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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

(Mark One)

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

For the fiscal year ended December 31, 2012

☐ **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: 001-34207

Dynavax Technologies Corporation

(Exact name of registrant as specified in its charter)

Delaware	**33-0728374**
(State or other jurisdiction of incorporation or organization)	*(IRS Employer Identification No.)*

2929 Seventh Street, Suite 100
Berkeley, CA 94710-2753
(510) 848-5100

(Address, including Zip Code, and telephone number, including area code, of the registrant's principal executive offices)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class:	**Name of Each Exchange on Which Registered:**
Common Stock, $0.001 Par Value Preferred Shares Purchase Rights	The NASDAQ Stock Market LLC

Securities Registered Pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

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

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

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

The aggregate market value of the voting and non-voting stock held by non-affiliates of the registrant, based upon the closing sale price of the common stock on June 29, 2012 as reported on the NASDAQ Capital Market, was approximately $422,877,457. Shares of common stock held by each officer and director and by each person known to the Company who owns 5% or more of the outstanding common stock have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of February 28, 2013, the registrant had outstanding 182,881,013 shares of common stock.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Definitive Proxy Statement for the registrant's 2013 Annual Meeting of Stockholders are incorporated by reference into Part III, Items 10-14 of this Form 10-K.

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DYNAVAX TECHNOLOGIES CORPORATION

FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 which are subject to a number of risks and uncertainties. All statements that are not historical facts are forward-looking statements, including statements about our business strategy and regulations, our future research and development and intellectual property position, our product development efforts, our ability to commercialize our product candidates, the timing of the introduction of our products, the effect of GAAP accounting pronouncements, the potential for entry into collaborative arrangements, uncertainty regarding our future operating results and our profitability, anticipated sources of funds as well as our plans, objectives, expectations and intentions. These statements appear throughout our document and can be identified by the use of forward-looking language such as "may," "will," "should," "expect," "plan," "anticipate," "believe," "estimate," "predict," "future," or "intend," or the negative of these terms or other variations or comparable terminology.

Actual results may vary materially from those in our forward-looking statements as a result of various factors that are identified in "Item 1A—Risk Factors" and "Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this document. No assurance can be given that the risk factors described in this Annual Report on Form 10-K are all of the factors that could cause actual results to vary materially from the forward-looking statements. All forward-looking statements speak only as of the date of this Annual Report on Form 10-K. Readers should not place undue reliance on these forward-looking statements and are cautioned that any such forward-looking statements are not guarantees of future performance. We assume no obligation to update any forward-looking statements.

This Annual Report on Form 10-K includes trademarks and registered trademarks of Dynavax Technologies Corporation. Products or service names of other companies mentioned in this Annual Report on Form 10-K may be trademarks or registered trademarks of their respective owners.

PART I

ITEM 1. BUSINESS

OVERVIEW

Dynavax Technologies Corporation ("we," "our," "us," "Dynavax" or the "Company"), a clinical-stage biopharmaceutical company, discovers and develops novel products to prevent and treat infectious and inflammatory diseases. Our lead product candidate is HEPLISAV™, a Phase 3 investigational adult hepatitis B vaccine.

On February 25, 2013, Dynavax announced that it had received a Complete Response Letter ("CRL") from the U.S. Food and Drug Administration ("FDA" or "Agency") regarding its Biologic License Application ("BLA") for HEPLISAV. In the CRL, the FDA specified that the indication in adults 18-70 years of age cannot be approved without further evaluation of safety in this broad age group. The FDA also expressed concern that novel adjuvants may cause rare autoimmune events, however, the Agency indicated its willingness to continue discussions with us regarding a more restricted use of HEPLISAV.

The FDA also requested additional data from our process validation program as well as clarifying information on the manufacturing controls and facilities with respect to quality assurance of commercial product. Dynavax believes it can provide the information but the exact timeframe for its response cannot be determined until a meeting with the Agency occurs. We plan to meet with the FDA in the near term to discuss the CRL and the steps necessary for potential approval of HEPLISAV.

Dynavax's BLA was accepted for review by the FDA in June 2012. On November 15, 2012, the FDA's Vaccines and Related Biological Products Advisory Committee ("Committee") voted 8 to 5 with 1 abstention that there was insufficient data to adequately support the safety of HEPLISAV.

Dynavax's Marketing Authorization Application ("MAA") for HEPLISAV continues to be under review in Europe.

Our pipeline of product candidates includes: HEPLISAV, our autoimmune program partnered with GlaxoSmithKline ("GSK") and our therapy for asthma partnered with AstraZeneca AB ("AstraZeneca"). We compete with pharmaceutical companies, biotechnology companies, academic institutions and research organizations in developing therapies to prevent or treat infectious and inflammatory diseases. Our product candidates are based on our proprietary technology which uses immunostimulatory and immunoregulatory sequences.

THE COMPANY AND BACKGROUND

We were incorporated in California in August 1996 under the name Double Helix Corporation, and we changed our name to Dynavax Technologies Corporation in September 1996. We reincorporated in Delaware in 2000. Dynavax Technologies Corporation is listed on the NASDAQ Capital Market under the ticker symbol "DVAX."

Our principal executive offices are located at 2929 Seventh Street, Suite 100, Berkeley, California, 94710-2753. Our telephone number is (510) 848-5100. We make available, free of charge on our website located at www.dynavax.com, our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to those reports, as soon as reasonably practicable after filing such reports with the Securities and Exchange Commission. Our code of ethics, corporate governance guidelines, audit committee charter, nominating committee charter, compensation committee charter and audit committee complaint procedures are also posted on our website and are each available in print to any stockholder upon request by writing to: 2929 Seventh Street, Suite 100, Berkeley, California 94710-2753. The contents of our website are not incorporated by reference into this report.

PROPRIETARY TECHNOLOGY

Immunostimulatory Sequences

Immunostimulatory Sequences ("ISS") are short deoxyribonucleic acid ("DNA") sequences that enhance the ability of the immune system to fight disease. ISS activate the innate immune response by specifically targeting Toll-like Receptor ("TLR") 9, which is found on a specialized subset of immune cells.

ISS work by changing or reprogramming the immune responses that cause disease rather than just by treating the symptoms of the disease. Since TLR9 is found exclusively in a specialized subset of dendritic cells, ISS do not cause a generalized activation of the immune system and redirect the response of only those T-cells involved in a given disease. When linked to or combined with antigens, ISS help generate memory T Helper ("Th") 1 cells that can reprogram the immune system to induce long-lasting therapeutic effects.

We have developed a number of proprietary ISS compositions and formulations that make use of the different ways in which the innate immune system responds to ISS. Depending on the indication for which ISS is being explored as a therapy, we use ISS in different ways.

Immunostimulatory Sequences Linked to or Combined with Antigens

For prevention of infectious diseases, ISS can be linked to or combined with antigens to increase the visibility of the antigen and stimulate an immune response that will attack and destroy infected or abnormal cells. This treatment induces a highly specific Th1 immune response and generates memory T-cells for long-term protection. This treatment has the potential to be used synergistically with other therapies.

Immunostimulatory Sequences Alone

For treatment of viral and respiratory diseases, ISS can be used alone to modify the course of the disease by reprogramming the immune system. ISS suppress the Th2 inflammatory response caused by any number of allergens to modify the underlying cause of inflammation as well as provide symptomatic relief.

Advanced Immunostimulatory Sequences Technologies

For several programs, we have used our advanced proprietary knowledge to design modifications of the molecular structure of ISS to significantly increase their versatility and potency, allowing use of less ISS. These second-generation ISS stimulate specific immune responses, including potent interferon-alpha induction.

Immunoregulatory Sequences

Immunoregulatory Sequences ("IRS") are short DNA sequences that specifically inhibit TLRs associated with autoimmune and inflammatory diseases. TLRs are key receptors of the innate immune system that can induce strong inflammatory responses. In animal studies as well as *in vitro*, our TLR inhibitors have demonstrated broad potential in multiple autoimmune disease models, such as lupus, inflammatory skin disorders and rheumatoid arthritis.

DEVELOPMENT PROGRAMS

Our pipeline of product candidates includes the following:

Product Candidate	Clinical Indication(s)	Phase	Partnership/Funding Support
HEPLISAV	Hepatitis B prevention	Phase 3	Dynavax
DV1179	Autoimmune and inflammatory diseases	Phase 1	GSK
AZD1419	Asthma	Preclinical	AstraZeneca

HEPLISAV Hepatitis B Vaccine

HEPLISAV is an investigational adult hepatitis B vaccine. In Phase 3 trials, HEPLISAV demonstrated higher and earlier protection with fewer doses than currently licensed vaccines. Dynavax has worldwide commercial rights to HEPLISAV. HEPLISAV combines our first generation ISS, 1018, ("1018 ISS") with hepatitis B surface antigen ("HBsAg") manufactured in our Dynavax facility in Düsseldorf, Germany ("Rhein" or "Dynavax Europe").

On February 25, 2013, Dynavax announced that it had received a CRL from the FDA regarding its BLA for HEPLISAV. In the CRL, the FDA specified that the indication in adults 18-70 years of age cannot be approved without further evaluation of safety in this broad age group. The FDA also expressed concern that novel adjuvants may cause rare autoimmune events, however, the Agency indicated its willingness to continue discussions with us regarding a more restricted use of HEPLISAV.

The FDA also requested additional data from Dynavax's process validation program as well as clarifying information on the manufacturing controls and facilities with respect to quality assurance of commercial product. Dynavax believes it can provide the information but the exact timeframe for its response cannot be determined until a meeting with the Agency occurs. We plan to meet with the FDA in the near term to discuss the CRL and the steps necessary for potential approval of HEPLISAV.

Dynavax's BLA was accepted for review by the FDA in June 2012. On November 15, 2012, the FDA's Vaccines and Related Biological Products Advisory Committee ("Committee") voted 8 to 5 with 1 abstention that there was insufficient data to adequately support the safety of HEPLISAV, although the Committee voted 13 to 1 that HEPLISAV data adequately demonstrated immunogenicity.

Dynavax's MAA for HEPLISAV continues to be under review in Europe.

Commercial Opportunity

Hepatitis B can be a chronic disease which can lead to cirrhosis of the liver, hepatocellular carcinoma and death. There is no cure for hepatitis B, and disease prevention through effective vaccines is critical to reducing the spread of the disease. Available hepatitis B vaccines for adults have several limitations, including:

- Slow onset of protection—the current regimen for adults is usually 3 doses given over 6 months to provide seroprotection of approximately 30%, 75% and 90% after the first, second and third doses respectively;
- Poor protection in populations that are hypo-responders—current vaccines provide a lower seroprotection rate for persons over 40 years of age including males, the obese, smokers, diabetics and immunocompromised persons, such as end-stage renal disease patients; and
- Poor compliance—in certain settings only 30% of people receive all 3 doses.

HEPLISAV is designed to address the limitations of currently licensed vaccines by providing higher and earlier protection with fewer doses.

We estimate the total worldwide market for adult hepatitis B vaccines approximates $680 million annually. This market is primarily comprised of GSK's Engerix-B and Twinrix as well as Merck & Co.'s ("Merck") Recombivax-HB. Key market segments consisting of persons considered to be at high risk for hepatitis B virus ("HBV") infection include chronic kidney disease patients, people with multiple sexual partners or injection drug use, healthcare workers and first responders, travelers, chronic liver disease patients and people with diabetes mellitus (type 1 and type 2).

DV1179 (IRS) for Autoimmune and Inflammatory Diseases

Our IRS program is focused on novel inhibitors of TLR7, TLR8 and TLR9 for autoimmune and inflammatory diseases, under a worldwide strategic alliance with GSK. In late 2011, we initiated a proof-of-mechanism clinical trial of DV1179, a bifunctional inhibitor of TLR7 and TLR9, in systemic lupus erythematosus patients. GSK has an exclusive option to obtain a license to this program following completion of this trial. We also are developing inhibitors of TLR8 for the treatment of multiple autoimmune and inflammatory diseases in this collaboration. The activation of TLR8 in myeloid cells yields the production of multiple pro-inflammatory cytokines including tumor necrosis factors, Interleukin-1, Interleukin-6 and Interleukin-12.

AZD1419 Asthma Therapy

We are developing AZD1419, a novel candidate drug for asthma, under our collaboration agreement with AstraZeneca. AZD1419 utilizes our proprietary second-generation ISS and represents a new approach to the treatment of allergic respiratory diseases. AZD1419 is designed to change the basic immune response to environmental allergens, such as house dust and pollens, leading to prolonged reduction in asthma symptoms. We are preparing to advance AZD1419 into Phase 1 clinical trials after completion of remaining preclinical activities.

PHARMACEUTICAL PARTNERSHIPS AND OTHER FUNDING AGREEMENTS

Our objective is to discover novel therapies based on our proprietary technologies and develop a diversified pipeline of product candidates to build a product-based commercial business. To reach this objective, an important part of our strategy is to establish partnerships with leading pharmaceutical companies and enter into funding agreements. Our pharmaceutical partners provide valuable resources, expertise and abilities that allow us to further advance the development of our product candidate programs. We also have funding agreements with U.S. government institutions.

GlaxoSmithKline

In December 2008, we entered into a worldwide strategic alliance with GSK to discover, develop and commercialize TLR inhibitors. We received an initial payment of $10 million and agreed to conduct research and early clinical development in up to four programs. In 2011, we earned $15 million in milestone payments for the initiation of Phase 1 and proof-of-mechanism clinical trials of DV1179 in systemic lupus erythematosus patients and expansion of our collaboration with GSK to develop a TLR8 inhibitor. We are eligible to receive future development milestone payments which we have determined to be substantive milestones. GSK can exercise its exclusive option to license each program upon achievement of certain events and we are eligible to receive contingent option exercise payments. If GSK exercises an option, GSK would carry out further development and commercialization of the corresponding products. We are eligible to receive tiered, up to double-digit royalties on sales of any products originating from the collaboration and have retained an option to co-develop and co-promote one product under this agreement.

Absent early termination, the agreement will expire when all of GSK's payment obligations expire. Either party may terminate the agreement early upon written notice if the other party commits an uncured material breach of the agreement. Either party may terminate the agreement in the event of insolvency of the other party. GSK also has the option to terminate the agreement without cause upon prior written notice within a specified window of time dependent upon the stage of clinical development of the programs.

AstraZeneca AB

In September 2006, we entered into a three-year research collaboration and license agreement with AstraZeneca for the discovery and development of TLR9 agonist-based therapies for the treatment of asthma and chronic obstructive pulmonary disease for which we received an upfront payment of $10 million. In 2008, we received a milestone payment of $4.5 million for the nomination of the first candidate drug, AZD1419, for asthma. The research term of this agreement was extended through July 2010.

In October 2011, we amended our agreement with AstraZeneca to provide that we will conduct initial clinical development of AZD1419. Under the terms of the amended agreement, AstraZeneca will fund all program expenses to cover the cost of development activities through Phase 2a. We and AstraZeneca have agreed to advance AZD1419 towards a Phase 1 clinical trial, which resulted in a development funding payment of $6 million, received in the fourth quarter of 2012. If AstraZeneca chooses to advance the program following completion of Phase 2a, we will receive a $20 million milestone payment and AstraZeneca will retain its rights to develop the candidate therapy and to commercialize the resulting asthma product. Additionally, we are eligible to receive potential future development payments and, upon commercialization, we are eligible to receive royalties based on product sales of any products originating from the collaboration. We have the option to co-promote in the United States products arising from the collaboration, if any. AstraZeneca has the right to sublicense its rights upon our prior consent.

Absent early termination, the agreement will expire when all of AstraZeneca's payment obligations expire. AstraZeneca has the right to terminate the agreement at any time upon prior written notice and either party may terminate the agreement early upon written notice if the other party commits an uncured material breach of the agreement.

National Institutes of Health and Other Funding

In September 2008, we were awarded a $17 million contract to develop our advanced ISS technology using TLR9 agonists as vaccine adjuvants. This five-year contract was awarded by the National Institute of Health's ("NIH") National Institute of Allergy and Infectious Diseases ("NIAID") and supports adjuvant development for biodefense vaccines, including anthrax as well as other diseases. NIAID is funding 100% of the total $17 million cost of our program under Contract No. HHSN272200800038C. The NIH may terminate performance of work under the contract if the contracting officer determines that a termination is in the government's interest or if we default in performing and fail to cure after notice.

During 2010, we were awarded a grant from the NIAID to take a systems biology approach to study the differences between individuals who do or do not respond to vaccination against hepatitis B. This study will be one of several projects conducted under a grant to the Baylor Institute of Immunology Research in Dallas as part of the Human Immune Phenotyping Centers program, from which we were awarded $0.3 million in 2012, $0.3 million in 2011 and $0.5 million in 2010. We were also awarded a $0.6 million grant in 2010 from the NIH to explore the feasibility of developing a universal vaccine to prevent infection by human papilloma virus.

During 2011, we were awarded a $0.6 million grant from the NIH that will be used to fund research to characterize the role of the phosphoinositide 3-kinase in preclinical models of skin autoimmune inflammation.

During 2012, we were awarded a $0.4 million grant from the NIH to fund research in screening for inhibitors of TLR8 for treatment of rheumatoid arthritis and a $0.6 million grant to fund development of TLR8 inhibitors for treatment of autoimmune diseases.

