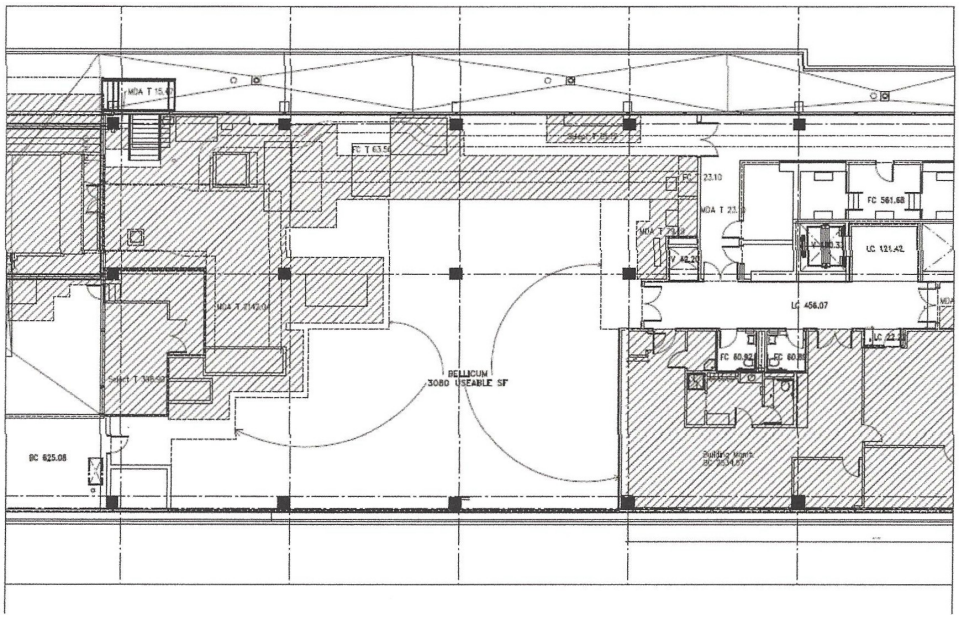
[*End of signatures]*

718745631.7 15494101

Page 12 of 29

<u>EXHIBIT A</u> EXPANSION SPACE:

(a) Expansion Manufacturing Space



(b) Expansion Interior Mechanical Space

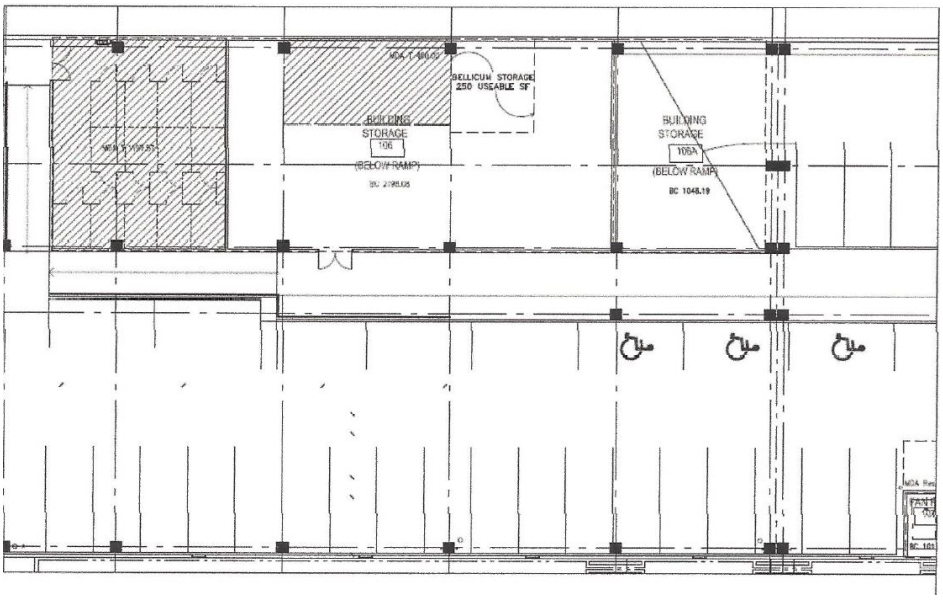


EXHIBIT B
WORK LETTER

1. Work by Tenant. Tenant shall cause to be constructed and/or installed, at Tenant's sole cost and expense, in the Expansion Space the permanent leasehold improvements and tenant finish desired by Tenant and approved by Landlord, which approval shall not be unreasonably withheld, conditioned, or delayed (the "Tenant Improvements"). The leasehold construction shall be performed pursuant to a cost-plus contract, subject to Landlord's reasonable approval, entered into by Tenant with DPR Construction as the general contractor. Landlord and Tenant acknowledge and agree that Landlord has no obligation to construct any improvements in the Expansion Space, provide any allowance in connection with the Tenant Improvements, or prepare the Expansion Space for Tenant's use or occupancy in any way, it being understood Tenant shall be solely responsible for performing and paying for all such improvements and work

2. Planning and Construction.

(a) Landlord and Tenant shall cooperate in good faith in the planning and construction of the Tenant Improvements. Tenant shall engage Landlord's mechanical/ electrical/plumbing and/or structural engineering consultants as Tenant's consultants, and Tenant shall reimburse Landlord for its reasonable, out-of-pocket third party fee charges for review of Tenant's plans and documents by the consultants so engaged.

Tenant, at its sole cost and expense, shall cause its architect and engineers (for purposes of this *Exhibit B*, the "Design Professionals") to prepare a set of space plans (for purposes of this *Exhibit B*, the "Proposed Space Plans") for the Tenant Improvements and submit the same to Landlord for its review and approval within fourteen (14) days following the Effective Date. Within ten (10) business days after delivery of the Proposed Space Plans to Landlord, Landlord shall either approve the Proposed Space Plans or notify Tenant of the item(s) of the Proposed Space Plans that Landlord disapproves and the reason(s) therefor; provided, however, Landlord shall not unreasonably withhold or delay its approval of the Proposed Space Plans so long as Tenant shall not make (i) any structural alterations, improvements or additions to the Expansion Space, or (ii) any alterations, improvements or additions to the Expansion Space which, (a) will adversely impact the Building's mechanical, electrical or heating, ventilation or air conditioning systems, or (b) will adversely impact the structure of the Building, or (c) are visible from the exterior of the Expansion Space, or (d) which will result in the penetration or puncturing of the roof or floor (and consent or approval for items in romanette (i) and (ii) above shall be in the Landlord's sole and absolute discretion). If Landlord disapproves the Proposed Space Plans, Tenant shall cause the Design Professionals to revise and resubmit same to Landlord for approval within seven (7) business days (for purposes of this *Exhibit B*, the "Revised Space Plans"). Within seven (7) business days after delivery of the Revised Space Plans to Landlord, Landlord shall either approve the Revised Space Plans or notify Tenant of the item(s) of the Revised Space Plans which Landlord disapproves and the reason(s) therefor. If Landlord disapproves the Revised Space Plans, Tenant shall cause the Design Professionals to further revise and resubmit same to Landlord for approval within seven (7) business days, which process shall continue until the plans are approved. Landlord shall have seven (7) business days after delivery of each set of Revised Space Plans to either approve the Revised Space Plans or

notify Tenant of the item(s) of the Revised Space Plats which Landlord disapproves and the reason(s) therefor. The Proposed Space Plans or Revised Space Plans, as approved by Landlord, are hereinafter referred to in this *Exhibit B* as the "Space Plans".

(b) Upon Landlord's approval of the Space Plans, Tenant, at Tenant's sole cost and expense, shall cause the Design Professionals to prepare construction drawings (in accordance with the Space Plans) and specifications including complete sets of detailed architectural, structural, mechanical, electrical and plumbing working drawings (for purposes of this *Exhibit B*, the "Proposed Construction Drawings") for the Tenant Improvements and shall deliver the Proposed Construction Drawings to Landlord for approval (which approval shall not be unreasonably withheld, conditioned or delayed unless the Proposed Construction Drawings affect (i) any structural alterations, improvements or additions to the Expansion Space, or (ii) any alterations, improvements or additions to the Expansion Space which (a) will adversely impact the Building's mechanical, electrical or heating, ventilation or air conditioning systems, or (b) will adversely impact the structure of the Building, or (c) are visible from the exterior of the Expansion Space, or (d) which will result in the penetration or puncturing of the roof or floor). Within ten (10) business days after delivery of the Proposed Construction Drawings to Landlord, Landlord shall either approve the Proposed Construction Drawings or notify Tenant of the item(s) of the Proposed Construction Drawings that Landlord disapproves and the reason(s) therefor. If Landlord disapproves the Proposed Construction Drawings, Tenant shall cause the Design Professionals to revise and resubmit same to Landlord for approval within seven (7) business days (for purposes of this *Exhibit B*, the "Revised Construction Drawings"). Within seven (7) business days after delivery of the Revised Construction Drawings to Landlord, Landlord shall either approve the Revised Construction Drawings or notify Tenant of the item(s) of the Revised Construction Drawings which Landlord disapproves and the reason(s) therefor. If Landlord disapproves the Revised Construction Drawings, Tenant shall cause the Design Professionals to further revise and resubmit the same to Landlord for approval within seven (7) business days, which process shall continue until the plans are approved. Landlord shall have seven (7) business days after delivery of each set of Revised Construction Drawings to either approve the Revised Construction Drawings or notify Tenant of the item(s) of the Revised Construction Drawings which Landlord disapproves and the reason(s) therefor. The Proposed Construction Drawings or Revised Construction Drawings, as approved by Landlord, are hereinafter referred to in this *Exhibit B* as the "Construction Drawings".

3. Quality of Work. Tenant shall supervise the construction of the Tenant Improvements in conformance with the Construction Drawings and shall use its diligent good faith, efforts to cause the same to be constructed and installed in a good and workmanlike manner in accordance with good industry practice.

4. Intentionally Deleted.

5. Intentionally Deleted.

6. Disclaimer of Warranty. **TENANT ACKNOWLEDGES THAT THE INSTALLATION OF THE TENANT**

IMPROVEMENTS WILL BE PERFORMED BY AN UNAFFILIATED CONTRACTOR OR CONTRACTORS AND THAT ACCORDINGLY LANDLORD HAS NOT MADE AND WILL NOT MAKE ANY WARRANTIES TO TENANT WITH RESPECT TO THE QUALITY OF CONSTRUCTION THEREOF OR AS TO THE CONDITION OF THE EXPANSION SPACE, EITHER EXPRESS OF IMPLIED, AND THAT LANDLORD EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTY THAT THE EXPANSION SPACE IS OR WILL BE SUITABLE FOR TENANT'S INTENDED COMMERCIAL PURPOSE. AS SET FORTH IN SECTION 27 OF THE LEASE, TENANT'S OBLIGATION TO PAY BASE AND ADDITIONAL RENT HEREUNDER IS NOT DEPENDENT UPON THE CONDITION OF THE EXPANSION SPACE OR THE BUILDING OR PERFORMANCE BY LANDLORD OF ITS OBLIGATIONS HEREUNDER, AND TENANT SHALL CONTINUE TO PAY THE BASE AND ADDITIONAL RENT WITHOUT ABATEMENT, SETOFF, OR DEDUCTION. ANY APPROVAL GIVEN BY LANDLORD WITH RESPECT TO TENANT'S CONSTRUCTION OR THE SPACE PLANS OR CONSTRUCTION DRAWINGS THEREFOR, AND/OR ANY MONITORING OF TENANT'S WORK BY LANDLORD, SHALL NOT MAKE LANDLORD LIABLE OR RESPONSIBLE IN ANY WAY FOR THE CONDITION, QUALITY OR FUNCTION OF SUCH MATTERS OR CONSTITUTE ANY UNDERTAKING, WARRANTY OR REPRESENTATION BY LANDLORD WITH RESPECT TO ANY OF SUCH MATTERS. NOTWITHSTANDING ANY BREACH BY LANDLORD OF ITS DUTIES OR OBLIGATIONS HEREUNDER, WHETHER EXPRESS OR IMPLIED, EXCEPT AS OTHERWISE PROVIDED
IN THE LEASE. However, Landlord agrees that in the event any defect in the construction of the Tenant Improvements are discovered, Tenant may seek to enforce any warranties of the contractor(s) and/or the manufacturer of any defective materials incorporated therein.