INTELLECTUAL PROPERTY

Our commercial success depends in part on our ability to obtain and maintain proprietary protection for our drug candidates, technology and know-how, to operate without infringing the proprietary rights of others and to prevent others from infringing our proprietary rights. In addition to seeking patent protection in the United States, we generally file patent applications in Australia, Canada, Japan, Western European countries and additional foreign countries on a selective basis to further protect the inventions that we or our partners consider important to the development of our business. We also rely on trade secrets and contracts to protect our proprietary information.

As of December 31, 2012, our intellectual property portfolio included 25 issued U.S. patents, over 150 issued or granted foreign patents and over 50 additional pending U.S. and foreign patent applications claiming compositions and formulations of ISS and IRS, their methods of use or processes for their manufacture. We also have exclusive licenses under two agreements to several patents and applications owned by the Regents of the University of California.

We have an issued U.S. patent covering the ISS contained in our HEPLISAV investigational vaccine that will expire in 2018, unless extended, and corresponding issued patents in several major European and other countries. We own or have an exclusive license to U.S. and foreign patent applications pending for each of our other product candidates and/or their uses. At present, it is not known or determinable whether patents will issue from any of these applications or what the specific expiration dates would be for any patents that do issue.

Individual patents extend for varying periods depending on the date of filing of the patent application or the date of patent issuance and the legal term of patents in the countries in which they are obtained. Generally, patents issued in the United States are effective for:

- the longer of 17 years from the issue date or 20 years from the earliest effective filing date, if the patent application was filed prior to June 8, 1995; and
- 20 years from the earliest effective filing date, if the patent application was filed on or after June 8, 1995.

In addition, in certain instances, a patent term can be extended to recapture a portion of the term effectively lost as a result of the FDA regulatory review period. The duration of foreign patents varies in accordance with provisions of applicable local law, but typically is 20 years from the earliest effective filing date. Our patent estate, based on patents existing now and expected by us to issue based on pending applications, will expire on dates ranging from 2017 to 2032.

The actual protection afforded by a patent varies on a product-by-product basis, from country-to-country and depends upon many factors, including the type of patent, the scope of its coverage, the availability of regulatory related extensions, the availability of legal remedies in a particular country and the validity and enforceability of the patents.

Because patent applications in the United States and many foreign jurisdictions typically are not published until 18 months after filing and publications of discoveries in the scientific literature often lag behind actual discoveries, we cannot be certain that we were the first to make the inventions claimed in each of our issued patents or pending patent applications or that we were the first to file for protection of the inventions set forth in these patent applications. The U.S. Patent and Trademark Office ("PTO") may declare interference proceedings to determine the priority of inventions with respect to our patent applications and those of other parties or reexamination or reissue proceedings to determine if the scope of a patent should be narrowed.

Our commercial success depends significantly on our ability to operate without infringing patents and proprietary rights of third parties. A number of pharmaceutical companies and biotechnology companies, including Pfizer, Inc. ("Pfizer"), as well as universities and research institutions, may have filed patent applications or may have been granted patents that cover inventions similar to the inventions owned or licensed to us. We cannot determine with certainty whether patents or patent applications of other parties may materially affect our ability to make, use or sell any products. If another party controls patents or patent applications covering our products, we may not be able to obtain the rights we need to those patents or patent applications in order to commercialize our products. Two of our potential competitors, Merck and GSK, are exclusive licensees of broad patents covering recombinant HBsAg, a component of HEPLISAV. In addition, the Institut Pasteur also owns or has exclusive licenses to patents covering HBsAg. While some of these patents have expired or will soon expire outside the United States, they remain in force in the United States. To the extent we are able to commercialize HEPLISAV in the United States while these patents remain in force, Merck, GSK, their licensors or the Institut Pasteur may bring claims against us.

Litigation may be necessary to enforce patents issued or licensed to us or to determine the scope or validity of another party's proprietary rights. The existence of third-party patent applications and patents could significantly reduce the coverage of the patents owned by or licensed to us and limit our ability to obtain meaningful patent protection. For example, Pfizer has issued U.S. and foreign patent claims as well as patent claims pending with the PTO and foreign patent offices that, if held to be valid, could require us to obtain a license in order to commercialize one or more of our formulations of ISS other than with respect to HEPLISAV, for which we have a license. Litigation or any other proceedings, such as patent interferences, could result in substantial costs to and diversion of effort by us, and an adverse outcome in a court or patent office could subject us to significant liabilities, require disputed rights to be licensed from other parties, or require us to cease using some of our technology. We may not prevail of these actions or proceedings, if any.

In addition, other parties may duplicate, design around or independently develop similar or alternative technologies to ours or our licensors.

We may rely, in some circumstances, on trade secrets and confidentiality agreements to protect our technology. Although trade secrets are difficult to protect, wherever possible, we use confidential disclosure agreements to protect the proprietary nature of our technology. Our policy is to require each of our commercial partners, employees, consultants and advisors to enter into an agreement before beginning their employment, consulting or advisory relationship with us that in general provides that the individuals must keep confidential and not disclose to other parties any of our confidential information developed or learned by the individuals during the course of their relationship with us except in limited circumstances. These agreements also generally provide that we own all inventions conceived by the individuals in the course of rendering their employment or services to us. However, there can be no assurance that these agreements will not be breached, that we will have adequate remedies for any breach, or that our trade secrets and/or proprietary information will not otherwise

become known or be independently discovered by competitors. To the extent that our employees, consultants or contractors use intellectual property owned by others in their work for us, disputes may also arise as to the rights in related or resulting know-how and inventions.

Under the terms of our license agreements with the Regents of the University of California, we are required to pay license fees, make milestone payments, share a portion of fees from third party partnerships up to a specified amount and pay low single-digit royalties on net sales resulting from successful products originating from the licensed technologies. To date, we have paid the University of California a total of $1.8 million in license fees, shared third party partnership fees and milestone payments under these agreements. We estimate the total potential milestone payments payable for each such product will total approximately $3.1 million, not including royalties. We may terminate these agreements in whole or in part on 60 days advance notice. The Regents of the University of California may terminate these agreements if we are in breach for failure to make payments, meet diligence requirements, produce required reports or fund internal research and we do not cure such breach within 60 days after being notified of the breach. Otherwise, the agreements generally continue in effect until the last patent claiming a product licensed under the agreement or its manufacture or use expires, or in the absence of patents, until the date the last patent application claiming a licensed product is abandoned.

COMPETITION

The biotechnology and pharmaceutical industries are characterized by rapidly advancing technologies, intense competition and a strong emphasis on proprietary products. Our products and development programs target a number of areas including viral, respiratory, autoimmune and inflammatory diseases. There are many commercially available products for the treatment of these diseases. Many companies and institutions are making substantial investments in developing additional products to treat these diseases that could compete directly or indirectly with our products under development.

HEPLISAV, a two-dose hepatitis B vaccine, if approved and commercialized, will compete directly with conventional three-dose marketed vaccines produced by GSK and Merck, among others. There are also modified schedules of conventional hepatitis B vaccines for limited age ranges that are approved in the European Union and United States. In addition, HEPLISAV will compete against a number of multivalent vaccines that simultaneously protect against hepatitis B and other diseases.

Our therapy for autoimmune and inflammatory diseases, DV1179, if developed, approved and commercialized will compete with key biologic therapies from companies such as F. Hoffman-La Roche Ltd. and its subsidiary Genentech, Inc. (“Roche/Genentech”), Amgen Inc., Biogen Idec, Abbott Laboratories and GSK. In addition, our product would compete with generic drugs commonly used to treat autoimmune diseases, including corticosteroids, non-steroidal anti-inflammatory drugs, antimalarials and immunosuppressive agents. Other companies, such as AstraZeneca and its subsidiary MedImmune, LLC, Roche/Genentech, Idera Pharmaceuticals, Pfizer and UCB S.A. and its partner Immunomedics, Inc., are developing anti-IFN-alpha-antibodies, B-cell targeted antibodies, immunosuppressants, and other TLR inhibitors that may compete directly with our product candidate.

Our asthma therapy, AZD1419, if developed, approved and commercialized, will compete indirectly with existing asthma therapies, such as inhaled beta-agonists, corticosteroids, leukotriene inhibitors and IgE monoclonal antibodies, including those marketed by Merck, Roche/Genentech, Novartis International AG, AstraZeneca and GSK. In addition, directly competing products may be in development by Sanofi-Aventis and Idera Pharmaceuticals.

Many of the entities developing and marketing these competing products have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and marketing than we do. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative agreements with large, established

companies and access to capital. These entities may also compete with us in recruiting and retaining qualified scientific and management personnel, as well as in acquiring technologies complementary to or necessary for our programs.

REGULATORY CONSIDERATIONS

In the United States, pharmaceutical and biological products are subject to rigorous review and approval by the FDA under the Federal Food, Drug, and Cosmetic Act, the Public Health Service Act and other federal statutes and regulations. In Europe, under the centralized procedure, a company submits a single application to the European Medicines Agency. The steps ordinarily required by the regulatory authorities before a new drug or biological product may be marketed in the United States and in most other countries include but are not limited to the following:

- completion of preclinical laboratory tests, preclinical studies and formulation studies;
- submission to the regulatory authority of a clinical application for a new drug or biologic which must become effective before clinical trials may begin;
- performance of adequate and well-controlled human clinical trials to establish the safety and efficacy of the drug or biologic for each proposed indication;
- demonstration of the consistent manufacturing of drug substance and drug product;
- the submission of a new drug application to the regulatory authority; and
- regulatory review and approval of the application before any commercial marketing, sale or shipment of the drug.

If applicable requirements are not met, regulatory authorities may issue fines, require that a company recall its products, seize products, require that a company totally or partially suspend the production of its products, refuse to approve a marketing application, pursue criminal prosecution and/or revoke previously granted marketing authorizations.

To secure regulatory authority approval, we must submit extensive non-clinical and clinical data, adequate evidence of a product manufactured by a well-controlled process that is safe and effective for its intended use, and other supporting information to the regulatory authority. The number of preclinical studies and clinical trials that will be required for FDA and foreign regulatory agency approvals varies depending on the product candidate, the disease or condition for which the product candidate is in development and regulations applicable to any particular drug candidate. Data obtained from preclinical and clinical activities are susceptible to varying interpretations, which could delay, limit or prevent regulatory approval or clearance. Further, the results from preclinical testing and early clinical trials may not be predictive of results obtained in later clinical trials. In addition, the development of the drug substance and drug product may require manufacturing modifications to ensure future regulatory acceptance. The approval process takes many years, requires the expenditures of substantial resources, and involves post-marketing surveillance.

Delays experienced during the approval process may materially reduce the period during which we will have exclusive rights to exploit patented products or technologies. Delays can occur at any stage of drug development and as a result of many factors, certain of which are not under our control, including but not limited to the following:

- lack of efficacy, or incomplete or inconclusive results from clinical trials;
- unforeseen safety issues;
- failure by investigators to adhere to protocol requirements, including patient enrollment criteria;
- slower than expected rate of patient recruitment;
- failure by subjects to comply with trial protocol requirements;

- inability to follow patients adequately after treatment;
- inability to qualify and enter into arrangements with third parties to manufacture sufficient quality and quantities of materials for use in clinical trials;
- failure by a contract research organization to fulfill contractual obligations; and
- adverse changes in regulatory policy during the period of product development or the period of review of any application for regulatory approval or clearance.

The FDA or foreign regulatory agency may also require post-marketing testing and surveillance to monitor the effects of approved products or place conditions on any approvals that could restrict the commercial applications of these products. Following approval, we may be required to conduct additional post-marketing studies. The regulatory authority may withdraw product approvals if we do not continue to comply with regulatory standards or if problems occur following initial marketing.

Non-clinical studies involve laboratory evaluation of product characteristics or animal studies to assess the initial efficacy and safety of the product. The FDA or other foreign regulatory agency, under its good laboratory practices regulations, regulates certain non-clinical studies. Research and preclinical studies do not involve the introduction of a product candidate in human subjects. These activities involve identification of potential product candidates, modification of promising candidates to optimize their biological activity, as well as preclinical studies to assess safety and effectiveness in animals. In clinical trials, the product candidate is administered to humans. Violations of these regulations can, in some cases, lead to invalidation of those studies, requiring these studies to be repeated. The results of these tests, together with manufacturing information and analytical data, are submitted to the regulatory authority as part of a clinical application, which must be approved by the regulatory authority before we can commence clinical investigations in humans.

Clinical trials involve the administration of the investigational product to humans under the supervision of a qualified principal investigator. We must conduct our clinical trials in accordance with good clinical practice under protocols submitted to the regulatory authority as part of the clinical application. This includes the requirement that each clinical trial must be approved and conducted under the auspices of an investigational review board and with patient informed consent. The investigational review board will consider, among other things, ethical factors, the safety of human subjects and the possibility of liability of the institution conducting the trial.

The stages of the regulatory process include clinical trials in three sequential phases that may overlap. Phase 1 clinical trials typically involve the administration of a product candidate into a small group of healthy human subjects. These trials are the first attempt to evaluate a drug’s safety, determine a safe dose range and identify side effects. During Phase 2 trials, the product candidate is introduced into patients who suffer from the medical condition that the product candidate is intended to treat. Phase 2 studies are designed to evaluate whether a product candidate shows evidence of effectiveness, to further evaluate dosage, and to identify possible adverse effects and safety risks. When Phase 2 evaluations demonstrate that a product candidate appears to be both safe and effective, Phase 3 trials are undertaken to confirm a product candidate’s effectiveness and to test for safety in an expanded patient population. If the results of Phase 3 trials appear to confirm effectiveness and safety, the data gathered in all phases of clinical trials form the basis for an application for regulatory approval of the product candidate.

We and all of our contract manufacturers are required to comply with the applicable FDA or foreign regulatory agency current Good Manufacturing Practice (“GMP”) regulations. Manufacturers of biologics also must comply with a regulatory authority’s general biological product standards. Failure to comply with the statutory and regulatory requirements subjects the manufacturer to possible legal or regulatory action, such as suspension of manufacturing, seizure of product or voluntary recall of a product. Good manufacturing practice regulations require quality control and quality assurance as well as the corresponding maintenance of records and documentation. Before granting product approval, the regulatory authority must determine that our or our third

party contractor's manufacturing facilities meet GMP requirements before we can use them in the commercial manufacture of our products. In addition, our facilities are subject to periodic inspections by the regulatory authority for continued compliance with GMP requirements during clinical development as well as following product approval. Adverse experiences with the product must be reported to the FDA or foreign regulatory agency and could result in the imposition of market restriction through labeling changes or in product removal.

If our products are approved for sale, we will be subject to further regulatory requirements under federal and state provisions such as federal "sunshine" laws, anti-kickback laws, false claims laws and state law equivalents of those and other regulations. We are also subject to various federal, state, local and foreign laws, regulations and recommendations relating to safe working conditions, laboratory and manufacturing practices, the experimental use of animals and the use and disposal of hazardous or potentially hazardous substances, including radioactive compounds and infectious disease agents, used in connection with our research. We cannot accurately predict the extent of government regulation that might result from any future legislation or administrative action.

MANUFACTURING

We rely on our facility in Dusseldorf, Germany and third parties to perform the multiple processes involved in manufacturing our product candidates, including ISS, certain antigens, the combination of the ISS and the antigens and the formulation, fill and finish of these products. The process for manufacturing oligonucleotides such as ISS is well-established and uses commercially available equipment and raw materials. We have relied on a limited number of suppliers to produce ISS for clinical trials and a single supplier to produce our 1018 ISS for HEPLISAV. To date, we have manufactured only small quantities of ISS and 1018 ISS ourselves for development purposes. We currently manufacture the HBsAg for HEPLISAV at our Dynavax Europe facility.

RESEARCH AND DEVELOPMENT

Conducting a significant amount of research and development has been central to our business model. Our research and development expenses were $49.1 million, $51.3 million and $53.7 million for the years ended December 31, 2012, 2011 and 2010, respectively.

ENVIRONMENT

We have made, and will continue to make, expenditures for environmental compliance and protection. We do not expect that expenditures for compliance with environmental laws will have a material effect on our capital expenditures or results of operations in the future.

EMPLOYEES

As of December 31, 2012, we had 167 full-time employees, including 22 Ph.D.s, 6 M.D.s and 13 others with advanced degrees. Of the 167 employees, 122 were dedicated to research and development activities. None of our employees is subject to a collective bargaining agreement and we believe our relations with our employees are good.

ITEM 1A. RISK FACTORS

This Annual Report on Form 10-K contains forward-looking statements concerning our future products, product candidates, timing of development activities, regulatory strategies, intellectual property position, expenses, revenues, liquidity and cash needs, as well as our plans and strategies. These forward-looking statements are based on current expectations and we assume no obligation to update this information. Numerous factors could cause our actual results to differ significantly from the results described in these forward-looking statements, including the following risk factors.

Risks Related to our Business

The success of our product candidates, in particular HEPLISAV, depends on regulatory approval. The FDA or foreign regulatory agencies may determine our clinical trials or other data regarding safety, efficacy, consistency of manufacture or compliance with GMP regulations are insufficient for regulatory approval. Failure to obtain regulatory approvals could require us to discontinue operations.