7. Cost of Tenant Improvements. Notwithstanding anything to the contrary in this First Amendment or the Lease, Landlord has no obligation to pay for any portion of the Tenant Improvements or for the planning, design or review of the Tenant Improvements, and all such costs shall be solely borne by Tenant. Prior to the commencement of any construction of the Tenant Improvements or, as applicable, Tenant's contractor performing any change order work, Tenant shall in escrow, pursuant to an escrow agreement in substantially the form attached hereto as Addendum 1 (the "Escrow Agreement") signed by Tenant, Landlord and Escrow Agent (as defined in the Escrow Agreement), as security for payment, one hundred ten percent (110%) of the budget (as set forth in the construction contract between Tenant and its general contractor) for the total costs related to and for constructing the Tenant Improvements (or implement the change order, if applicable) (such estimated cost, the "Work Cost" and the amount held in escrow under the Escrow Agreement, the "Work Deposit"). No more frequently than once per month, Tenant shall invoice Landlord for the portion of the Work Cost expended by Tenant. Landlord shall submit a draw request to Escrow Agent to pay the invoiced amount from the Work Deposit held by Escrow Agent within ten (10) business days thereafter; provided, however, Landlord's draw request to the Escrow Agent shall be made after each and all of the following conditions shall have been satisfied: (i) the Tenant Improvements (or applicable portion thereof) shall have been completed in accordance with the Construction Drawings;

(ii) Tenant shall have delivered to Landlord satisfactory evidence that all mechanics' lien rights of all contractors, suppliers, subcontractors, or materialmen furnishing labor, supplies or materials in the construction or installation of the Tenant Improvements (or applicable portion thereof) have been unconditionally waived, released, or extinguished; (iii) Tenant shall have delivered to Landlord paid receipts or other written evidence satisfactorily substantiating the actual amount of the construction costs of the Tenant Improvements (or applicable portion thereof); and (iv) Tenant shall not then be in default of any of the provisions of the Lease. Tenant shall authorize Landlord to draw on the Work Deposit for the invoiced amount (plus any costs incurred by Landlord as a result of the draw), provided that the remaining amount of the Work Deposit shall at all times be at least one hundred ten percent (110%) of the then-projected Work Cost not yet expended. If Tenant pays the invoiced amount without requesting Landlord to make a draw upon the Work Deposit, Landlord shall approve a reduction in the amount of the Work Deposit, to an amount equal to one hundred ten percent (110%) of the then-projected Work Cost not yet expended.

8. Construction Management Fee. Tenant acknowledges and agrees to pay Landlord, or Landlord's designated representative or entity, a construction management fee equal to two percent (2%) of the total costs and expenses of the Tenant Improvements, excluding "soft" costs incurred by Tenant, such as Tenant's interior architect and third-party consultants retained directly by Tenant, as well as Landlord's out-of-pocket costs to engage non-ordinary, third-party consultants for purposes of reviewing and monitoring Tenant's obligations under this *Exhibit B*. Such construction management fee shall be paid for by Tenant and included in the Work Cost, and may be deducted from the escrow provided for in the preceding paragraph; provided, however, the construction management fee shall actually be paid to Landlord's designated representative or entity.

9. Builder's Risk Insurance. Landlord shall cause the general contractor to obtain and maintain Builder's Risk insurance on an "all risk" basis and on a completed value form including a Permission to Complete and Occupy endorsement, for full replacement value of, the Tenant Improvements, such policy naming Landlord and Tenant as additional insureds. The cost of such insurance shall be paid for by Tenant and included in the Work Cost.

10. No Liens; Indemnification. Tenant shall have no authority to place any lien upon the Expansion Space, or the Building, or any portion thereof or interest therein, nor shall Tenant have any authority in any way to bind Landlord, and any attempt to do so shall be void and of no effect. If, because of any actual or alleged act or omission of Tenant, or its contractor, or any subcontractors or materialmen, any lien, affidavit, charge or order for the payment of money shall be filed against Landlord, the Expansion Space, the Building, or any portion thereof or interest therein, whether or not such lien, affidavit, charge or order is valid or enforceable, Tenant shall, at its sole cost and expense, cause the same to be discharged of record by payment, bonding or otherwise no later than fifteen (15) days after notice to Tenant of the filing thereof, but in any event prior to the foreclosure thereof. With respect to the contract for labor or materials for construction of the Tenant Improvements, Tenant acts as principal and not as the agent of Landlord. Landlord expressly disclaims liability for the cost of labor performed for or supplies or materials furnished to Tenant. Landlord may post one or more "notices of non-responsibility" for Tenant's work on the Building. No contractor of Tenant is intended to be a third-party beneficiary with respect to the Work Deposit, or the agreement of Landlord to make such Work Deposit available for

payment of or reimbursement for the costs of construction of the Tenant Improvements. Tenant agrees to indemnify, defend and hold Landlord, the Expansion Space and the Building, harmless from all claims (including all costs and expenses of defending against such claims) arising or alleged to arise from any act or omission of Tenant or Tenant's agents, employees, contractor, subcontractors, suppliers, materialmen, architects, designers, surveyors, engineers, consultants, laborers, or invitees, or arising from any bodily injury or property damage occurring or alleged to have occurred incident to any of the work to be performed by Tenant or its contractors or subcontractors with respect to the Expansion Space. Any default by Tenant under this *Exhibit B* shall constitute a default by Tenant under the Lease for all purposes.

11. General Requirements. All of Tenant's construction with respect to the Expansion Space shall be performed in substantial compliance with this *Exhibit B* and the Construction Drawings therefor previously approved in writing by Landlord (and any changes thereto approved by Landlord as herein provided), utilizing only new materials. All such work shall be performed by Tenant in strict compliance with all applicable building codes, regulations and all other legal requirements. All materials utilized in the construction of Tenant's work must be confined to within the Expansion Space. All trash and construction debris not located wholly within the Expansion Space must be removed each day from the Buildings and its appurtenant areas at the sole cost and expense of Tenant. Landlord shall have the right at all times to monitor the work for compliance with the requirements of this *Exhibit B*. If Landlord determines that any such requirements are not being strictly complied with, Landlord may immediately require the cessation of all work being performed in or around the Expansion Space or the Building until such time as Landlord is satisfied that the applicable requirements will be observed. Tenant specifically agrees to carry, or cause the contractor to carry, during all such times as the Tenant's work is being performed, insurance in compliance with Landlord's then-current insurance standards.

EXHIBIT G
ORIGINAL LEASEHOLD IMPROVEMENTS

1. Work by Tenant. Tenant shall cause to be constructed and/or installed in the Original Leased Premises the permanent leasehold improvements and tenant finish desired by Tenant and approved by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed (the "Original Leasehold Improvements"). The Original Leasehold Improvements shall be performed by DPR Construction (pursuant to a cost plus contract entered into by Tenant and DPR Construction which is reasonably approved by Landlord).

2. Planning and Construction.

(a) Landlord and Tenant shall cooperate in good faith in the planning and construction of the Original Leasehold Improvements. Tenant shall engage Landlord's mechanical/ electrical/ plumbing and/or structural engineering consultants as Tenant's consultants, and Tenant shall reimburse Landlord for its reasonable, out-of-pocket third party fee charges for review of Tenant's plans and documents by the consultants so engaged.

Tenant, at its sole cost and expense, shall cause its architect and engineers (for purposes of this *Exhibit G*, the "Design Professionals") to prepare a set of space plans (for purposes of this *Exhibit G*, the "Proposed Space Plans") for the Original Leasehold Improvements and submit the same to Landlord for its review and approval within fourteen (14) days following the Effective Date. Within ten (10) business days after delivery of the Proposed Space Plans to Landlord, Landlord shall either approve the Proposed Space Plans or notify Tenant of the item(s) of the Proposed Space Plans that Landlord disapproves and the reason(s) therefor; provided, however, Landlord shall not unreasonably withhold or delay its approval of the Proposed Space Plans so long as Tenant shall not make (i) any structural alterations, improvements or additions to the Original Leased Premises, or (ii) any alterations, improvements or additions to the Original Leased Premises which, (a) will adversely impact the Building's mechanical, electrical or heating, ventilation or air conditioning systems, or (b) will adversely impact the structure of the Building, or (c) are visible from the exterior of the Original Leased Premises, or (d) which will result in the penetration or puncturing of the roof or floor (and consent or approval for items in romanette (i) and (ii) above shall be in the Landlord's sole and absolute discretion). If Landlord disapproves the Proposed Space Plans, Tenant shall cause the Design Professionals to revise and resubmit same to Landlord for approval within seven (7) business days (for purposes of this *Exhibit G*, the "Revised Space Plans"). Within seven (7) business days after delivery of the Revised Space Plans to Landlord, Landlord shall either approve the Revised Space Plans or notify Tenant of the item(s) of the Revised Space Plans which Landlord disapproves and the reason(s) therefor. If Landlord disapproves the Revised Space Plans, Tenant shall cause the Design Professionals to further revise and resubmit same to Landlord for approval within seven (7) business days, which process shall continue until the plans are approved. Landlord shall have seven (7) business days after delivery of each set of Revised Space Plans to either approve the Revised Space Plans or notify Tenant of the item(s) of the Revised Space Plats which Landlord disapproves and the reason(s) therefor. The Proposed Space Plans or Revised Space Plans, as approved by Landlord, are hereinafter referred to in this *Exhibit G* as the "Space Plans".

(b) Upon Landlord's approval of the Space Plans, Tenant, at Tenant's sole cost and expense, shall cause the Design Professionals to prepare construction drawings (in accordance with the Space Plans) and specifications including complete sets of detailed architectural, structural, mechanical, electrical and plumbing working drawings (for purposes of this *Exhibit G*, the "Proposed Construction Drawings") for the Original Leasehold Improvements and shall deliver the Proposed Construction Drawings to Landlord for approval (which approval shall not be unreasonably withheld, conditioned or delayed unless the Proposed Construction Drawings affect (i) any structural alterations, improvements or additions to the Expansion Space, or (ii) any alterations, improvements or additions to the Expansion Space which (a) will adversely impact the Building's mechanical, electrical or heating, ventilation or air conditioning systems, or

(b) will adversely impact the structure of the Building, or (c) are visible from the exterior of the Expansion Space, or (d) which will result in the penetration or puncturing of the roof or floor). Within ten (10) business days after delivery of the Proposed Construction Drawings to Landlord, Landlord shall either approve the Proposed Construction Drawings or notify Tenant of the item(s) of the Proposed Construction Drawings that Landlord disapproves and the reason(s) therefor. If Landlord disapproves the Proposed Construction Drawings , Tenant shall cause the Design Professionals to revise and resubmit same to Landlord for approval within seven (7) business days (for purposes of this *Exhibit G*, the "Revised Construction Drawings"). Within seven (7) business days after delivery of the Revised Construction Drawings to Landlord, Landlord shall either approve the Revised Construction Drawings or notify Tenant of the item(s) of the Revised Construction Drawings which Landlord disapproves and the reason(s) therefor. If Landlord disapproves the Revised Construction Drawings, Tenant shall cause the Design Professionals to further revise and resubmit the same to Landlord for approval within seven (7) business days, which process shall continue until the plans are approved. Landlord shall have seven (7) business days after delivery of each set of Revised Construction Drawings to either approve the Revised Construction Drawings or notify Tenant of the item(s) of the Revised Construction Drawings which Landlord disapproves and the reason(s) therefor. The Proposed Construction Drawings or Revised Construction Drawings, as approved by Landlord, are hereinafter referred to in this *Exhibit G* as the "Construction Drawings".