None of our product candidates has been approved for sale by any regulatory agency. Any product candidate we develop is subject to extensive regulation by federal, state and local governmental authorities in the United States, including the FDA, and foreign regulatory agencies. Our success is primarily dependent on our ability to obtain regulatory approvals for our most advanced product candidates. Approval processes in the United States and in other countries are uncertain, can take many years and require the expenditure of substantial resources.

For our lead product, HEPLISAV, our BLA must be approved by the FDA and corresponding applications to foreign regulatory agencies must be approved by those agencies before we may sell the product in their respective geographic area. Obtaining approval of a BLA by the FDA and corresponding foreign applications is highly uncertain and we may fail to obtain approval. The BLA review process is extensive, lengthy, expensive and uncertain, and the FDA or foreign regulatory agencies may delay, limit or deny approval of our application for many reasons, including: whether the data from our clinical trials, including the Phase 3 results, or the development program is satisfactory to the FDA; disagreement with the number, design, size, conduct or implementation of our clinical trials or a conclusion that the data fails to meet statistical or clinical significance; acceptability of data generated at our clinical trial sites that are monitored by third party clinical research organizations; the results of an FDA or other advisory committee that may recommend against approval of our BLA or may recommend that the FDA or other agencies require, as a condition for approval, additional preclinical studies or clinical trials; and deficiencies in our manufacturing processes or facilities or those of our third party contract manufacturers and suppliers, if any. For example, in our recent Complete Response Letter from the FDA received in February 2013 (the “Complete Response Letter”), HEPLISAV was not approvable for the proposed indication based on insufficient patient safety data for an indication in adults 18-70 years of age without further evaluation of safety in this broad age group. The FDA also expressed concern that novel adjuvants may cause rare autoimmune events. While the Agency indicated its willingness to continue discussions with us regarding a more restricted use of HEPLISAV, there can be no assurance that further FDA guidance will not require us to conduct additional clinical studies or that our data will support approval.

The FDA also requested additional data from our process validation program as well as clarifying information on the manufacturing controls and facilities with respect to quality assurance of commercial product. There can be no assurance that Dynavax can successfully produce the requisite data in a timely manner.

In addition, we obtain guidance from regulatory authorities on certain aspects of our clinical development activities and seek to comply with written guidelines provided by the authorities. These discussions and written guidelines are not binding obligations on the part of the regulatory authorities and the regulatory authorities may require additional patient data or studies to be conducted. Regulatory authorities may revise or retract previous guidance during the course of a clinical trial or after completion of the trial. The authorities may also disqualify a clinical trial from consideration in support of approval of a potential product if they deem the guidelines have not been met. The FDA or foreign regulatory agencies may determine our clinical trials or other data regarding safety, efficacy or consistency of manufacture or compliance with GMP regulations are insufficient for regulatory approval.

Failure to receive approval or significant delay in being able to provide the safety and manufacturing information required for approval of our BLA for HEPLISAV based on the Complete Response Letter from the FDA would have a material adverse effect on our business and results of operations. Even if approved, the labeling approved by the relevant regulatory authority for a product may restrict to whom we and our potential partners, if any, may market the product or the manner in which our product may be administered and sold, which could significantly limit the commercial opportunity for such product.

Before granting product approval, the FDA must determine that our or our third party contractor's manufacturing facilities meet current GMP requirements before we can use them in the commercial manufacture of our products. We and all of our contract manufacturers are required to comply with the applicable current GMP regulations. Manufacturers of biological products must also comply with the FDA's general biological product standards. In addition, GMP regulations require quality control and quality assurance as well as the corresponding maintenance of records and documentation sufficient to ensure the quality of the approved product. Failure to comply with the statutory and regulatory requirements subjects the manufacturer to possible legal or regulatory action, such as delay of approval, suspension of manufacturing, seizure of product or voluntary recall of a product.

The FDA may require more clinical trials for our product candidate than we currently expect before granting regulatory approval, if at all. Our clinical trials may be extended which may lead to substantial delays in the regulatory approval process for our product candidates, which will impair our ability to generate revenues.

Our registration and commercial timelines depend on further discussions with the FDA and corresponding foreign regulatory agencies. Any extension of our clinical trials could:

- adversely affect our ability to timely and successfully commercialize or market these product candidates;
- result in significant additional costs;
- potentially diminish any competitive advantages for those products;
- potentially limit the markets for those products;
- adversely affect our ability to enter into collaborations or receive milestone payments or royalties from potential collaborators;
- cause us to abandon the development of the affected product candidate; or
- limit our ability to obtain additional financing on acceptable terms, if at all.

HEPLISAV and most of our earlier stage programs rely on ISS-based technology. Serious adverse event data relating to either 1018 ISS or other ISS-based technology may require us to reduce the scope of or discontinue our operations.

HEPLISAV incorporates our 1018 ISS compound and most of our research and development programs use ISS-based technology. If any of our product candidates in clinical trials produce serious adverse event data, we may be required to delay, discontinue or modify our clinical trials or our clinical trial strategy. Most of our clinical product candidates contain ISS, and if a common safety risk across therapeutic areas were identified, it may hinder our ability to enter into potential collaboration arrangements or commercialize our product candidates. If adverse event data are found to apply to our ISS-based technology as a whole, we may be required to significantly reduce or discontinue our operations.

We have no commercialization experience, and the time and resources to develop sales, marketing and distribution capabilities for HEPLISAV are significant. If we fail to achieve and sustain commercial success for HEPLISAV, either directly or with a partner, our business would be harmed.

Although certain of our employees have commercialization experience, as a company we currently have no sales, marketing or distribution capabilities. HEPLISAV product sales are currently expected to generate a substantial portion of our future revenue, if HEPLISAV is approved. To commercialize HEPLISAV, we must either develop sales, marketing and distribution capabilities, or make arrangements with third parties to perform these services, which will require resources and time and we may not be able to enter into these arrangements on acceptable terms. If we decide to market HEPLISAV directly, we must commit significant resources to develop a marketing and sales force with technical expertise and with supporting distribution capabilities. In particular, significant resources may be necessary to successfully market, sell and distribute HEPLISAV to patients with

diabetes, a group recently recommended by the CDC and ACIP to receive hepatitis B vaccination. Moreover, our pricing and reimbursement strategies with respect to our initial approval plans for HEPLISAV may significantly impact our ability to achieve commercial success in this potential patient population.

Factors that may inhibit our efforts to commercialize HEPLISAV directly or indirectly with a partner if approved include:

- our inability to recruit and retain adequate numbers of effective sales and marketing personnel;
- the inability of sales personnel to obtain access to or persuade adequate numbers of physicians to administer our products;
- the lack of complementary products to be offered by sales personnel, which may put us at a competitive disadvantage relative to companies with more extensive product lines;
- our inability to expand and sustain qualified manufacturing capacity to meet demand, in particular if there is a significant increase in demand due to the recommendation to vaccinate persons with diabetes if we should obtain approval to market to those patients;
- our inability to determine appropriate pricing and reimbursement strategies for HEPLISAV in the potential patient populations that may use HEPLISAV, particularly in the diabetes market; and
- possible claims against us, including enjoining sales of HEPLISAV, based on the patent rights of others; and
- unanticipated delays, costs and expenses associated with manufacturing and commercialization of our products, including costs of maintaining and scaling up manufacturing capabilities and creating and sustaining an independent sales and marketing organization in various territories.

If we, or our partners, if any, are not successful in setting our marketing, pricing and reimbursement strategy, recruiting sales and marketing personnel or in building a sales and marketing infrastructure, we will have difficulty commercializing HEPLISAV, which would adversely affect our business and financial condition. To the extent we rely on other pharmaceutical or biotechnology companies with established sales, marketing and distribution systems to market HEPLISAV, we will need to establish and maintain partnership arrangements, and we may not be able to enter into these arrangements on acceptable terms or at all. To the extent that we enter into co-promotion or other arrangements, certain revenues we receive will depend upon the efforts of third parties, which may not be successful and are only partially in our control.

We rely on our facility in Düsseldorf, Germany and third parties to supply materials or perform processes necessary to manufacture our product candidates. We rely on a limited number of suppliers to produce the ISS we will require for commercialization. Additionally, we have limited experience in manufacturing our product candidates in commercial quantities.

We rely on our facility in Düsseldorf and third parties to perform the multiple processes involved in manufacturing our product candidates, including ISS, certain antigens, the combination of ISS and the antigens, and the formulation, fill and finish. Termination or interruption of these relationships may occur due to circumstances that are outside of our control, resulting in higher cost or delays in our product development or commercialization efforts.

We have relied on a limited number of suppliers to produce ISS for clinical trials and a single supplier to produce our 1018 ISS for HEPLISAV. To date, we have manufactured only small quantities of ISS and 1018 ISS ourselves for development purposes. If we were unable to maintain our existing supplier for 1018 ISS, we would have to establish an alternate qualified manufacturing capability, which would result in significant additional operating costs and delays in developing and commercializing our product candidates, particularly HEPLISAV. We or other third parties may not be able to produce 1018 ISS at a cost, quantity and quality that are available from our current third-party supplier.

We currently utilize our facility in Düsseldorf to manufacture the hepatitis B surface antigen for HEPLISAV. The commercial manufacturing of biological products is a time-consuming and complex process, which must be performed in compliance with current GMP regulations.

As indicated in the Complete Response Letter from the FDA, we will be required to provide additional data from our process validation program as well as clarifying information on the manufacturing controls and facilities with respect to quality assurance of commercial product, and there can be no assurance as to the timing and if we can provide the data and information necessary to secure product approval.

In addition, we may not be able to comply with ongoing and comparable foreign regulations, and our manufacturing process may be subject to delays, disruptions or quality control/quality assurance problems. Noncompliance with these regulations or other problems with our manufacturing process may limit or delay or disrupt the commercialization of HEPLISAV and could result in significant expense. Moreover, depending on the level of market acceptance of HEPLISAV, if approved, we may not have the capacity in our existing facility to meet all of our future commercial supply needs. Our current manufacturing capacity could supply up to approximately 2 million doses of hepatitis B surface antigen annually, and our ability to expand Düsseldorf manufacturing capacity by improving utilization in our existing facility, improving upon our current production yields or using a new facility will take time to implement and could result in substantial cost. In the event that demand exceeds our current capacity plans, we may experience a shortage in supply of HEPLISAV, which could have a material adverse effect on the success of HEPLISAV. Likewise, in the event that HEPLISAV is not approved, we would have to consider other alternatives for the facility in Düsseldorf, including its sale or closure, and any such efforts would be complex, expensive, and time-consuming.

If we receive regulatory approval for our product candidates, we will be subject to ongoing FDA and foreign regulatory obligations and continued regulatory review.

We and our third party suppliers are required to comply with applicable current GMP regulations and other international regulatory requirements. The regulations require that our product candidates be manufactured and our records maintained in a prescribed manner with respect to manufacturing, testing and quality control/quality assurance activities. Suppliers of key components and materials must be named in a BLA submitted to the FDA for any product candidate for which we are seeking FDA approval. Additionally, these third parties and our manufacturing facility must undergo a pre-approval inspection before we can obtain marketing authorization for any of our product candidates. Even after a manufacturer has been qualified by the FDA, the manufacturer must continue to expend time, money and effort in the area of production and quality control to ensure full compliance with GMP. Manufacturers are subject to regular, periodic inspections by the FDA following initial approval. Further, to the extent that we contract with third parties for the manufacture of our products, our ability to control third-party compliance with FDA requirements will be limited to contractual remedies and rights of inspection.

If, as a result of their inspections, the FDA determines that the equipment, facilities, laboratories or processes do not comply with applicable FDA regulations and conditions of product approval, the FDA may not approve the product or may suspend the manufacturing operations. If the manufacturing operations of any of the suppliers for our product candidates are suspended, we may be unable to generate sufficient quantities of commercial or clinical supplies of product to meet market demand, which would harm our business. In addition, if delivery of material from our suppliers were interrupted for any reason, we might be unable to ship our approved product for commercial supply or to supply our products in development for clinical trials. Significant and costly delays can occur if the qualification of a new supplier is required.

Any regulatory approvals that we receive for our product candidates are likely to contain requirements for post-marketing follow-up studies, which may be costly. Product approvals, once granted, may be modified based on data from subsequent studies or commercial use. As a result, limitations on labeling indications or marketing claims, or withdrawal from the market may be required if problems occur after commercialization.

Failure to comply with regulatory requirements could prevent or delay marketing approval or require the expenditure of money or other resources to correct. Failure to comply with applicable requirements may also result in warning letters, fines, injunctions, civil penalties, recall or seizure of products, total or partial suspension of production, refusal of the government to renew marketing applications and criminal prosecution, any of which could be harmful to our ability to generate revenues and our stock price.

We may develop, seek regulatory approval for and market our product candidates outside the United States, requiring a significant commitment of resources. Failure to successfully manage our international operations could result in significant unanticipated costs and delays in regulatory approval or commercialization of our product candidates.

We may introduce certain of our product candidates, including HEPLISAV, in various markets outside the United States. Developing, seeking regulatory approval for and marketing our product candidates outside the United States could impose substantial burdens on our resources and divert management's attention from domestic operations. International operations are subject to risk, including:

- the difficulty of managing geographically distant operations, including recruiting and retaining qualified employees, locating adequate facilities and establishing useful business support relationships in the local community;
- compliance with varying international regulatory requirements, laws and treaties;
- securing international distribution, marketing and sales capabilities;
- adequate protection of our intellectual property rights;
- obtaining regulatory and pricing approvals at a level sufficient to justify commercialization;
- legal uncertainties and potential timing delays associated with tariffs, export licenses and other trade barriers;
- diverse tax consequences;
- the fluctuation of conversion rates between foreign currencies and the U.S. dollar; and
- regional and geopolitical risks.

We submitted HEPLISAV for marketing approval in Europe. The Complete Response Letter from the FDA may result in further consideration of our MAA in Europe and we may not obtain foreign regulatory approvals on a timely basis, if at all. Specifically, a failure or delay in obtaining regulatory approval in one jurisdiction may have a negative effect on the regulatory approval process in other jurisdictions. If we are unable to successfully manage our international operations, we may incur significant unanticipated costs and delays in regulatory approval or commercialization of our product candidates, which would impair our ability to generate revenues.

If any products we develop are not accepted by the market or if regulatory agencies limit our labeling indications or marketing claims, we may be unable to generate significant revenues, if any.

Even if we obtain regulatory approval for our product candidates and are able to commercialize them, our products may not gain market acceptance among physicians, patients, healthcare payors and the medical community.

The degree of market acceptance of any of our approved products will depend upon a number of factors, including:

- the indication for which the product is approved and its approved labeling;
- the presence of other competing approved therapies;
- the potential advantages of the product over existing and future treatment methods;

- the relative convenience and ease of administration of the product;
- the strength of our sales, marketing and distribution support;
- the price and cost-effectiveness of the product; and
- sufficient third-party reimbursement.

The FDA or other regulatory agencies could limit the labeling indication for which our product candidates may be marketed or could otherwise limit marketing efforts for our products. If we are unable to achieve approval or successfully market any of our product candidates, or marketing efforts are restricted by regulatory limits, our ability to generate revenues could be significantly impaired.

We face uncertainty regarding coverage, pricing and reimbursement and the practices of third party payors, which may make it difficult or impossible to sell our product candidates on commercially reasonable terms.

In both domestic and foreign markets, our ability to achieve profitability will depend in part on the negotiation of a favorable price or the availability of appropriate reimbursement from third party payors, in particular for HEPLISAV where existing products are already marketed. Existing laws affecting the pricing and coverage of pharmaceuticals and other medical products by government programs and other third party payors may change before any of our product candidates are approved for marketing. In addition, third party payors are increasingly challenging the price and cost-effectiveness of medical products and services, and pricing and reimbursement decisions may not allow our products to compete effectively with existing or competitive products. Because we intend to offer products, if approved, that involve new technologies and new approaches to treating disease, the willingness of third party payors to reimburse for our products is uncertain. We will have to charge a price for our products that is sufficient to enable us to recover our considerable investment in product development and our operating costs. Adequate third-party reimbursement may not be available to enable us to maintain price levels sufficient to achieve profitability and could harm our future prospects and reduce our stock price.

We are unable to predict what impact the Health Care and Education Reconciliation Act of 2010 or other reform legislation will have on our business or future prospects. The uncertainty as to the nature and scope of the implementation of any proposed reforms limits our ability to forecast changes that may affect our business. In Europe, the success of our products, in particular HEPLISAV, will depend largely on obtaining and maintaining government reimbursement because many providers in European countries are unlikely to use medical products that are not reimbursed by their governments. Many countries in Europe have adopted legislation and increased efforts to control prices of healthcare products. We are unable to predict the impact these actions will have on our business or future prospects.

We rely on contract research organizations to conduct our clinical trials. If these third parties do not fulfill their contractual obligations or meet expected deadlines, our planned clinical trials may be delayed and we may fail to obtain the regulatory approvals necessary to commercialize our product candidates.