3. Quality of Work. Tenant shall supervise the construction of the Original Leasehold Improvements in conformance with the Construction Drawings and shall use its diligent good faith, efforts to cause the same to be constructed and installed in a good and workmanlike manner in accordance with good industry practice.

4. Intentionally Deleted.

5. Intentionally Deleted.

6. Disclaimer of Warranty. **TEN.ANT ACKNOWLEDGES THAT THE CONSTRUCTION AND INSTALLATION OF THE ORIGINAL LEASEHOLD IMPROVEMENTS WILL BE PERFORMED BY AN UNAFFILIATED CONTRACTOR OR CONTRACTORS AND THAT ACCORDINGLY LANDLORD HAS NOT MADE AND WILL NOT MAKE ANY WARRANTIES**

TO TENANT WITH RESPECT TO THE QUALITY OF CONSTRUCTION THEREOF OR AS TO THE CONDITION OF THE ORIGINAL LEASED PREMISES, EITHER EXPRESS OF IMPLIED, AND THAT LANDLORD EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTY THAT THE ORIGINAL LEASED PREMISES ARE OR WILL BE SUITABLE FOR TENANT'S INTENDED COMMERCIAL PURPOSE. AS SET FORTH IN SECTION 27 OF THE LEASE AGREEMENT, TENANT'S OBLIGATION TO PAY BASE AND ADDITIONAL RENT HEREUNDER IS NOT DEPENDENT UPON THE CONDITION OF THE ORIGINAL LEASED PREMISES OR THE BUILDING OR PERFORMANCE BY LANDLORD OF ITS OBLIGATIONS HEREUNDER, AND TENANT SHALL CONTINUE TO PAY THE BASE AND ADDITIONAL RENT WITHOUT ABATEMENT, SETOFF, OR DEDUCTION. ANY APPROVAL GIVEN BY LANDLORD WITH RESPECT TO TENANT'S CONSTRUCTION OR THE SPACE PLANS OR CONSTRUCTION DRAWINGS THEREFOR, AND/OR ANY MONITORING OF TENANT'S WORK BY LANDLORD, SHALL NOT MAKE LANDLORD LIABLE OR RESPONSIBLE IN ANY WAY FOR THE CONDITION, QUALITY OR FUNCTION OF SUCH MATTERS OR CONSTITUTE ANY UNDERTAKING, WARRANTY OR REPRESENTATION BY LANDLORD WITH RESPECT TO ANY OF SUCH MATTERS. NOTWITHSTANDING ANY BREACH BY LANDLORD OF ITS DUTIES OR OBLIGATIONS HEREUNDER, WHETHER EXPRESS OR IMPLIED, EXCEPT AS OTHERWISE PROVIDED IN THIS LEASE AGREEMENT. However, Landlord agrees that in the event any defect in the construction of the Original Leasehold Improvements are discovered, Tenant may seek to enforce any warranties of the contractor(s) and/or the manufacturer of any defective materials incorporated therein.

7. Cost of Original Leasehold Improvements. Landlord shall pay all costs and expenses of the Original Leasehold Improvements (including labor, materials, construction management, architectural and engineering costs) up to the aggregate amount of $45.00 per square foot of Net Rentable Area of the Manufacturing Space only (i.e., 25,304 sf) (for purposes of this *Exhibit G*, the "Improvement Allowance"). Landlord shall pay any invoices for consultants engaged directly by Tenant out of the Improvement Allowance within thirty (30) days after delivery. In the event that the cost and expense of constructing and installing any portion of the Original Leasehold Improvements (based on the budget set forth in the construction contract between Tenant and its general contractor) for the total costs related to or for constructing the Original Leasehold Improvements (or implement the change order, if applicable) exceed the Improvement Allowance (the "Excess Cost"), then prior to Landlord's approving the construction contract with respect to the Original Leasehold Improvements or, as applicable, Landlord approving any change order work, Tenant shall deposit into escrow, pursuant to an escrow agreement in the form attached hereto as Addendum 1 (the "Escrow Agreement") signed by Tenant, Landlord and Escrow Agent (as defined in the Escrow Agreement), as security for payment, one hundred ten percent (110%) of the amount of Landlord's good faith, reasonable estimate of any Excess Costs (the "Deposit"), based on Tenant's budget set forth in the construction contract between Tenant and its general contractor. No more frequently than once per month, Tenant shall invoice Landlord for the portion of the Excess Cost expended by Tenant. Landlord shall submit a draw request for the invoiced amount from the Deposit held by Escrow Agent within ten

(10) business days thereafter; provided, however, Landlord's draw request for payment from the Deposit shall be made after each and all of the following conditions shall have been satisfied: (i) the Original Leasehold Improvements (or applicable portion thereof) shall have been completed in accordance with the Construction Drawings; (ii) Tenant shall have delivered to Landlord satisfactory evidence that all mechanics' lien rights of all contractors, suppliers, subcontractors, or materialmen furnishing labor, supplies or materials in the construction or installation of the Original Leasehold Improvements (or applicable portion thereof) have been unconditionally waived, released, or extinguished; (iii) Tenant shall have delivered to Landlord paid receipts or other written evidence satisfactorily substantiating the actual amount of the construction costs of the Original Leasehold Improvements (or applicable portion thereof); and (iv) Tenant shall not then be in default of any of the provisions of the Lease. Tenant shall authorize Landlord to draw on its Deposit for the invoiced amount (plus any costs incurred by Landlord as a result of the draw), provided that the remaining amount of the Deposit shall at all times be at least one hundred ten percent (110%) of the then-projected Excess Cost not yet expended. In addition, in connection with payment or reimbursement of any of the Excess Costs, Landlord shall be entitled to use Tenant's funds from the Deposit prior to disbursing any portion of the Improvement Allowance. If Tenant pays the invoiced amount without requesting Landlord to make a draw upon the Deposit, Landlord shall approve a reduction in the amount of the Deposit, to an amount equal to one hundred ten percent (110%) of the then-projected Excess Cost not yet expended.