We rely on third parties to conduct our clinical trials. If these third parties do not perform their obligations or meet expected deadlines our planned clinical trials may be extended, delayed, modified or terminated. While we conduct regular reviews of the data, we are dependent on the processes and quality control efforts of our third party contractors to ensure that detailed, quality records are maintained to support the results of the clinical trials that they are conducting on our behalf. Any extension, delay, modification or termination of our clinical trials or failure to ensure adequate documentation and the quality of the results in the clinical trials could delay or otherwise adversely affect our ability to commercialize our product candidates and could have a material adverse effect on our business and operations.

A key part of our business strategy is to establish collaborative relationships to commercialize and fund development of our product candidates. We may not succeed in establishing and maintaining collaborative relationships, which may significantly limit our ability to develop and commercialize our products successfully, if at all.

We will need to establish collaborative relationships to obtain domestic and international sales, marketing and distribution capabilities for our product candidates, in particular with respect to the commercialization of HEPLISAV, if approved. The recent FDA Complete Response Letter for HEPLISAV may negatively impact the potential for a collaborative relationship and failure to obtain a collaborative relationship for HEPLISAV, particularly in the European Union and for other markets requiring extensive sales efforts, may significantly impair the potential for this product. We also will need to enter into or maintain collaborative relationships to provide funding to support our other research and development programs. The process of establishing and maintaining collaborative relationships is difficult, time-consuming and involves significant uncertainty, including:

- our partners may seek to renegotiate or terminate their relationships with us due to unsatisfactory clinical results, manufacturing issues, a change in business strategy, a change of control or other reasons;
- our shortage of capital resources may impact the willingness of companies to collaborate with us;
- our contracts for collaborative arrangements are terminable at will on written notice and may otherwise expire or terminate and we may not have alternative funding available;
- our partners may choose to pursue alternative technologies, including those of our competitors;
- we may have disputes with a partner that could lead to litigation or arbitration;
- we have limited control over the decisions of our partners and they may change the priority of our programs in a manner that would result in termination of the agreement or add significant delay in the partnered program;
- our ability to generate future payments and royalties from our partners depends upon the abilities of our partners to establish the safety and efficacy of our drug candidates, obtain regulatory approvals and successfully manufacture and achieve market acceptance of products developed from our drug candidates;
- we or our partners may fail to properly initiate, maintain or defend our intellectual property rights, where applicable, or a party may use our proprietary information in such a way as to invite litigation that could jeopardize or potentially invalidate our proprietary information or expose us to potential liability;
- our partners may not devote sufficient capital or resources towards our product candidates; and
- our partners may not comply with applicable government regulatory requirements.

If any collaborator fails to fulfill its responsibilities in a timely manner, or at all, our research, clinical development, manufacturing or commercialization efforts pursuant to that collaboration could be delayed or terminated, or it may be necessary for us to assume responsibility for expenses or activities that would otherwise have been the responsibility of our collaborator. If we are unable to establish and maintain collaborative relationships on acceptable terms or to successfully transition terminated collaborative agreements, we may have to delay or discontinue further development of one or more of our product candidates, undertake development and commercialization activities at our own expense or find alternative sources of capital.

The financial terms of future collaborative licensing or financing arrangements could result in dilution of our share value.

Funding from collaboration partners and other parties may in the future involve issuance of our equity securities. Because we do not currently have any such arrangements, we cannot be certain how the terms under

which such shares are issued will be determined or when such determinations will be made. The current market for financing or collaborative arrangements often involves the issuance of warrants as additional consideration in establishing the purchase price of the equity securities issued. Any such issuance could result in dilution in the value of our issued and outstanding shares.

Many of our competitors have greater financial resources and expertise than we do. If we are unable to successfully compete with existing or potential competitors despite these disadvantages we may be unable to generate revenues and our business will be harmed.

We compete with pharmaceutical companies, biotechnology companies, academic institutions and research organizations, in developing therapies to prevent or treat infectious and inflammatory diseases. For example, if it is approved, HEPLISAV will compete in the United States with established hepatitis B vaccines marketed by Merck and GSK and outside the United States with vaccines from those companies and several additional established pharmaceutical companies. Competitors may develop more effective, more affordable or more convenient products or may achieve earlier patent protection or commercialization of their products. These competitive products may render our product candidates obsolete or limit our ability to generate revenues from our product candidates.

Existing and potential competitors may also compete with us for qualified scientific and management personnel, as well as for technology that would be advantageous to our business. Although certain of our employees have commercialization experience, as a company we currently have limited sales, marketing and distribution capabilities. Our success in developing marketable products and achieving a competitive position will depend, in part, on our ability to attract and retain qualified personnel. If we do not succeed in attracting new personnel and retaining and motivating existing personnel, our operations may suffer and we may be unable to obtain financing, enter into collaborative arrangements, sell our product candidates or generate revenues.

As we evolve from a company primarily involved in research and development to a company potentially involved in commercialization, we may encounter difficulties in managing our growth and expanding our operations successfully.

As we advance HEPLISAV through the development stage towards commercialization, we will need to expand our organization, including adding marketing and sales capabilities or contracting with third parties to provide these capabilities for us. As our operations expand, we expect that we will also need to manage additional relationships with various collaborative partners, suppliers and other third parties. Future growth will impose significant added responsibilities on our organization, in particular on management. In addition, we expect to enhance our senior management group as we prepare to become a commercial organization. Our future financial performance and our ability to commercialize HEPLISAV and to compete effectively will depend, in part, on our ability to manage any future growth effectively. To that end, we may not be able to manage our development efforts effectively, and hire, train and integrate additional management, administrative and sales and marketing personnel, and our failure to accomplish any of these activities could prevent us from successfully growing our company.

If we fail to comply with the extensive requirements applicable to biopharmaceutical manufacturers and marketers under the healthcare fraud laws of the jurisdictions in which we conduct our business, we may be subject to significant liability.

Our activities, and the activities of our agents, including some contracted third parties, are subject to extensive government regulation and oversight both in the U.S. and in foreign jurisdictions. If we obtain approval for and commercialize a vaccine or other product, our interactions with physicians and others in a position to prescribe or purchase our products will be subject to a legal regime designed to prevent healthcare fraud and abuse. Relevant U.S. laws include:

- the Anti-Kickback Statute, which prohibits persons from, among other things, knowingly and willfully soliciting, receiving, offering or paying remuneration, directly or indirectly, in exchange for or to

induce either the referral of an individual for, or the purchase, order or recommendation of, any good or service for which payment may be made under federal health care programs, such as the Medicare and Medicaid programs;

- federal false claims laws which prohibit individuals or entities from, among other things, knowingly presenting, or causing to be presented, claims for payment to the government or its agents that are false or fraudulent;
- laws that require transparency regarding financial arrangements with health care professionals, such as the reporting and disclosure requirements imposed by the Patient Protection and Affordable Care Act ("PPACA") and state laws; and
- state law equivalents of each of the above federal laws, such as anti-kickback and false claims laws which may apply to items or services reimbursed by state health insurance programs or any third-party payer, including commercial insurers.

The Office of Inspector General for the Department of Health and Human Services, the Department of Justice, states' Attorneys General and other governmental authorities actively enforce the laws and regulations discussed above. These entities also coordinate extensively with the FDA, using legal theories that connect violations of the Federal Food, Drug and Cosmetic Act (such as off-label promotion) to the eventual submission of false claims to government healthcare programs. Prosecution of such promotion cases under the healthcare fraud laws provides the potential for private parties (qui tam relators, or "whistleblowers") to initiate cases on behalf of the government and provides for significantly higher penalties upon conviction.

In the U.S., pharmaceutical and biotechnology companies have been the target of numerous government prosecutions and investigations alleging violations of law, including claims asserting impermissible off-label promotion of pharmaceutical products, payments intended to influence the referral of federal or state health care business, submission of false claims for government reimbursement, or submission of incorrect pricing information.

Violations of any of the laws described above or any other applicable governmental regulations and other similar foreign laws may subject us, our employees or our agents to criminal and/or civil sanctions, including fines, civil monetary penalties, exclusion from participation in government health care programs (including Medicare and Medicaid), and the restriction or restructuring of our operations, any of which could adversely affect our ability to operate our business and our financial results. Additionally, whether or not we have complied with the law, an investigation into alleged unlawful conduct may incur significant expense, cause reputational damage, divert management time and attention, and otherwise adversely affect our business. While we have developed and instituted a corporate compliance program, we cannot guarantee that we, our employees, our consultants, contractors, or other agents are or will be in compliance with all applicable U.S. or foreign laws.

We expect there will continue to be federal and state laws and/or regulations, proposed and implemented, that could impact our operations and business. The extent to which future legislation or regulations, if any, relating to health care fraud abuse laws and/or enforcement, may be enacted or what effect such legislation or regulation would have on our business remains uncertain.

The loss of key personnel, including our Chief Executive Officer or our President, could delay or prevent achieving our objectives.

Our research, product development and business efforts could be adversely affected by the loss of one or more key members of our scientific or management staff, including our Chief Executive Officer, Dr. Dino Dina, or our President, Dr. J. Tyler Martin. We currently have no key person insurance on any of our employees. We intend to strengthen our senior management group as we prepare to become a commercial organization, and during the second quarter 2012, our Board of Directors initiated a process for Dr. Dina's succession.

We face product liability exposure, which, if not covered by insurance, could result in significant financial liability.

While we have not experienced any product liability claims to date, the use of any of our product candidates in clinical trials and the sale of any approved products will subject us to potential product liability claims and may raise questions about a product's safety and efficacy. As a result, we could experience a delay in our ability to commercialize one or more of our product candidates or reduced sales of any approved product candidates. In addition, a product liability claim may exceed the limits of our insurance policies and exhaust our internal resources. We have obtained limited clinical trial liability and umbrella insurance coverage for our clinical trials. This coverage may not be adequate or may not continue to be available in sufficient amounts, at an acceptable cost or at all. We also may not be able to obtain commercially reasonable product liability insurance for any product approved for marketing in the future. A product liability claim, product recalls or other claims, as well as any claims for uninsured liabilities or in excess of insured liabilities, would divert our management's attention from our business and could result in significant financial liability.

We use hazardous materials in our business. Any claims or liabilities relating to improper handling, storage or disposal of these materials could be time consuming and costly to resolve.

Our research and product development activities involve the controlled storage, use and disposal of hazardous and radioactive materials and biological waste. We are subject to federal, state and local laws and regulations governing the use, manufacture, storage, handling and disposal of these materials and certain waste products. We believe we are currently in compliance with all government permits that are required for the storage, use and disposal of these materials. However, we cannot eliminate the risk of accidental contamination or injury to persons or property from these materials. In the event of an accident related to hazardous materials, we could be held liable for damages, cleanup costs or penalized with fines, and this liability could exceed the limits of our insurance policies and exhaust our internal resources. We may have to incur significant costs to comply with future environmental laws and regulations.

Risks Related to our Finances and Capital Requirements

We have incurred substantial losses since inception and do not have any commercial products that generate revenue.

We have experienced significant net losses in each year since our inception. Our accumulated deficit was $435.5 million as of December 31, 2012. To date, our revenue has resulted from collaboration agreements, government and private agency grants and services and license fees from our customers, including the customers of Rhein. We anticipate that we will incur substantial additional net losses in future years as a result of our continuing investment in research and development activities and our addition of infrastructure and operations to support regulatory approval and commercialization of HEPLISAV.

We do not have any products that generate revenue. There can be no assurance whether HEPLISAV can be further developed, financed or commercialized in a timely manner without significant additional studies or patient data or significant expense; whether current development efforts will be sufficient to support approval of HEPLISAV; or if approved, whether the market for HEPLISAV will be sufficient for us to reach profitability. The recent Complete Response Letter from the FDA for HEPLISAV means that our efforts to achieve product revenues are delayed and there can be no assurance that we will be able to achieve approval or generate meaningful sales without significant additional resources. Our ability to generate revenue depends upon obtaining regulatory approvals for our product candidates, generating product sales and entering into and maintaining successful collaborative relationships.

If we are unable to generate significant revenues or achieve profitability, we may be required to reduce or discontinue our current and planned operations, enter into a transaction that constitutes a change in control of the company or raise additional capital on less than favorable terms.

If we are unable to generate significant revenues or achieve profitability, we will require substantial additional capital to continue development of our product candidates and if our most advanced candidate, HEPLISAV, is approved, to commence sales and marketing activities.

To continue development of our product candidates and, if it is approved, to launch HEPLISAV, we may need significant additional funds. Addressing this need may occur through strategic alliance and licensing arrangements and/or future public or private financings. We expect to continue to spend substantial funds in connection with:

- development, manufacturing and commercialization of our product candidates, particularly HEPLISAV;
- various human clinical trials for our product candidates; and
- protection of our intellectual property.

We currently estimate that we have sufficient resources to meet our anticipated cash needs through at least the next 12 months based on cash, cash equivalents and marketable securities on hand as well as anticipated revenues and funding from existing agreements.

Sufficient additional financing through future public or private financings, strategic alliance and licensing arrangements or other financing sources may not be available on acceptable terms or at all. Additional equity financings, if completed, could result in significant dilution or otherwise adversely affect the rights of existing stockholders. If adequate funds are not available in the future, we may need to delay, reduce the scope of, or put on hold the HEPLISAV program or other development programs while we seek strategic alternatives.

Risks Related to our Intellectual Property

We rely on licenses to intellectual property from third parties. Impairment of these licenses or our inability to maintain them would severely harm our business.

Our current research and development efforts depend in part upon our license arrangements for intellectual property owned by third parties. Our dependence on these licenses subjects us to numerous risks, such as disputes regarding the use of the licensed intellectual property and the creation and ownership of new discoveries under such license agreements. In addition, these license arrangements require us to make timely payments to maintain our licenses and typically contain diligence or milestone-based termination provisions. Our failure to meet any obligations pursuant to these agreements could allow our licensors to terminate our agreements or undertake other remedies such as converting exclusive to non-exclusive licenses if we are unable to cure or obtain waivers for such failures or amend such agreements on terms acceptable to us. In addition, our license agreements may be terminated or may expire by their terms, and we may not be able to maintain the exclusivity of these licenses. If we cannot obtain and maintain licenses that are advantageous or necessary to the development or the commercialization of our product candidates, we may be required to expend significant time and resources to develop or license similar technology or to find other alternatives to maintaining the competitive position of our products. If such alternatives are not available to us in a timely manner or on acceptable terms, we may be unable to continue development or commercialize our product candidates. In addition, we must make timely payments or meet diligence obligations to maintain any such licenses in effect. In the absence of a current license, we may be required to redesign our technology so it does not infringe a third party's patents, which may not be possible or could require substantial funds and time.

If third parties successfully assert that we have infringed their patents and proprietary rights or challenge our patents and proprietary rights, we may become involved in intellectual property disputes and litigation that would be costly, time consuming and delay or prevent development or commercialization of our product candidates.

We may be exposed to future litigation by third parties based on claims that our product candidates or proprietary technologies infringe their intellectual property rights, or we may be required to enter into litigation

to enforce patents issued or licensed to us or to determine the ownership, scope or validity of our or another party's proprietary rights, including a challenge as to the validity of our issued and pending claims. From time to time we are involved in various interference and other administrative proceedings related to our intellectual property which has caused us to incur certain legal expenses. If we become involved in any litigation and/or other significant interference proceedings related to our intellectual property or the intellectual property of others, we will incur substantial additional expenses and it will divert the efforts of our technical and management personnel.

Two of our potential competitors, Merck and GSK, are exclusive licensees of broad patents covering methods of production of recombinant HBsAg, a component of HEPLISAV. In addition, the Institut Pasteur also owns or has exclusive licenses to patents relating to aspects of production of recombinant HBsAg. While some of these patents have expired or will soon expire outside the United States, they remain in force in the United States. To the extent we are able to commercialize HEPLISAV in the United States while these patents remain in force, Merck, GSK or their respective licensors or the Institut Pasteur may bring claims against us.

If we or our collaborators are unsuccessful in defending or prosecuting our issued and pending claims or in defending potential claims against our products, for example, as may arise in the commercialization of HEPLISAV or any similar product candidate, we or our collaborator could be required to pay substantial damages or be unable to commercialize our product candidates or use our proprietary technologies without a license from such third party. A license may require the payment of substantial fees or royalties, require a grant of a cross-license to our technology or may not be available on acceptable terms, if at all. Any of these outcomes could require us to change our business strategy and could materially impact our business and operations.

One of our potential competitors, Pfizer, has issued patent claims, as well as patent claims pending with the PTO and foreign patent offices, that may be asserted against our ISS products. We may need to obtain a license to one or more of these patent claims held by Pfizer by paying fees or royalties or offering rights to our own proprietary technologies to commercialize one or more of our formulations of ISS other than with respect to HEPLISAV, for which we have a license. A license for other uses may not be available to us on acceptable terms, if at all, which could preclude or limit our ability to commercialize our products.

If the combination of patents, trade secrets and contractual provisions that we rely on to protect our intellectual property is inadequate, the value of our product candidates will decrease.

Our success depends on our ability to:

- obtain and protect commercially valuable patents or the rights to patents both domestically and abroad;
- operate without infringing upon the proprietary rights of others; and
- prevent others from successfully challenging or infringing our proprietary rights.

We will be able to protect our proprietary rights from unauthorized use only to the extent that these rights are covered by valid and enforceable patents or are effectively maintained as trade secrets. We try to protect our proprietary rights by filing and prosecuting U.S. and foreign patent applications. However, in certain cases such protection may be limited, depending in part on existing patents held by third parties, which may only allow us to obtain relatively narrow patent protection. In the United States, legal standards relating to the validity and scope of patent claims in the biopharmaceutical field can be highly uncertain, are still evolving and involve complex legal and factual questions for which important legal principles remain unresolved.

The biopharmaceutical patent environment outside the United States is even more uncertain. We may be particularly affected by this uncertainty since several of our product candidates may initially address market opportunities outside the United States, where we may only be able to obtain limited patent protection.

The risks and uncertainties that we face with respect to our patents and other proprietary rights include the following:

- we may not receive an issued patent for any of our patent applications or for any patent applications that we have exclusively licensed;
- the pending patent applications we have filed or to which we have exclusive rights may take longer than we expect to result in issued patents;
- the claims of any patents that are issued may not provide meaningful protection or may not be valid or enforceable;
- we might not be able to develop additional proprietary technologies that are patentable;
- the patents licensed or issued to us or our collaborators may not provide a competitive advantage;
- patents issued to other parties may limit our intellectual property protection or harm our ability to do business;
- other parties may independently develop similar or alternative technologies or duplicate our technologies and commercialize discoveries that we attempt to patent; and
- other parties may design around technologies we have licensed, patented or developed.

We also rely on trade secret protection and confidentiality agreements to protect our interests in proprietary know-how that is not patentable and for processes for which patents are difficult to enforce. We cannot be certain that we will be able to protect our trade secrets adequately. Any disclosure of confidential data in the public domain or to third parties could allow our competitors to learn our trade secrets. If we are unable to adequately obtain or enforce proprietary rights we may be unable to commercialize our products, enter into collaborations, generate revenues or maintain any advantage we may have with respect to existing or potential competitors.

Risks Related to an Investment in our Common Stock

Our stock price is subject to volatility, and your investment may suffer a decline in value.

The market prices for securities of biopharmaceutical companies have in the past been, and are likely to continue in the future, to be, very volatile. The market price of our common stock is subject to substantial volatility depending upon many factors, many of which are beyond our control, including:

- progress or results of any of our clinical trials or regulatory or manufacturing efforts, in particular any announcements regarding the progress or results of our planned trials and communications from the FDA or other regulatory agencies, for example as evidenced by our stock decline of over 30% following our February 2013 announcement of a Complete Response Letter from the FDA;
- our ability to establish and maintain collaborations for the development and commercialization of our product candidates;
- our ability to raise additional capital to fund our operations;
- technological innovations, new commercial products or drug discovery efforts and preclinical and clinical activities by us or our competitors;
- changes in our intellectual property portfolio or developments or disputes concerning the proprietary rights of our products or product candidates;
- our ability to obtain component materials and successfully enter into manufacturing relationships for our product candidates or establish manufacturing capacity on our own;
- our ability to establish and maintain licensing agreements for intellectual property necessary for the development of our product candidates;
- changes in government regulations, general economic conditions or industry announcements;

- issuance of new or changed securities analysts' reports or recommendations;
- actual or anticipated fluctuations in our quarterly financial and operating results;
- our ability to maintain continued listing on the NASDAQ markets or similar exchanges; and
- the volume of trading in our common stock.

One or more of these factors could cause a substantial decline in the price of our common stock. In addition, securities class action litigation has often been brought against a company following a decline in the market price of its securities. This risk may be particularly relevant for us because we have experienced greater than average stock price volatility. We may in the future be the target of such litigation. Securities litigation could result in substantial costs, and divert management's attention and resources, which could harm our business, operating results and financial condition.

The anti-takeover provisions of our certificate of incorporation, our bylaws, Delaware law and our share purchase rights plan may prevent or frustrate a change in control, even if an acquisition would be beneficial to our stockholders, which could affect our stock price adversely and prevent attempts by our stockholders to replace or remove our current management.

Provisions of our certificate of incorporation and bylaws may delay or prevent a change in control, discourage bids at a premium over the market price of our common stock and adversely affect the market price of our common stock and the voting or other rights of the holders of our common stock. These provisions include:

- authorizing our Board of Directors to issue additional preferred stock with voting rights to be determined by the Board of Directors;
- limiting the persons who can call special meetings of stockholders;
- prohibiting stockholder actions by written consent;
- creating a classified board of directors pursuant to which our directors are elected for staggered three year terms;
- providing that a supermajority vote of our stockholders is required for amendment to certain provisions of our certificate of incorporation and bylaws; and
- establishing advance notice requirements for nominations for election to our Board of Directors or for proposing matters that can be acted on by stockholders at stockholder meetings.

Our share purchase rights plan may have certain anti-takeover effects. Specifically, the rights issued pursuant to the plan will cause substantial dilution to a person or group that attempts to acquire the Company on terms not approved by our Board of Directors. Although the rights should not interfere with any merger or other business combination approved by the Board of Directors since the rights issued may be amended to permit such acquisition or redeemed by the Company at $0.001 per right prior to the earliest of (i) the time that a person or group has acquired beneficial ownership of 20% or more of our common stock or (ii) the final expiration date of the rights, the effect of the rights plan may deter a potential acquisition of the Company. In addition, we remain subject to the provisions of the Delaware corporation law that, in general, prohibit any business combination with a beneficial owner of 15% or more of our common stock for three years unless the holder's acquisition of our stock was approved in advance by our Board of Directors.

We will continue to incur increased costs and demands upon management as a result of complying with the laws and regulations affecting public companies, which could affect our operating results.

As a public company, we will continue to incur legal, accounting and other expenses associated with reporting requirements and corporate governance requirements, including requirements under the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as well as new rules implemented by the Securities and Exchange Commission and the NASDAQ Stock Market LLC. We may

need to continue to implement additional financial and accounting systems, procedures and controls to accommodate changes in our business and organization and to comply with new reporting requirements. There can be no assurance that we will be able to maintain a favorable assessment as to the adequacy of our internal control over financial reporting. If we are unable to reach an unqualified assessment, or our independent registered public accounting firm is unable to issue an unqualified attestation as to the effectiveness of our internal control over financial reporting as of the end of our fiscal year, investors could lose confidence in the reliability of our financial reporting which could harm our business and could impact the price of our common stock.

Future sales of our common stock or the perception that such sales may occur in the public market could cause our stock price to fall.

Sales of a substantial number of shares of our common stock in the public market, or the perception that these sales might occur, could depress the market price of our common stock and could impair our ability to raise capital through the sale of additional equity securities. As of December 31, 2012, we had 182,791,521 shares of common stock outstanding, all of which shares were eligible for sale in the public market, subject in some cases to the volume limitations and manner of sale requirements under Rule 144 of the Securities Act of 1933, as amended.

In addition, we have filed shelf registration statements on Form S-3 under the Securities Act of 1933, as amended, to register securities that we may choose to issue in the future and on Form S-8 to register the shares of our common stock reserved for issuance under our stock option plans.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

As of December 31, 2012, we leased approximately 40,700 square feet of laboratory and office space in Berkeley, California under agreements expiring in June 2018. On December 17, 2012, we entered into a new lease of approximately 14,500 square feet of additional office space in Berkeley, California under an agreement expiring in June 2018. We also lease approximately 5,600 square meters of laboratory and office space in Düsseldorf, Germany under lease agreements expiring in March 2023.

ITEM 3. LEGAL PROCEEDINGS

From time to time in the ordinary course of business, we receive claims or allegations regarding various matters, including employment, vendor and other similar situations in the conduct of our operations. We do not believe any of the current claims or allegations are material to our current business or operations.

ITEM 4. MINE SAFETY DISCLOSURE

Not applicable.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information and Holders

Our common stock is traded on the NASDAQ Capital Market under the ticker symbol DVAX. Public trading of our common stock commenced on February 19, 2004. The following table sets forth for the periods indicated the high and low sale prices per share of our common stock.

	Common Stock Price	
	High	Low
2012		
First Quarter	$5.08	$3.24
Second Quarter	$5.34	$3.33
Third Quarter	$4.99	$3.48
Fourth Quarter	$5.10	$2.22
2011		
First Quarter	$3.59	$2.48
Second Quarter	$2.94	$2.42
Third Quarter	$3.16	$1.80
Fourth Quarter	$3.39	$1.75

As of February 28, 2013, there were approximately 86 holders of record of our common stock, as shown on the records of our transfer agent. We believe that our stockholders exceed 17,800 as the number of record holders excludes shares held in "street name" through brokers.

Dividends

We have never paid any cash dividends on our common stock. We currently expect to retain future earnings, if any, for use in the operation and expansion of our business and do not anticipate paying any cash dividends in the foreseeable future.

Recent Sales of Unregistered Securities

None.

Issuer Purchases of Equity Securities

Period	(a) Total Number of Shares (or Units) Purchased[1] (In thousands)	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
October 1, 2012 to October 31, 2012	28	$ 4.81	—	—
November 1, 2012 to November 30, 2012	—	—	—	—
December 1, 2012 to December 31, 2012	—	—	—	—
Total	28	$ 4.81	—	—

(1) In October 2012, we delivered 75,000 shares of common stock to certain holders of vested restricted stock units, which had been awarded in November 2010. Of this amount, 27,510 shares of common stock were surrendered at an average price of $4.81 per share to the Company in satisfaction of tax obligations related to the shares of common stock delivered.

ITEM 6. SELECTED FINANCIAL DATA

The following selected financial data should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations, and with the Consolidated Financial Statements and Notes thereto which are included elsewhere in this Form 10-K. The Consolidated Statements of Operations Data for the years ended December 31, 2012, 2011 and 2010 and the Consolidated Balance Sheets Data as of December 31, 2012 and 2011 are derived from the audited Consolidated Financial Statements included elsewhere in this Form 10-K. The Consolidated Statements of Operations Data for the years ended December 31, 2009 and 2008 and the Consolidated Balance Sheets Data as of December 31, 2010, 2009 and 2008 are derived from audited Consolidated Financial Statements that are not included in this Form 10-K. Historical results are not necessarily indicative of results to be anticipated in the future.

	Years Ended December 31,				
	2012	2011	2010	2009	2008
	(In thousands, except per share data)				
Consolidated Statements of Operations Data:					
Total revenues	$ 9,714	$ 21,614	$ 23,950	$ 40,318	$ 37,094
Operating expenses:					
Research and development	49,146	51,322	53,680	38,708	44,771
General and administrative	28,164	17,570	16,879	15,745	15,463
Amortization of intangible assets	—	299	980	980	980
Total operating expenses	77,310	69,191	71,539	55,433	61,214
Loss from operations	(67,596)	(47,577)	(47,589)	(15,115)	(24,120)
Interest income	291	103	85	178	1,631
Interest expense	(2,351)	(1,957)	(1,654)	(124)	(9,157)
Other income (expense)[1]	(293)	834	(8,150)	(66)	110
Loan forgiveness[2]	—	—	—	—	5,000
Net loss	(69,949)	(48,597)	(57,308)	(15,127)	(26,536)
Consideration paid in excess of carrying value of the noncontrolling interest in Symphony Dynamo, Inc. ("SDI")[3]	—	—	—	(19,671)	—
Add: Losses attributable to noncontrolling interest in SDI	—	—	—	4,233	5,707
Net loss attributable to Dynavax	$ (69,949)	$ (48,597)	$ (57,308)	$ (30,565)	$ (20,829)
Basic and diluted net loss per share attributable to Dynavax common stockholders	$ (0.41)	$ (0.39)	$ (0.69)	$ (0.76)	$ (0.52)
Shares used to compute basic and diluted net loss per share attributable to Dynavax common stockholders	170,469	125,101	82,463	40,350	39,819

(1) Includes the impact of the anti-dilution provision associated with the common stock and warrants issued to Symphony Capital Partners, L.P. and Symphony Strategic Partners, LLC (collectively, "Symphony") and the change in fair value of the Symphony-related long-term contingent and warrant liabilities for the year ended December 31, 2010. See Note 8 to the Consolidated Financial Statements.

(2) Represents a $5.0 million portion of a loan from Deerfield that was forgiven upon termination of a loan agreement during the year ended December 31, 2008.

(3) Represents the consideration paid in excess of the carrying value of the noncontrolling interest in SDI that was treated as a deemed dividend for purposes of reporting earnings per share, increasing net loss per share for the year ended December 31, 2009. See Note 8 to the Consolidated Financial Statements.

	December 31,				
	2012	2011	2010	2009	2008
	(In thousands)				
Consolidated Balance Sheets Data:					
Cash, cash equivalents and marketable securities	$ 125,130	$ 113,961	$ 72,154	$ 36,720	$ 43,367
Investments held by Symphony Dynamo, Inc.	—	—	—	—	25,109
Working capital	109,173	97,399	60,598	24,583	36,381
Total assets	139,752	134,102	84,249	50,470	90,623
Note payable to Symphony Dynamo Holdings LLC(1)	—	12,810	10,939	9,342	—
Noncontrolling interest in Symphony Dynamo, Inc.	—	—	—	—	2,634
Accumulated deficit	(435,491)	(365,542)	(316,945)	(259,637)	(248,743)
Total Dynavax stockholders' equity	114,826	99,880	52,111	6,376	13,522

(1) The note payable to Symphony Dynamo Holdings LLC ("Holdings") was paid in cash on December 31, 2012.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements that involve a number of risks and uncertainties. Our actual results could differ materially from those indicated by forward-looking statements as a result of various factors, including but not limited to, the period for which we estimate our cash resources are sufficient, the availability of additional funds, as well as those set forth under "Risk Factors" and those that may be identified from time to time in our reports and registration statements filed with the Securities and Exchange Commission.

The following discussion and analysis is intended to provide an investor with a narrative of our financial results and an evaluation of our financial condition and results of operations. The discussion should be read in conjunction with "Item 6—Selected Financial Data" and the Consolidated Financial Statements and the related notes thereto set forth in "Item 8—Financial Statements and Supplementary Data."

Overview

Dynavax Technologies Corporation ("we," "our," "us," "Dynavax" or the "Company"), a clinical-stage biopharmaceutical company, discovers and develops novel products to prevent and treat infectious and inflammatory diseases. Our lead product candidate is HEPLISAV™, a Phase 3 investigational adult hepatitis B vaccine.

Our pipeline of product candidates includes: HEPLISAV, our autoimmune program partnered with GlaxoSmithKline ("GSK") and our therapy for asthma partnered with AstraZeneca AB ("AstraZeneca"). We compete with pharmaceutical companies, biotechnology companies, academic institutions and research organizations, in developing therapies to prevent or treat infectious and inflammatory diseases. Our product candidates are based on our proprietary technology which uses immunostimulatory and immunoregulatory sequences.

Recent Developments

On February 25, 2013, Dynavax announced that it had received a Complete Response Letter ("CRL") from the U.S. Food and Drug Administration ("FDA" or "Agency") regarding its Biologic License Application ("BLA") for HEPLISAV. In the CRL, the FDA specified that the indication in adults 18-70 years of age cannot be approved without further evaluation of safety in this broad age group. Furthermore, the FDA requested

additional data from Dynavax's process validation program and clarifying information on the manufacturing controls and facilities related to the assurance of the quality of the commercial product. We plan to meet with the FDA in the near term to discuss the CRL and the steps necessary for potential approval of HEPLISAV.

Dynavax's Marketing Authorization Application for HEPLISAV continues to be under review in Europe.

Critical Accounting Policies and the Use of Estimates

The accompanying discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements and the related disclosures, which have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). The preparation of these financial statements requires us to make estimates, assumptions and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet dates and the reported amounts of revenues and expenses for the periods presented. On an ongoing basis, we evaluate our estimates, including those related to revenue recognition, research and development activities, stock-based compensation, asset impairment, contingencies and the valuation of certain liabilities. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

While our significant accounting policies are more fully described in Note 2 to the Consolidated Financial Statements, we believe the following critical accounting policies reflect the more significant judgments and estimates used in the preparation of our financial statements.

Revenue Recognition

Our revenues consist of amounts earned from collaborations, grants, fees from services and licenses. We enter into license and manufacturing agreements and collaborative research and development arrangements with pharmaceutical and biotechnology partners that may involve multiple deliverables. Our arrangements may include one or more of the following elements: upfront license payments, cost reimbursement for the performance of research and development activities, milestone payments, other contingent payments, contract manufacturing service fees, royalties and license fees. Each deliverable in the arrangement is evaluated to determine whether it meets the criteria to be accounted for as a separate unit of accounting or whether it should be combined with other deliverables. We recognize revenue when there is persuasive evidence that an arrangement exists, delivery has occurred or services have been rendered, the price is fixed or determinable and collectability is reasonably assured.

On January 1, 2011, we adopted on a prospective basis Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2009-13, *Multiple-Deliverable Revenue Arrangements*, which amends the criteria related to identifying separate units of accounting and provides guidance on whether multiple deliverables exist, how an arrangement should be separated and the consideration allocated.

Non-refundable upfront fees received for license and collaborative agreements entered into prior to January 1, 2011 and other payments under collaboration agreements where we have continuing performance obligations related to the payments are deferred and recognized over our expected performance period. Revenue is recognized on a ratable basis, unless we determine that another method is more appropriate, through the date at which our performance obligations are completed. Management makes its best estimate of the period over which we expect to fulfill our performance obligations, which may include clinical development activities. Given the uncertainties of research and development collaborations, significant judgment is required to determine the duration of the performance period. We recognize cost reimbursement revenue under collaborative agreements as the related research and development costs are incurred, as provided for under the terms of these agreements.