8. Construction Management Fee. Tenant acknowledges and agrees to pay Landlord, or Landlord's designated representative or entity, a construction management fee equal to two percent (2%) of the total costs and expenses of the Original Leasehold Improvements, excluding "soft" costs incurred by Tenant, such as Tenant's interior architect and third-party consultants retained directly by Tenant, as well as Landlord's out-of-pocket costs to engage non-ordinary, third-party consultants for purposes of reviewing and monitoring Tenant's obligations under this *Exhibit* G. Such construction management fee may be paid for by Tenant out of the Improvement Allowance.

9. Builder's Risk Insurance. Tenant shall cause the general contractor to obtain and maintain Builder's Risk insurance on an "all risk" basis and on a completed value form including a Permission to Complete and Occupy endorsement, for full replacement value of, the Original Leasehold Improvements, such policy naming Landlord and Tenant as additional insureds. The cost of such insurance shall be paid for out of the Improvement Allowance. Tenant shall provide Landlord with certificates of insurance evidencing that Tenant and its contractor(s) are carrying the insurance required under this *Exhibit* G.

10. No Liens; Indemnification. Tenant shall have no authority to place any lien upon the Original Leased Premises, or the Building, or any portion thereof or interest therein, nor shall Tenant have any authority in any way to bind Landlord, and any attempt to do so shall be void and of no effect. If,because of any actual or alleged act or omission of Tenant, or its contractor, or any subcontractors or materialmen, any lien, affidavit, charge or order for the payment of money shall be filed against Landlord, the Original Leased Premises, the Building, or any portion thereof or interest therein, whether or not such lien, affidavit, charge or order is valid or enforceable, Tenant shall, at its sole cost and expense, cause the same to be discharged of record by payment, bonding or otherwise no later than fifteen (15)

days after notice to Tenant of the filing thereof, but in any event prior to the foreclosure thereof. With respect to the contract for labor or mate.rials for construction of the Original Leasehold Improvements, Tenant acts as principal and not as the agent of Landlord. Landlord expressly disclaims liability for the cost of labor performed for or supplies or materials furnished to Tenant. Landlord may post one or more "notices of non responsibility" for Tenant's work on the Building. No contractor of Tenant is intended to be a third-party beneficiary with respect to the Improvement Allowance, or the agreement of Landlord to make such Improvement Allowance available for payment of or reimbursement for the costs of construction of the Original Leasehold Improvements. Tenant agrees to indemnify, defend and hold Landlord, the Original Leased Premises and the Building, harmless from all claims (including all costs and expenses of defending against such claims) a.rising or alleged to arise from any act or omission of Tenant or Tenant's agents, employees, contractor, subcontractors, suppliers, mate.rialmen, architects, designers, surveyors, engineers, consultants, laborers, or invitees, or arising from any bodily injury or property damage occurring or alleged to have occurred incident to any of the work to be performed by Tenant or its contractors or subcontractors with respect to the Original Leased Premises. Any default by Tenant under this *Exhibit* G shall constitute a default by Tenant under the Lease for all purposes.

11. General Requirements. All of Tenant's construction with respect to the Original Leased Premises shall be performed in substantial compliance with this *Exhibit* G and the Construction Drawings therefor previously approved in writing by Landlord (and any changes thereto approved by Landlord as herein provided), utilizing only new materials. All such work shall be performed by Tenant in strict compliance with all applicable building codes, regulations and all other legal requirements. All materials utilized in the construction of Tenant's work must be confined to within the Original Leased Premises. All trash and construction debris not located wholly within the Original Leased Premises must be removed each day from the Buildings and its appurtenant areas at the sole cost and expense of Tenant. Landlord shall have the right at all times to monitor the work for compliance with the requirements of this *Exhibit* G. If Landlord determines that any such requirements are not being strictly complied with, Landlord may immediately require the cessation of all work being performed in or around the Original Leased Premises or the Building until such time as Landlord is satisfied that the applicable requirements will be observed. Tenant specifically agrees to carry, or cause the contractor to carry, during all such times as the Tenant's work is being performed, insurance in compliance with Landlord's then-current insurance standards.

ADDENDUM 1
FORM OF ESCROW AGREEMENT

ESCROW AGREEMENT

This Escrow Agreement ("Escrow Agreement") is entered into effective as of _____ , 2016 by and among Charter Title Company (the "Escrow Agent"), Life Science Plaza Investment Group, LP, a Delaware limited partnership ("Landlord"), and Bellicum Pharmaceuticals, Inc., a Delaware corporation ('Tenant").

RECITALS:

A. Landlord and Tenant are parties to that certain Lease Agreement dated June 1, 2012 ("Original Lease"), as amended by that certain First Amendment to Lease Agreement dated September 13, 2013, as amended by that certain Second Amendment to Lease Agreement, as amended by that certain Third Amendment to Lease Agreement dated July 21, 2014, as amended by that certain Fourth Amendment to Lease Agreement dated November 12, 2014 ("Agreement"), and as amended by that certain Fifth Amendment to Lease Agreement dated September 24, 2015.

B. The Agreement provided for the expansion of Tenant's then-existing premises and the construction of certain leasehold improvements to be made in the Additional Premises and Hold Premises (these terms and other capitalized terms not otherwise defined in this Escrow Agreement shall have the meaning set forth in the Agreement), at Tenant's sole cost and expense.

C. Landlord has heretofore paid Tenant the Allowance required under Section 11 of the Agreement, and Tenant is responsible for the Excess Cost (as defined in Exhibit G of the Original Lease) of the leasehold improvements.

D. In lieu of directly paying Landlord the entire estimated Excess Cost, Landlord and Tenant have agreed to have Tenant deposit and escrow with Escrow Agent One Million Five Hundred Fifty Seven Thousand One Hundred Sixty and 27/100 Dollars ($1,557,160.27) ("Escrow Amount").