On January 1, 2011, we elected to prospectively adopt the milestone method as described in FASB ASU 2010-17, *Milestone Method of Revenue Recognition.* Under the milestone method, contingent consideration

received for the achievement of a substantive milestone is recognized in its entirety in the period in which the milestone is achieved. A milestone is defined as an event having all of the following characteristics: (i) there is substantive uncertainty at the date the arrangement is entered into that the event will be achieved, (ii) the event can only be achieved based in whole or in part on either the entity's performance or a specific outcome resulting from the entity's performance and (iii) if achieved, the event would result in additional payments being due to the entity.

Our license and collaboration agreements with our partners provide for payments to be paid to us upon the achievement of development milestones. Given the challenges inherent in developing biologic products, there is substantial uncertainty whether any such milestones will be achieved at the time we entered into these agreements. In addition, we evaluate whether the development milestones meet the criteria to be considered substantive. The conditions include: (i) the development work is contingent on either of the following: (a) the vendor's performance to achieve the milestone or (b) the enhancement of the value of the deliverable item or items as a result of a specific outcome resulting from the vendor's performance to achieve the milestone; (ii) it relates solely to past performance and (iii) it is reasonable relative to all the deliverable and payment terms within the arrangement. As a result of our analysis, we consider our development milestones to be substantive and, accordingly, we expect to recognize as revenue future payments received from such milestones as we achieve each milestone.

Milestone payments that are contingent upon the achievement of substantive at-risk performance criteria are recognized in full upon achievement of those milestone events in accordance with the terms of the agreement and assuming all other revenue recognition criteria have been met. All revenue recognized to date under our collaborative agreements has been nonrefundable.

Our license and collaboration agreements with certain partners also provide for contingent payments to be paid to us based solely upon the performance of our partner. For such contingent payments we expect to recognize the payments as revenue upon receipt, provided that collection is reasonably assured and the other revenue recognition criteria have been satisfied.

Revenues from manufacturing services are recognized upon meeting the criteria for substantial performance and acceptance by the customer.

Revenue from royalty payments is contingent on future sales activities by our licensees. As a result, we recognize royalty revenue when reported by our licensees and when collection is reasonably assured.

Revenue from government and private agency grants are recognized as the related research expenses are incurred and to the extent that funding is approved. Additionally, we recognize revenue based on the facilities and administrative cost rate reimbursable per the terms of the grant awards.

Research and Development Expenses and Accruals

Research and development expenses include personnel and facility-related expenses, outside contracted services including clinical trial costs, manufacturing and process development costs, research costs and other consulting services and non-cash stock-based compensation. Research and development costs are expensed as incurred. Amounts due under such arrangements may be either fixed fee or fee for service, and may include upfront payments, monthly payments and payments upon the completion of milestones or receipt of deliverables. Non-refundable advance payments under agreements are capitalized and expensed as the related goods are delivered or services are performed.

We contract with third parties to perform various clinical trial activities in the on-going development of potential products. The financial terms of these agreements are subject to negotiation, vary from contract to contract and may result in uneven payment flows to our vendors. Payments under the contracts depend on factors such as the achievement of certain events, successful enrollment of patients, completion of portions of the clinical trial or similar conditions. Our accruals for clinical trials are based on estimates of the services received

and efforts expended pursuant to contracts with clinical trial centers and clinical research organizations. We may terminate these contracts upon written notice and we are generally only liable for actual effort expended by the organizations to the date of termination, although in certain instances we may be further responsible for termination fees and penalties.

Stock-Based Compensation

Stock-based compensation expense for stock options and other stock awards is estimated at the grant date based on the award's fair value-based measurement and is recognized on a straight-line basis over the award's vesting period, assuming an annual forfeiture rate of 5% for our senior management group and 13% for all other employees. Our determination of the fair value-based measurement of stock options on the date of grant using an option-pricing model is affected by our stock price, as well as assumptions regarding a number of highly complex and subjective variables. These variables include, but are not limited to, our expected stock price volatility over the term of the awards, and actual and projected employee stock option exercise behaviors. In the future, as additional empirical evidence regarding these input estimates becomes available, we may change or refine our approach of deriving these input estimates. These changes could impact our fair value-based measurement of stock options granted in the future. Changes in the fair value-based measurement of stock awards could materially impact our operating results.

We selected the Black-Scholes option pricing model as the most appropriate method for determining the estimated fair value-based measurement of our stock options. The Black-Scholes model requires the use of highly subjective and complex assumptions which determine the fair value-based measurement of stock options, including the option's expected term and the price volatility of the underlying stock. Our current estimate of volatility is based on the historical volatility of our stock price. To the extent volatility in our stock price increases in the future, our estimates of the fair value of options granted in the future could increase, thereby increasing stock-based compensation cost recognized in future periods. We derive the expected term assumption primarily based on our historical settlement experience, while giving consideration to options that have not yet completed a full life cycle. Stock-based compensation cost is recognized only for awards ultimately expected to vest. Our estimate of the forfeiture rate is based primarily on our historical experience. To the extent we revise this estimate in the future, our share-based compensation cost could be materially impacted in the quarter of revision, as well as in the following quarters. See Note 13, "Stockholder's Equity" to the Consolidated Financial Statements for further information on our equity incentive plans.

Results of Operations

Revenues

Revenues consist of amounts earned from collaborations, grants and services and license fees. Collaboration revenue includes revenue recognized under our collaboration agreements. Grant revenue includes amounts earned under government and private agency grants. Service and license fees include research and development and contract manufacturing services, license fees and royalty payments.

The following is a summary of our revenues for the years ended December 31, 2012, 2011 and 2010 (in thousands, except for percentages):

	Years Ended December 31,			Increase (Decrease) from 2011 to 2012		Increase (Decrease) from 2010 to 2011	
Revenues:	2012	2011	2010	$	%	$	%
Collaboration revenue	$4,610	$17,190	$19,535	$(12,580)	(73)%	$(2,345)	(12)%
Grant revenue	3,939	3,110	3,940	829	27%	(830)	(21)%
Service and license revenue	1,165	1,314	475	(149)	(11)%	839	177%
Total revenues	$9,714	$21,614	$23,950	$(11,900)	(55)%	$(2,336)	(10)%

2012 versus 2011

Total revenues for the year ended December 31, 2012, decreased by $11.9 million, or 55%, as compared to the same period in 2011 primarily due to the reduction in collaboration revenue. Collaboration revenue for the year ended December 31, 2012, included $3.2 million earned from our partnership with AstraZeneca for work on asthma therapies, compared to $0.8 million earned for the year ended December 31, 2011. Additionally, total collaboration revenue for the year ended December 31, 2011, included recognition of $15 million from GSK for milestones earned in 2011. Grant revenue for the year ended December 31, 2012, increased by $0.8 million from the same period in 2011 primarily due to the increase in revenue recognized from our National Institute of Health's National Institute of Allergy and Infectious Diseases ("NIAID") contract related to adjuvant development.

2011 versus 2010

Total revenues for the year ended December 31, 2011, decreased by $2.3 million, or 10%, as compared to 2010 primarily due to the reduction in collaboration revenue. Collaboration revenue for the year ended December 31, 2011, included recognition of $15 million from GSK for milestones earned in 2011, $1.4 million in revenue from our collaboration with GSK and $0.8 million in other revenue related to our collaboration with AstraZeneca, compared to collaboration revenue for the year ended December 31, 2010, which included recognition of a $10 million upfront payment received from AstraZeneca in 2006 following an amendment to the collaboration agreement, $4.1 million of other revenue related to our collaboration with AstraZeneca, a one-time $4 million payment from Merck & Co. in satisfaction of its obligations to us following termination of our collaboration and $1.4 million in revenue from our collaboration with GSK. Grant revenue for the year ended December 31, 2011, decreased by $0.8 million from the same period in 2010 primarily due to the decrease in revenue recognized from our NIAID contract. Service and license revenue for the year ended December 31, 2011, increased by $0.8 million as compared to 2010 as a result of an increase in royalty revenue and manufacturing service revenue earned by Rhein.

Research and Development

Research and development expenses consist of compensation and related personnel costs which include benefits, recruitment, travel and supply costs; outside services; allocated facility costs and non-cash stock-based compensation. Outside services are incurred for our preclinical experiments and clinical trials, regulatory filings and manufacturing of our product candidates.

The following is a summary of our research and development expense (in thousands, except for percentages):

	Years Ended December 31,			Increase (Decrease) from 2011 to 2012		Increase (Decrease) from 2010 to 2011	
Research and Development:	**2012**	**2011**	**2010**	**$**	**%**	**$**	**%**
Compensation and related personnel costs	$21,134	$19,106	$15,221	$ 2,028	11%	$ 3,885	26%
Outside services	19,371	24,811	31,372	(5,440)	(22)%	(6,561)	(21)%
Facility costs	5,127	5,302	6,455	(175)	(3)%	(1,153)	(18)%
Non-cash stock-based compensation	3,514	2,103	632	1,411	67%	1,471	233%
Total research and development	$49,146	$51,322	$53,680	$(2,176)	(4)%	$(2,358)	(4)%

2012 versus 2011

Research and development expense for the year ended December 31, 2012, decreased by $2.2 million, or 4%, as compared to 2011. The decrease in costs was primarily due to the decline in outside services during 2012

as compared to 2011 from lower HEPLISAV clinical trial expenses, partially offset by an increase in compensation and related personnel costs, including non-cash stock-based compensation, from an increase in employee headcount and related expense incurred for option grants.

2011 versus 2010

Research and development expense for the year ended December 31, 2011, decreased by $2.4 million, or 4%, as compared to 2010. The decrease in costs was primarily due to the decline in outside services during 2011 as compared to 2010 from lower HEPLISAV clinical trial expenses, partially offset by an increase in compensation and related personnel costs, including non-cash stock-based compensation, from an increase in employee headcount. In addition, during 2011, facility costs decreased by $1.2 million as compared to 2010, as a result of lower rent expense from reduced leased space.

General and Administrative

General and administrative expenses primarily consist of compensation and related personnel costs; outside services such as accounting, consulting, business development, investor relations and insurance services; legal costs that include corporate and patent related expenses; allocated facility costs and non-cash stock-based compensation. The following is a summary of our general and administrative expenses (in thousands, except for percentages):

	Years Ended December 31,			Increase (Decrease) from 2011 to 2012		Increase (Decrease) from 2010 to 2011	
General and Administrative:	**2012**	**2011**	**2010**	**$**	**%**	**$**	**%**
Compensation and related personnel costs	$ 9,468	$ 7,398	$ 6,436	$ 2,070	28%	$ 962	15%
Outside services	8,730	4,548	4,207	4,182	92%	341	8%
Legal costs	2,437	1,894	3,622	543	29%	(1,728)	(48)%
Facility costs	604	644	836	(40)	(6)%	(192)	(23)%
Non-cash stock-based compensation	6,925	3,086	1,778	3,839	124%	1,308	74%
Total general and administrative	$28,164	$17,570	$16,879	$10,594	60%	$ 691	4%

2012 versus 2011

General and administrative expenses for the year ended December 31, 2012, increased by $10.6 million, or 60%, compared to the same period in 2011. This increase is primarily due to higher legal and outside costs, including consulting costs for corporate development activities and market research for HEPLISAV. Compensation costs and non-cash stock-based compensation increased due to growth in the number of administrative employees to support the organization and an amended management continuity and severance agreement with one of our executive officers.

2011 versus 2010

General and administrative expenses for the year ended December 31, 2011, increased by $0.7 million, or 4%, compared to the same period in 2010. This increase is primarily due to higher compensation and related personnel costs, including non-cash stock-based compensation, from growth in the number of administrative employees to support the overall organization, partially offset by a decline in legal costs related to patent activities.

Amortization of Intangible Assets

Intangible assets consisted of the manufacturing process and customer relationships resulting from our April 2006 acquisition of Rhein and were amortized over five years from the date of acquisition through the second quarter of 2011. Amortization of intangible assets was $0.3 million and $1.0 million for the years ended December 31, 2011, and 2010, respectively.

Interest Income, Interest Expense and Other Income (Expense)

Interest income is reported net of amortization of premiums and includes accretion of discounts on marketable securities and realized gains and losses on marketable securities. Interest expense relates to the note payable issued to Symphony Dynamo Holdings LLC ("Holdings"). Other income (expense) includes gains and losses on foreign currency transactions, changes in the fair value of contingent and warrant liabilities as well as gains and losses on disposals of property and equipment.

The following is a summary of our interest income, interest expense and other income (expense) (in thousands, except for percentages):

	Years Ended December 31,			Increase (Decrease) from 2011 to 2012		Increase (Decrease) from 2010 to 2011	
	2012	2011	2010	$	%	$	%
Interest income	$ 291	$ 103	$ 85	$ 188	183%	$ 18	21%
Interest expense	$(2,351)	$(1,957)	$(1,654)	$ 394	20%	$ 303	18%
Other income (expense)	$ (293)	$ 834	$(8,150)	$(1,127)	(135)%	$8,984	110%

Interest income for the year ended December 31, 2012, increased by $0.2 million, or 183%, compared to the same period in 2011 due to higher investment balances primarily as a result of our May 2012 common stock offering which resulted in net proceeds of approximately $69.6 million.

Interest expense for the year ended December 31, 2012 and 2011 is related to interest from the accretion of the discount on the note payable to Holdings that was paid in cash on December 31, 2012.

Other income (expense) for the year ended December 31, 2012 decreased by $1.1 million, or 135%, compared to the same period in 2011 due to losses on foreign currency transactions in 2012 related to fluctuations in the value of the Euro compared to the U.S. dollar and the recognition of a one-time gain of $0.8 million for the change in fair value of the long-term contingent and warrant liabilities to Holdings in 2011. Other income (expense) for the year ended December 31, 2010 primarily includes the impact of the anti-dilution provision associated with the common stock and warrants issued to Symphony Capital Partners, L.P. and Symphony Strategic Partners, LLC (collectively, "Symphony") in April 2010 and the remeasurement of the warrant liability through June 30, 2010, that resulted in non-operating expense of $11.1 million, partially offset by a gain of $2.2 million for the change in fair value of the long-term contingent liability to Holdings. Additionally, in 2010 we received a one-time payment of $0.7 million under The Patient Protection and Affordable Care Act of 2010, awarded to us to cover research and development costs from 2009 and 2010 for our qualified therapeutic discovery projects including HEPLISAV.

Liquidity and Capital Resources

As of December 31, 2012, we had $125.1 million in cash, cash equivalents and marketable securities. Since our inception, we have relied primarily on the proceeds from public and private sales of our equity securities to fund our operations. We raised $69.6 million, $91.3 million and $87.4 million in the years ended December 31, 2012, 2011 and 2010, respectively, from public and private sales of our securities. Our funds are currently invested in short-term money market funds, U.S. government agency securities, U.S. treasury securities and municipal securities.

During the year ended December 31, 2012, we used $43.8 million of cash for our operations and had a net loss of $69.9 million, of which $15.1 million consisted of non-cash charges such as depreciation and amortization, non-cash interest expense related to our long-term note payable to Holdings and stock based compensation. By comparison, during the year ended December 31, 2011, we used $47.1 million of cash, and had a net loss of $48.6 million, of which $9.0 million consisted of non-cash charges such as depreciation and amortization, non-cash interest expense related to our long-term note payable to Holdings and stock based compensation. Cash used in operating activities for the year ended December 31, 2012, decreased by $3.3 million compared to cash used for year ended December 31, 2011, due primarily to a decrease in accounts receivable in 2012 related to payments received from our collaborations with GSK and AstraZeneca.

During the year ended December 31, 2012, we used $39.7 million of cash in investing activities which was a $5.1 million increase compared to $34.6 million used during the year ended December 31, 2011. Cash used in investing activities during the year ended December 31, 2012, primarily related to $36.8 million of cash used for net purchases of marketable securities compared to $33.5 million in the prior year, a $3.3 million increase. Cash used in investing activities increased an additional $1.8 million compared to the prior year due to purchases of property and equipment which totaled $2.9 million and $1.1 million in 2012 and 2011, respectively.

During the year ended December 31, 2012, cash provided by financing activities was $59.0 million compared to $91.4 million for the same period in 2011. Cash provided for the year ended December 31, 2012 included net proceeds of $69.6 million from a public stock offering as well as proceeds from stock option and warrant exercises of $4.1 million. These proceeds were partially offset by our $15 million repayment of our note payable to Holdings on December 31, 2012. By comparison, during the year ended December 31, 2011, we completed a public offering which resulted in aggregate net proceeds of $64.5 million, and raised additional funding from Aspire Capital totaling $26.7 million.

Cash used in operating activities during the year ended December 31, 2011, was $47.1 million compared to $51.4 million for the same period in 2010. The decrease in cash usage compared to the prior year was due to the decline in spending for HEPLISAV clinical development and the receipt of milestone payments from our pharmaceutical partners.

Cash used in investing activities during the year ended December 31, 2011, was $34.6 million compared to $50.5 million for 2010. The change was primarily due to the decrease in the net purchases of marketable securities in 2011.