E. Tenant has heretofore separately and directly paid the contractor performing the leasehold improvements Two Hundred Seventy Three Thousand Nine Hundred Fourteen and No/100 Dollars ($273,914.00) ("Previous Payment") toward the Excess Cost of the leasehold improvements.

F. The Escrow Amount is security for Tenant's payment of the balance of the Excess Cost to construct the leasehold improvements to Landlord, and the Escrow Amount represents one hundred and ten percent (110%) of the estimated Excess Cost of the leasehold improvements, as reduced in consideration of Tenant's Previous Payment to DPR Construction (""DPR"), the contractor performing the leasehold improvements.

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

1. Acceptance of Appointment by Escrow Agent. The Escrow Agent hereby agrees to act as the escrow agent under this Escrow Agreement and acknowledges receipt of the Escrow Amount and agrees to hold and disburse the Escrow Amount pursuant to Section 7 of Exhibit G to the Original Lease.

2. Compensation of Escrow Agent. The Escrow Agent acknowledges receipt of a fee from Tenant of $ _____ in consideration for its agreement to act as Escrow Agent under this Escrow Agreement.

3. Investment of Escrow Amount. The Escrow Agent shall deposit the Escrow Amount in a federally insured interest bearing account(s) (Escrow Account) reasonably acceptable to Landlord, Tenant, and Escrow Agent. All interest on the Escrow Amount shall be deposited in the Escrow Account and constitute a part of the Escrow Amount. The Escrow Amount (including any interest thereon) shall be owned by Tenant until disbursed in accordance with this Escrow Agreement.

4. Term. The term of this Escrow Agreement shall commence on the date the Escrow Amount is received by Escrow Agent and shall continue in full force and effect until all of the Escrow Amounts have been fully disbursed as provided herein.

5. Supplement of Escrow Amount. Landlord and Tenant agree and acknowledge that Section 7 of Exhibit G to the Original Lease obligates Tenant to deposit additional amounts with Landlord if the reasonable estimate of the Excess Cost at any given time is greater than originally anticipated (whether due to a change order or otherwise), and in the event the projected Excess Cost exceeds the Escrow Amount, then Tenant agrees to promptly deposit such additional amounts as required under Section 7 of Exhibit G to the Original Lease, and such additional amounts shall be deemed a part of the Escrow Amount.

6. Disbursement of Escrow Amount. Escrow Agent shall make disbursements of the Escrow Amount pursuant to the Agreement, and shall pay Landlord (or DPR, upon Landlord's request) from the Escrow Amount as and when the same would be required of Tenant under the Agreement, except as otherwise expressly set forth in this Escrow Agreement. Only Landlord shall be authorized to submit a draw request to Escrow Agent, a copy of which shall be delivered simultaneously by Landlord to Tenant. Landlord shall make draw requests only in accordance with the terms of the Agreement. A disbursement shall be made by Escrow Agent to Landlord (or DPR, upon Landlord's request) within two (2) business days (such period, the "Objection Period") after receipt of the applicable draw request; provided, however, that Tenant shall have the right to contest any such draw request by providing notice thereof to Landlord and Escrow Agent prior to the expiration of the Objection Period, in which event any amounts objected to shall be held by Escrow Agent. Landlord and Tenant shall then in good faith discuss Tenant's objection, and attempt to reach a resolution within fourteen (14) days ("Negotiation Period"). If Landlord and Tenant reach a resolution within the Negotiation Period, then Landlord and Tenant shall jointly agree in writing upon the agreed disbursement amount and instruct Escrow Agent to immediately disburse the same; if, however, Landlord and Tenant are unable to resolve Tenant's objection within the Negotiation Period, Landlord may make a second written request to Escrow Agent to release the amount objected to by Tenant and such amount shall be immediately disbursed to Landlord for payment to the applicable contractor, supplier, subcontractor, or

materialman, notwithstanding Tenant's continued objection. In the event Tenant separately pays Landlord for the Excess Cost, Landlord and Tenant shall jointly instruct the Escrow Agent to disburse the amount of such payment (or the entire Escrow Amount, if Tenant has paid the entire Excess Cost to Landlord) to Tenant within three (3) days; provided, however, Escrow Agent shall not reduce the Escrow Amount unless instructed in writing by both Landlord and Tenant.

7. Final Draw Request. Landlord shall notify Tenant and Escrow Agent in writing of the occurrence of the Leasehold Improvements Completion Date (as defined in the Agreement) and shall promptly submit a draw request in accordance with Section 6 above for any outstanding invoices payable to the contractor (the "Final Draw Request"). In the event that any portion of the Escrow Amount remains unused following payment of the Final Draw Request by Escrow Agent to Landlord, such amounts shall be refunded to Tenant by Escrow Agent one hundred forty (140) days following the Final Draw Request, whereupon this Escrow Agreement shall terminate and be of no further force or effect, except for those provisions that expressly survive such termination.

8. Reimbursement of Landlord's Costs. Tenant acknowledges that Landlord has accommodated Tenant's request to use Escrow Agent, and Tenant agrees to directly pay Landlord, within ten (10) days following receipt of an invoice from Landlord, for Landlord's reasonable, out-of-pocket costs (including reasonable attorneys' fees) related to establishing the Escrow Account and this Escrow Agreement.