Cash provided by financing activities during the year ended December 31, 2011, was $91.4 million compared to $87.6 million for the same period in 2010. The increase was primarily attributed to the completion of a public offering, which resulted in aggregate net proceeds of $64.5 million, after deducting offering expenses, and an additional $26.7 million in and funding from Aspire Capital, compared to $87.4 million raised in public offerings during 2010.

We currently estimate that we have sufficient cash resources to meet our anticipated cash needs through at least the next 12 months based on cash, cash equivalents and marketable securities on hand at December 31, 2012 and anticipated revenues and funding from existing agreements. We expect to continue to spend substantial funds in connection with development and manufacturing of our product candidates, particularly HEPLISAV; various human clinical trials for our product candidates; and protection of our intellectual property. To continue development of our product candidates and if it is approved, to launch HEPLISAV, we may need to raise additional funds. This may occur through strategic alliance and licensing arrangements and/or future public or private financings. Sufficient funding may not be available, or if available, may be on terms that significantly dilute or otherwise adversely affect the rights of existing shareholders. If adequate funds are not available in the future, we would need to delay, reduce the scope of, or put on hold the HEPLISAV program or other development programs while we seek strategic alternatives.

Contractual Obligations

The following summarizes our significant contractual obligations at December 31, 2012 and the effect those obligations are expected to have on our liquidity and cash flows in future periods (in thousands):

Contractual Obligations:	Total	2013	2014-2015	2016-2017	2018 and Thereafter
Future minimum payments under our operating leases	$14,932	$2,064	$4,470	$4,671	$ 3,727
Total	$14,932	$2,064	$4,470	$4,671	$ 3,727

We lease our facilities in Berkeley, California (the "Berkeley Lease"), and Düsseldorf, Germany (the "Düsseldorf Lease") under operating leases that expire in June 2018 and March 2023, respectively. We have also entered into two sublease agreements under the Düsseldorf Lease for certain portions of the leased space with total remaining scheduled payments of $41 thousand due to us through July 2013.

During the fourth quarter of 2004, we established a letter of credit with Silicon Valley Bank as security for the Berkeley Lease in the amount of $0.4 million. The letter of credit remained outstanding as of December 31, 2012 and is collateralized by a certificate of deposit which has been included in restricted cash in the consolidated balance sheets as of December 31, 2012 and 2011. Under the terms of the Berkeley Lease, if the total amount of our cash, cash equivalents and marketable securities falls below $20 million for a period of more than 30 consecutive days during the lease term, the amount of the required security deposit will increase to $1.1 million, until such time as our projected cash and cash equivalents will exceed $20 million for the remainder of the lease term, or until our actual cash and cash equivalents remains above $20 million for a period of 12 consecutive months.

We established a letter of credit with Deutsche Bank as security for our Düsseldorf Lease in the amount of approximately 0.2 million Euros. The letter of credit remained outstanding through December 31, 2012 and is collateralized by a certificate of deposit which has been included in restricted cash in the consolidated balance sheets as of December 31, 2012 and 2011.

In addition to the non-cancelable commitments included above, we have entered into contractual arrangements that obligate us to make payments to the contractual counterparties upon the occurrence of future events. In the normal course of operations, we have entered into license and other agreements and intend to continue to seek additional rights relating to compounds or technologies in connection with our discovery, manufacturing and development programs. Under the terms of the agreements, we may be required to pay future up-front fees, milestones and royalties on net sales of products originating from the licensed technologies. We consider these potential obligations to be contingent and have summarized all significant arrangements below.

We rely on research institutions, contract research organizations, clinical investigators and clinical material manufacturers. As of December 31, 2012, under the terms of our agreements, we are obligated to make future payments as services are provided of approximately $9.9 million through 2015. These agreements are terminable by us upon written notice. We are generally only liable for actual effort expended by the organizations at any point in time during the contract, subject to certain termination fees and penalties.

Under the terms of our exclusive license agreements with the Regents of the University of California, as amended, for certain technology and related patent rights and materials, we pay annual license or maintenance fees and will be required to pay milestones and royalties on net sales of products covered by patents and patent applications originating from the licensed technologies, if any.

Off-balance Sheet Arrangements

We do not have any off-balance sheet arrangements as defined by rules enacted by the SEC and accordingly, no such arrangements are likely to have a current or future effect on our financial position.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Quantitative and Qualitative Disclosure About Market Risk

Interest Rate Risk

The primary objective of our investment activities is to preserve principal while at the same time maximize the income we receive from our investments without significantly increasing risk. Some of the securities that we invest in may have market risk. This means that a change in prevailing interest rates may cause the principal amount of the investment to fluctuate. To minimize this risk, we currently maintain our portfolio of cash equivalents and marketable securities in a variety of securities, including money market funds, U.S. government agency securities, U.S. treasury securities, municipal securities and corporate obligations secured by the Federal Deposit Insurance Corporation through the Temporary Liquidity Guarantee Program. We do not invest in auction rate securities or securities collateralized by home mortgages, mortgage bank debt, or home equity loans. Our investment portfolio approach has been consistent for several fiscal years.

In addition, if interest rates rise, the market value of our investment portfolio may decline, which could result in a loss if we choose or are forced to sell an investment before its scheduled maturity. If interest rates were to rise from current levels by 100 basis points and by 125 basis points, the change in our net unrealized loss on investments would be $1.4 million and $1.8 million, respectively. We do not utilize derivative financial instruments to manage interest rate risk.

Foreign Currency Risk

We have certain investments outside the United States for the operations of Dynavax Europe and have some exposure to foreign exchange rate fluctuations. The cumulative translation adjustment reported in the consolidated balance sheet as of December 31, 2012 was $0.6 million primarily related to translation of Dynavax Europe assets, liabilities and operating results from Euros to U.S. dollars. Through December 31, 2012 the effect of our exposure to exchange rate fluctuations has not been material, and we do not expect it to become material in the foreseeable future. We do not hedge our foreign currency exposures and have not used derivative financial instruments for speculation or trading purposes.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of Dynavax Technologies Corporation

We have audited the accompanying consolidated balance sheets of Dynavax Technologies Corporation as of December 31, 2012 and 2011, and the related consolidated statements of operations, comprehensive loss, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2012. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Dynavax Technologies Corporation at December 31, 2012 and 2011, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2012, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Dynavax Technologies Corporation's internal control over financial reporting as of December 31, 2012, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 8, 2013 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Redwood City, California
March 8, 2013

DYNAVAX TECHNOLOGIES CORPORATION

CONSOLIDATED BALANCE SHEETS

(In thousands, except per share amounts)

	December 31, 2012	December 31, 2011
Assets		
Current assets:		
Cash and cash equivalents	$ 7,599	$ 31,941
Marketable securities available-for-sale	117,531	82,020
Accounts receivable	1,005	9,527
Prepaid expenses and other current assets	2,052	1,130
Total current assets	128,187	124,618
Property and equipment, net	7,965	6,163
Goodwill	2,475	2,312
Restricted cash	652	647
Other assets	473	362
Total assets	$ 139,752	$ 134,102
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 2,166	$ 2,040
Accrued liabilities	10,063	8,159
Deferred revenues	6,785	4,210
Note payable to Symphony Dynamo Holdings LLC ("Holdings")	—	12,810
Total current liabilities	19,014	27,219
Deferred revenues, noncurrent	5,283	6,386
Other long-term liabilities	629	617
Total liabilities	24,926	34,222
Commitments and contingencies (Note 10)		
Stockholders' equity:		
Preferred stock: $0.001 par value; 5,000 shares authorized and no shares issued and outstanding at December 31, 2012 and 2011	—	—
Common stock: $0.001 par value; 250,000 shares authorized at December 31, 2012 and 2011, respectively; 182,792 and 154,626 shares issued and outstanding at December 31, 2012 and 2011, respectively	183	155
Additional paid-in capital	550,729	466,276
Accumulated other comprehensive loss:		
Unrealized gain (loss) on marketable securities available-for-sale	45	(3)
Cumulative translation adjustment	(640)	(1,006)
Total accumulated other comprehensive loss	(595)	(1,009)
Accumulated deficit	(435,491)	(365,542)
Total stockholders' equity	114,826	99,880
Total liabilities and stockholders' equity	$ 139,752	$ 134,102

See accompanying notes.

DYNAVAX TECHNOLOGIES CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share amounts)

	Years Ended December 31,		
	2012	2011	2010
Revenues:			
Collaboration revenue	$ 4,610	$ 17,190	$ 19,535
Grant revenue	3,939	3,110	3,940
Service and license revenue	1,165	1,314	475
Total revenues	9,714	21,614	23,950
Operating expenses:			
Research and development	49,146	51,322	53,680
General and administrative	28,164	17,570	16,879
Amortization of intangible assets	—	299	980
Total operating expenses	77,310	69,191	71,539
Loss from operations	(67,596)	(47,577)	(47,589)
Interest income	291	103	85
Interest expense	(2,351)	(1,957)	(1,654)
Other income (expense)	(293)	834	(8,150)
Net loss	$ (69,949)	$ (48,597)	$ (57,308)
Basic and diluted net loss per share	$ (0.41)	$ (0.39)	$ (0.69)
Shares used to compute basic and diluted net loss per share	170,469	125,101	82,463

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(In thousands)

	Years Ended December 31,		
	2012	2011	2010
Net loss	$ (69,949)	$ (48,597)	$ (57,308)
Other comprehensive income (loss):			
Unrealized gain (loss) on marketable securities available-for-sale	48	14	(17)
Cumulative translation adjustment	366	(277)	(561)
Total other comprehensive income (loss)	414	(263)	(578)
Total comprehensive loss	$ (69,535)	$ (48,860)	$ (57,886)

See accompanying notes.

DYNAVAX TECHNOLOGIES CORPORATION

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In thousands)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Par Amount				
Balances at December 31, 2009	54,279	$ 54	$266,127	$ (168)	$ (259,637)	$ 6,376
Issuance of common stock upon exercise of stock options and restricted stock awards	141	1	159	—	—	160
Issuance of common stock under Employee Stock Purchase Plan	121	—	72	—	—	72
Proceeds from issuances of common stock and warrants, net of issuance costs	59,994	59	87,340	—	—	87,399
Reclassification of the warrant liability to Holdings into equity and the impact of the anti-dilution provision associated with the common stock and warrants issued to Holdings	1,076	2	13,578			13,580
Stock compensation expense	—	—	2,410	—	—	2,410
Total comprehensive income (loss)	—	—	—	(578)	—	(578)
Net loss	—	—	—	—	(57,308)	(57,308)
Balances at December 31, 2010	115,611	116	369,686	(746)	(316,945)	52,111
Issuance of common stock upon exercise of stock options and restricted stock awards	308	—	10	—	—	10
Issuance of common stock under Employee Stock Purchase Plan	106	—	132	—	—	132
Proceeds from issuances of common stock and warrants, net of issuance costs	38,601	39	91,259	—	—	91,298
Stock compensation expense	—	—	5,189	—	—	5,189
Total comprehensive income (loss)	—	—	—	(263)	—	(263)
Net loss	—	—	—	—	(48,597)	(48,597)
Balances at December 31, 2011	154,626	155	466,276	(1,009)	(365,542)	99,880
Issuance of common stock upon exercise of stock options and restricted stock awards	1,222	1	1,954	—	—	1,955
Issuance of common stock under Employee Stock Purchase Plan	141	—	307	—	—	307
Proceeds from issuances of common stock and warrants, net of issuance costs	26,803	27	71,753	—	—	71,780
Stock compensation expense	—	—	10,439	—	—	10,439
Total comprehensive income (loss)	—	—	—	414	—	414
Net loss	—	—	—	—	(69,949)	(69,949)
Balances at December 31, 2012	182,792	$ 183	$550,729	$ (595)	$ (435,491)	$ 114,826

See accompanying notes.

DYNAVAX TECHNOLOGIES CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Years Ended December 31,		
	2012	2011	2010
Operating activities			
Net loss	$ (69,949)	$ (48,597)	$(57,308)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	1,207	1,303	1,415
Amortization of intangible assets	—	299	980
Loss (gain) on disposal of property and equipment	8	20	(36)
Accretion of discounts and amortization of premiums of marketable securities	1,298	1,172	367
Interest associated with long-term note payable to Holdings	2,190	1,871	1,597
Fair value adjustment of the warrant and contingent liabilities to Holdings, including the impact of the anti-dilution provision associated with the common stock and warrants issued to Symphony Capital Partners, L.P. and Symphony Strategic Partners, LLC (collectively, "Symphony")	—	(843)	8,816
Stock compensation expense	10,439	5,189	2,410
Changes in operating assets and liabilities:			
Accounts receivable	8,522	(8,526)	(106)
Prepaid expenses and other current assets	(922)	230	(774)
Restricted cash and other assets	(116)	(290)	(38)
Accounts payable	126	(289)	643
Accrued liabilities and other long term liabilities	1,916	(2,167)	3,381
Deferred revenues	1,472	3,512	(12,717)
Net cash used in operating activities	(43,809)	(47,116)	(51,370)
Investing activities			
Purchases of marketable securities	(206,149)	(111,205)	(80,835)
Proceeds from maturities of marketable securities	169,387	77,729	30,750
Purchases of property and equipment, net	(2,931)	(1,142)	(420)
Net cash used in investing activities	(39,693)	(34,618)	(50,505)
Financing activities			
Proceeds from issuances of common stock and warrants, net of issuance costs	71,780	91,298	87,399
Proceeds from exercise of stock options and restricted stock awards	1,955	10	160
Proceeds from employee stock purchase plan	307	132	72
Payment of notes payable to Holdings	(15,000)	—	—
Net cash provided by financing activities	59,042	91,440	87,631
Effect of exchange rate on cash and cash equivalents	118	(218)	(23)
Net increase (decrease) in cash and cash equivalents	(24,342)	9,488	(14,267)
Cash and cash equivalents at beginning of year	31,941	22,453	36,720
Cash and cash equivalents at end of year	$ 7,599	$ 31,941	$ 22,453
Supplemental disclosure of cash flow information			
Non-cash investing and financing activities:			
Shares issued to Aspire Capital in conjunction with purchase agreement	$ —	$ —	$ 1,200
Shares issued in conjunction with the Symphony Dynamo, Inc. ("SDI") transaction	$ —	$ —	$ 1,551
Warrants issued in conjunction with the SDI transaction	$ —	$ —	$ 6,638
Disposal of fully depreciated property and equipment	$ 169	$ 1,181	$ 42
Net change in unrealized gain (loss) on marketable securities	$ 48	$ 14	$ (17)

See accompanying notes.

DYNAVAX TECHNOLOGIES CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Organization

Dynavax Technologies Corporation ("we," "our," "us," Dynavax" or the "Company"), a clinical-stage biopharmaceutical company, discovers and develops novel products to prevent and treat infectious and inflammatory diseases. Our lead product candidate is HEPLISAV™, a Phase 3 investigational adult hepatitis B vaccine.

Our pipeline of product candidates includes: HEPLISAV, our autoimmune program partnered with GlaxoSmithKline ("GSK") and our therapy for asthma partnered with AstraZeneca AB ("AstraZeneca"). We compete with pharmaceutical companies, biotechnology companies, academic institutions and research organizations in developing therapies to prevent or treat infectious and inflammatory diseases. Our product candidates are based on the use of immunostimulatory sequences ("ISS") and immunoregulatory sequences. We were incorporated in California in August 1996 under the name Double Helix Corporation, and we changed our name to Dynavax Technologies Corporation in September 1996. We reincorporated in Delaware in 2000.

Subsidiaries

In April 2006, we completed the acquisition of Rhein Biotech GmbH ("Rhein" or "Dynavax Europe"), a wholly-owned subsidiary in Düsseldorf, Germany. In October 2011, we formed Dynavax International, B.V., a wholly-owned subsidiary in Amsterdam, Netherlands.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements include our accounts and those of our wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated. We operate in one business segment, which is the discovery and development of biopharmaceutical products. We determine our segments based on the way we organize our business by making operating decisions and assessing performance. In fiscal years 2012, 2011 and 2010, 88%, 94% and 98% of our revenues were earned in the United States, respectively, and the remaining revenues were earned in Germany. As of December 31, 2012, and 2011, 10% and 14%, respectively, of our long-lived assets were located in the United States and the remaining long-lived assets were located in Germany.

Liquidity and Financial Condition

We have incurred significant operating losses and negative cash flows from operations since our inception. As of December 31, 2012, we had cash, cash equivalents and marketable securities of $125.1 million. We currently estimate that we have sufficient cash resources to meet our anticipated cash needs through at least the next 12 months based on cash, cash equivalents and marketable securities on hand as of December 31, 2012 and anticipated revenues and funding from existing agreements.

If we are unable to generate significant revenues from HEPLISAV, if it is approved, and to continue development of our product candidates, we may need to raise additional funds. This may occur through strategic alliance and licensing arrangements and/or future public or private financings. Sufficient additional funding may not be available on acceptable terms, or at all. Additional equity financings, if completed, could result in significant dilution or otherwise adversely affect the rights of existing shareholders. If adequate funds are not available in the future, we may need to delay, reduce the scope of or put on hold the HEPLISAV program or our other development programs while we seek strategic alternatives.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles ("U.S. GAAP") requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results may differ from these estimates.