9. Rights, Privileges, Immunities and Liabilities of Escrow Agent. The following shall govern the rights, privileges, immunities and liabilities of the Escrow Agent:

a. The Escrow Agent is not a party to, and is not bound by, any agreements between Landlord and Tenant.

b. The Escrow Agent shall act as a depository only and is not responsible or liable in any manner whatsoever for the sufficiency, correctness, genuineness or validity of the Agreement or Escrow Amount, or any part thereof, or for the form or execution thereof, or for the identity or authority of any person executing the Agreement or depositing the Escrow Amount.

c. In the event the Escrow Agent becomes involved in litigation in connection with this Escrow Agreement or the Escrow Amount, Landlord and Tenant jointly and severally agree to indemnify and save the Escrow Agent harmless from all losses, costs, damages, expenses and attorneys' fees suffered or incurred by the Escrow Agent as a result thereof, except with respect to action or omissions taken or suffered by Escrow Agent in bad faith, and willful disregard of this Escrow Agreement or involving gross negligence, willful misconduct or fraud.

d. The Escrow Agent shall be protected in acting on any written notice, request, waiver, consent, certificate, receipt, authorization, power of attorney, or other paper or document which the Escrow Agent in good faith believes to be genuine and what it purports to be.

e. The Escrow Agent shall not be liable for anything which it may do or refrain from doing in connection with this Agreement, provided

that it acts in good faith and not in willful disregard of this Agreement or involving gross negligence, willful misconduct or fraud.

f. In the event of any disagreement resulting in adverse claims or demand being made in connection with the Escrow Amount, or in the event that the Escrow Agent, reasonably and in good faith, shall be in doubt as to what action it should take hereunder, the Escrow Agent may, at its option, refuse to comply with any claims or demands on it, or refuse to take any other action hereunder, so long as such disagreement continues or such doubt exists, and in such event, the Escrow Agent shall not be or become liable in any way or to any person for its failure or refusal to act, and the Escrow Agent shall be entitled to continue to so refrain from acting until (i) the rights of all interested parties shall have been adjudicated by a court of competent jurisdiction, or (ii) all differences shall have been adjusted and all doubt resolved by agreement among all of the interested parties, and the Escrow Agent shall have been so notified in a writing signed by all such parties. The rights of the Escrow Agent under this paragraph are cumulative of all other rights which it may have under applicable law or otherwise.

g. Upon delivery of the Escrow Amount pursuant to the terms of this Escrow Agreement, the Escrow Agent shall be discharged from any further obligation under this Agreement and this Agreement shall terminate and be of no further force and effect.

10. Notices. Except as otherwise provided herein, all notices, demands, requests, and other communications required or permitted hereunder shall be given in writing and sent by (i) personal delivery, (ii) national courier service with proof of delivery, or (iii) United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed to the addressee at such party's address set forth herein, or to such other address as such party may specify by written notice, sent in accordance with this paragraph at least thirty (30) days prior to the date of the giving of such notice. Any such notice or communication shall be deemed to have been given and received either at the time of personal delivery, or in the case of mail, as of the date of deposit in an official depository of the United States mail, or in the case of delivery service, upon receipt. To the extent actual receipt is required, rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was received shall be deemed to be receipt of the notice, demand, request or other communication sent.
11. Binding Effect of Agreement and Assignment. This Escrow Agreement shall be binding on, inure to the benefit of and be enforceable by Landlord, Tenant, and Escrow Agent.
12. No Third Party Beneficiary. This Escrow Agreement is for the sole benefit of the parties hereto and is not for the benefit of any third party.
13. Choice of Law. This Escrow Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Texas, and venue in any action arising under this Agreement shall be in a Court of competent jurisdiction in Harris County, Texas.
14. Multiple Counterparts. This Escrow Agreement may be executed in multiple counterparts each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

15. Amendment. This Escrow Agreement may be amended only by a written instrument executed by all three parties hereto.

16. Time of Essence. Time is of the essence of this Escrow Agreement. However, if the final date of any period which is set out in any provision or if this Agreement falls on a Saturday, Sunday or legal holiday under the law of the United States or the State of Texas in such event, the time of such period shall be extended to the next day which is not a Saturday, Sunday or legal holiday.

17. Invalid Provision. If any provision of this Agreement is held to be legal, invalid or unenforceable under present or future all laws, such provision shall be fully severable and this Escrow Agreement shall be construed and enforced as such illegal, invalid or unenforceable provision had never comprised a part of this Escrow Agreement. The remaining provisions of this Escrow Agreement shall remain in full force and effect and shall not be effected by such illegal, invalid, or unenforceable provisions or by its severance from this Agreement.

18. Entire Agreement. This Escrow Agreement sets forth the entire agreement between Landlord, Tenant, and Escrow Agent relating to the matters recited herein, and may not be contradicted by evidence of prior, contemporaneous, or subject to oral agreements of the parties.

19. Number and Gender. Whenever the context so requires, references herein to the singular number shall include the plural, and likewise the plural shall include the singular; words noting gender shall be construed to include the masculine, feminine and neuter, where appropriate. If any party to this Escrow Agreement consists of more than one person or entity, the obligations of each person or entity constituting a party hereunder shall be joint and several.

[Remainder of page intentionally blank; signature page immediately follows]

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement as of the dates set forth below, to be effective for all purposes however, as of the date first above written.

ESCROW AGENT:

CHARTER TITLE COMPANY,

By: __ Name: __ Title: __

Date: __

LANDLORD:

LIFE SCIENCE PLAZA INVESTMENT GROUP, LP,
a Delaware limited partnership,

By: Life Science Plaza GP, Inc., a Delaware corporation, its general partner

By: _____
Samuel DePoy, Secretary

Date: _____, 2016

TENANT:

BELLICUM PHARMACEUTICALS, INC.,
a Delaware corporation

By: __ Name: __ Title: __

Date: __

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULE 13a-14(a) and 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Thomas J. Farrell, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Bellicum Pharmaceuticals, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2016

By: /s/ Thomas J. Farrell

Thomas J. Farrell

President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULE 13a-14(a) and 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Alan A. Musso, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Bellicum Pharmaceuticals, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

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 controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2016

By: /s/ Alan A. Musso

Alan A. Musso

Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)

Exhibit 32

CERTIFICATIONS 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 for the quarter ended June 30, 2016 (the "Report") of Bellicum Pharmaceuticals, Inc. (the "Registrant"), as filed with the Securities and Exchange Commission on the date hereof, the undersigned, in their capacities as officers of the Registrant, do each hereby certify, that, to the best of such officer's knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Thomas J. Farrell

Thomas J. Farrell
President and Chief Executive Officer
(Principal Executive Officer)
August 8, 2016

/s/ Alan A. Musso

Alan A. Musso
Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)
August 8, 2016