Foreign Currency

We consider the local currency to be the functional currency for our international subsidiary, Rhein. Accordingly, assets and liabilities denominated in foreign currencies are translated into U.S. dollars using the exchange rate on the balance sheet date. Revenues and expenses are translated at average exchange rates prevailing throughout the year. Currency translation adjustments are charged or credited to accumulated other comprehensive income (loss) in the consolidated balance sheets. For the years ended December 31, 2012, 2011 and 2010, we reported an unrealized gain of $0.4 million, an unrealized loss of $0.3 million and an unrealized loss of $0.6 million, respectively. Realized gains and losses resulting from currency transactions are included in the consolidated statements of operations. For the years ended December 31, 2012, 2011 and 2010, we reported a loss of $0.2 million, a gain of $0.2 million and a loss of $0.1 million, respectively, resulting from currency transactions in our consolidated statements of operations.

Cash, Cash Equivalents and Marketable Securities

We consider all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Management determines the appropriate classification of marketable securities at the time of purchase. We invest in short-term money market funds, U.S. government agency securities, U.S. treasury securities, municipal securities and corporate obligations secured by the Federal Deposit Insurance Corporation through the Temporary Liquidity Guarantee Program. We believe these types of investments are subject to minimal credit and market risk. We do not invest in auction rate securities or securities collateralized by home mortgages, mortgage bank debt, or home equity loans.

We have classified our entire investment portfolio as available-for-sale. We view our available-for-sale portfolio as available for use in current operations and accordingly have classified all investments as short-term. Available-for-sale securities are carried at fair value based on inputs that are observable, either directly or indirectly, such as quoted market prices for similar securities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the securities with unrealized gains and losses included in accumulated other comprehensive income (loss) in stockholders' equity. Realized gains and losses and declines in value, if any, judged to be other than temporary on available-for-sale securities are included in interest income or expense. The cost of securities sold is based on the specific identification method. Management assesses whether declines in the fair value of investment securities are other than temporary. In determining whether a decline is other than temporary, management considers the following factors:

- Whether the investment has been in a continuous realized loss position for over 12 months;
- the duration to maturity of our investments;
- our intention to hold the investments to maturity and if it is not more likely than not that we will be required to sell the investment before recovery of the amortized cost bases;
- the credit rating, financial condition and near-term prospects of the issuer; and
- the type of investments made.

To date, there have been no declines in fair value that have been identified as other than temporary.

Concentration of Credit Risk and Other Risks and Uncertainties

Financial instruments that are subject to concentration of credit risk consist primarily of cash equivalents, marketable securities and accounts receivable. Our policy is to invest cash in institutional money market funds and marketable securities of U.S. government and corporate issuers with high credit quality to limit the amount of credit exposure. We currently maintain a portfolio of cash equivalents and marketable securities in a variety of securities, including money market funds, U.S. government agency securities, U.S. treasury securities and municipal securities secured by the Federal Deposit Insurance Corporation through the Temporary Liquidity Guarantee Program. We do not invest in auction rate securities or securities collateralized by home mortgages, mortgage bank debt, or home equity loans. We have not experienced any losses on our cash equivalents and marketable securities.

Accounts receivable are recorded at invoice value. We review our exposure to accounts receivable, including the potential for allowances based on management's judgment. We have not historically experienced any significant losses. We do not currently require collateral for any of our trade accounts receivable.

Our future products will require approval from the U.S. Food and Drug Administration ("FDA") and foreign regulatory agencies before commercial sales can commence. There can be no assurance that our products will receive any of these required approvals. The denial or delay of such approvals would have a material adverse impact on our business.

We have relied on a limited number of suppliers to produce ISS for clinical trials and a single contract manufacturer to produce our first generation ISS, 1018 ("1018 ISS") for HEPLISAV. The loss of our current supplier would have a significant effect on our ability to produce HEPLISAV for commercialization and development of our other product candidates. To date, we have manufactured only small quantities of ISS and 1018 ISS ourselves for development purposes.

We are subject to risks common to companies in the biopharmaceutical industry, including, but not limited to, new technological innovations, clinical development risk, establishing appropriate commercial partnerships, protection of proprietary technology, compliance with government and environmental regulations, uncertainty of market acceptance of products, product liability, the volatility of our stock price and the need to obtain additional financing.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Repair and maintenance costs are charged to expense as incurred. Leasehold improvements in both of our facilities are amortized over the remaining life of the initial lease term or the estimated useful lives of the assets, whichever is shorter.

Valuation of Long-Lived Assets and Intangible Assets

We evaluate the carrying value of long-lived assets, including intangible assets, whenever events or changes in business circumstances or our planned use of long-lived assets indicate that their carrying amounts may not be fully recoverable or that their useful lives are no longer appropriate. Intangible assets were subject to amortization and amortized over their estimated period of benefit of five years. When an indicator of impairment exists, long-lived assets are written down to their respective fair values. Fair value is determined primarily using the anticipated cash flows discounted at a rate commensurate with the risk involved. Significant management judgment is required in the forecast of future operating results that is used in the preparation of expected undiscounted cash flows. No impairments of purchased intangible assets have been identified during the years presented.

Goodwill

Our goodwill balance relates to our April 2006 acquisition of Rhein. Goodwill was recorded as the excess purchase price over tangible assets, liabilities and intangible assets acquired based on their estimated fair value,

by applying the acquisition method of accounting. Goodwill is not amortized but is subject to an annual impairment test which consists of a comparison of the fair value of the related reporting unit against its carrying amount including goodwill. If the carrying amount exceeds the fair value, impairment is calculated and recorded as a charge in the consolidated statements of operations. We determined that we have only one operating segment and there are no components of that operating segment that are deemed to be separate reporting units such that we have one reporting unit for purposes of our goodwill impairment testing. We evaluate goodwill for impairment on an annual basis and on an interim basis if events or changes in circumstances between annual impairment tests indicate that the asset might be impaired.

Revenue Recognition

Our revenues consist of amounts earned from collaborations, grants and fees from services and licenses. We enter into license and manufacturing agreements and collaborative research and development arrangements with pharmaceutical and biotechnology partners that may involve multiple deliverables. Our arrangements may include one or more of the following elements: upfront license payments, cost reimbursement for the performance of research and development activities, milestone payments, other contingent payments, contract manufacturing service fees, royalties and license fees. Each deliverable in the arrangement is evaluated to determine whether it meets the criteria to be accounted for as a separate unit of accounting or whether it should be combined with other deliverables. We recognize revenue when there is persuasive evidence that an arrangement exists, delivery has occurred or services have been rendered, the price is fixed or determinable and collectability is reasonably assured.

On January 1, 2011, we adopted on a prospective basis Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2009-13, *Multiple-Deliverable Revenue Arrangements*, which amends the criteria related to identifying separate units of accounting and provides guidance on whether multiple deliverables exist, how an arrangement should be separated and the consideration allocated.

Non-refundable upfront fees received for license and collaborative agreements entered into prior to January 1, 2011 and other payments under collaboration agreements where we have continuing performance obligations related to the payments are deferred and recognized over our expected performance period. Revenue is recognized on a ratable basis, unless we determine that another methodology is more appropriate, through the date at which our performance obligations are completed. Management makes its best estimate of the period over which we expect to fulfill our performance obligations, which may include clinical development activities. Given the uncertainties of research and development collaborations, significant judgment is required to determine the duration of the performance period. We recognize cost reimbursement revenue under collaborative agreements as the related research and development costs are incurred, as provided for under the terms of these agreements.

On January 1, 2011, we elected to prospectively adopt the milestone method as described in FASB ASU 2010-17, *Milestone Method of Revenue Recognition.* Under the milestone method, contingent consideration received from the achievement of a substantive milestone is recognized in its entirety in the period in which the milestone is achieved. A milestone is defined as an event having all of the following characteristics: (i) there is substantive uncertainty at the date the arrangement is entered into that the event will be achieved, (ii) the event can only be achieved based in whole or in part on either the entity’s performance or a specific outcome resulting from the entity’s performance and (iii) if achieved, the event would result in additional payments being due to the entity.

Our license and collaboration agreements with our partners provide for payments to be paid to us upon the achievement of development milestones. Given the challenges inherent in developing biologic products, there is substantial uncertainty whether any such milestones will be achieved at the time we entered into these agreements. In addition, we evaluate whether the development milestones meet the criteria to be considered substantive. The conditions include: (i) the development work is contingent on either of the following: (a) the vendor’s performance to achieve the milestone or (b) the enhancement of the value of the deliverable item or

items as a result of a specific outcome resulting from the vendor's performance to achieve the milestone; (ii) it relates solely to past performance and; (iii) it is reasonable relative to all the deliverable and payment terms within the arrangement. As a result of our analysis, we consider our development milestones to be substantive and, accordingly, we expect to recognize as revenue future payments received from such milestones as we achieve each milestone.

Milestone payments that are contingent upon the achievement of substantive at-risk performance criteria are recognized in full upon achievement of those milestone events in accordance with the terms of the agreement and assuming all other revenue recognition criteria have been met. All revenue recognized to date under our collaborative agreements has been nonrefundable.

Our license and collaboration agreements with certain partners also provide for contingent payments to be paid to us based solely upon the performance of our partner. For such contingent payments we expect to recognize the payments as revenue upon receipt, provided that collection is reasonably assured and the other revenue recognition criteria have been satisfied.

Revenues from manufacturing services are recognized upon meeting the criteria for substantial performance and acceptance by the customer.

Revenue from royalty payments is contingent on future sales activities by our licensees. As a result, we recognize royalty revenue when reported by our licensees and when collection is reasonably assured.

Revenue from government and private agency grants are recognized as the related research expenses are incurred and to the extent that funding is approved. Additionally, we recognize revenue based on the facilities and administrative cost rate reimbursable per the terms of the grant awards.

Research and Development Expenses and Accruals

Research and development expenses include personnel and facility-related expenses, outside contracted services including clinical trial costs, manufacturing and process development costs, research costs and other consulting services and non-cash stock-based compensation. Research and development costs are expensed as incurred. Amounts due under such arrangements may be either fixed fee or fee for service, and may include upfront payments, monthly payments and payments upon the completion of milestones or receipt of deliverables. Non-refundable advance payments under agreements are capitalized and expensed as the related goods are delivered or services are performed.

We contract with third parties to perform various clinical trial activities in the on-going development of potential products. The financial terms of these agreements are subject to negotiation and vary from contract to contract and may result in uneven payment flows to our vendors. Payments under the contracts depend on factors such as the achievement of certain events, the successful enrollment of patients, completion of portions of the clinical trial or similar conditions. Our accruals for clinical trials are based on estimates of the services received and efforts expended pursuant to contracts with clinical trial centers and clinical research organizations. We may terminate these contracts upon written notice and we are generally only liable for actual effort expended by the organizations to the date of termination, although in certain instances we may be further responsible for termination fees and penalties.

Stock-Based Compensation

Stock-based compensation expense for stock options and other stock awards is estimated at the grant date based on the award's fair value-based measurement. The fair value-based measurement of stock options is calculated using the Black-Scholes option valuation model and is recognized on a straight-line basis over the option's vesting period, assuming an annual forfeiture rate of 5% for our senior management group and 13% for

all other employees. Determining the appropriate fair value-based measurement requires the input of highly subjective assumptions, including the expected life of the option and expected stock price volatility. The senior management group and all other employees were grouped and considered separately for valuation purposes. See Note 13, “Stockholder’s Equity” for further information on our equity incentive plans.

Income Taxes

We account for income taxes using the asset and liability method, under which deferred tax assets and liabilities are determined based on the differences between the financial reporting and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Additionally, we assess the likelihood that deferred tax assets will be recovered as deductions from future taxable income. We have provided a full valuation allowance on our deferred tax assets at December 31, 2012 and 2011 because we believe it is more likely than not that our deferred tax assets will not be realized as of December 31, 2012, and 2011.

We have no unrecognized tax benefits as of December 31, 2012, including no accrued amounts for interest and penalties. We do not anticipate that total unrecognized tax benefits will significantly change prior to December 31, 2013. Our policy will be to recognize interest and penalties related to income taxes, if any, as a component of general and administrative expense. We are subject to income tax examinations for U.S. federal and state income taxes from 1996 forward. We are subject to tax examination in Germany from 2010 forward. See Note 15, “Income Taxes” for further information on our tax position.

Recent Accounting Pronouncements

Accounting Standards Update 2011-04

In May 2011, the FASB issued ASU No. 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS*. This ASU is the result of joint efforts by the FASB and International Accounting Standards Board to develop a single, converged fair value framework. While this ASU is largely consistent with existing fair value measurement principles in GAAP, it expands Accounting Standards Codification (“ASC”) Topic 820, *Fair Value Measurement* existing disclosure requirements for fair value measurements and makes other amendments. Many of these amendments were made to eliminate unnecessary wording differences between GAAP and International Financial Reporting Standards, which could change how fair value measurement guidance in ASC 820 is applied. We adopted the disclosure requirements in 2012 and included the required disclosure in Note 3 “Fair Value Measurements.”

Accounting Standards Update 2011-05

In June 2011, the FASB issued ASU No. 2011-05, *Presentation of Comprehensive Income*. This ASU gives an entity the option to present the total of comprehensive income, the components of net income and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. We adopted this presentation of comprehensive income in 2012.

Accounting Standards Update 2011-08

In September 2011, the FASB issued ASU No. 2011-08, *Testing Goodwill for Impairment*. This ASU allows an entity to first assess qualitative factors to determine whether it is necessary to perform the two-step quantitative goodwill impairment test. Under this ASU, an entity would not be required to calculate the fair value of a reporting unit unless the entity determines, based on a qualitative assessment, that it is more likely than not that its fair value is less than its carrying amount. This ASU includes a number of events and circumstances for an entity to consider in conducting the qualitative assessment. ASU No. 2011-08 was effective for us in 2012. The adoption of this ASU did not have a material impact on the Company’s financial position or results of operations.

3. Fair Value Measurements

The Company defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value which are the following:

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

Recurring Fair Value Measurements

The following table represents the fair value hierarchy for our financial assets (cash equivalents and marketable securities) measured at fair value on a recurring basis as of December 31, 2012 and 2011 (in thousands):

	Level 1	Level 2	Level 3	Total
December 31, 2012				
Money market funds	$ 3,140	$ —	$ —	$ 3,140
U.S. government agency securities	—	119,233	—	119,233
U.S. treasury securities	—	500	—	500
Municipal securities	—	715	—	715
Total	$ 3,140	$120,448	$ —	$123,588

	Level 1	Level 2	Level 3	Total
December 31, 2011				
Money market funds	$17,171	$ —	$ —	$ 17,171
U.S. government agency securities	—	28,495	—	28,495
U.S. treasury securities	—	7,425	—	7,425
Corporate debt securities, secured by the U.S. government	—	58,580	—	58,580
Total	$17,171	$ 94,500	$ —	$111,671

Money market funds are highly liquid investments and are actively traded. The pricing information on these investment instruments are readily available and can be independently validated as of the measurement date. This approach results in the classification of these securities as Level 1 of the fair value hierarchy.

U.S. Government agency securities, U.S. treasury securities, municipal securities and corporate debt securities are measured at fair value using Level 2 inputs. We review trading activity and pricing for these investments as of the measurement date. When sufficient quoted pricing for identical securities is not available, we use market pricing and other observable market inputs for similar securities obtained from various third party data providers. These inputs represent quoted prices for similar assets in active markets or these inputs have been derived from observable market data. This approach results in the classification of these securities as Level 2 of the fair value hierarchy.

We are obligated to make future contingent cash payments to the former Holdings shareholders related to certain payments received by us, if any, from future partnering agreements pertaining to our hepatitis C and cancer therapy programs. We estimated the valuation of this contingent liability using a discounted cash flow model. The discounted cash flow model was derived from management's assumptions regarding the timing, amounts, and probability of potential upfront and milestone payments for the development and/or commercialization of the hepatitis C program based on transactions for similar stage programs by other companies. These cash flows were discounted at a rate of 16% for the fiscal year ended December 31, 2010.

Changes in the fair value of the contingent consideration liability are recognized in "other income (expense)" in the consolidated statements of operations in the period of the change. During the fiscal year ended December 31, 2010, we reduced the assumed probability of our receipt of upfront and milestone payments from a potential partnership and extended the timing of when these expected receipts would occur. In addition, based on our assumptions regarding our beta and risk free interest rate used in the discounted cash flow model, the change in fair value of the contingent consideration liability resulted in other income of $2.2 million for the fiscal year ended December 31, 2010. During the year ended December 31, 2011, we determined that we would not receive any upfront or milestone payments from a potential partnership for our hepatitis C therapy program and, therefore, estimated the fair value of the liability to be zero as of December 31, 2011 resulting in other income of $0.8 million. There was no change in this determination during 2012. These fair value measurements were based on significant inputs not observed in the market and thus represented a Level 3 measurement.

The following table represents the changes in the fair value measurement of the contingent liability (in thousands):

Contingent liability to Holdings	Amount
Acquisition date fair value measurement at December 30, 2009	$ 3,040
Adjustment to fair value measurement	(2,197)
Balance as of December 31, 2010	843
Adjustment to fair value measurement	(843)
Balance as of December 31, 2011 and 2012	$ —

In connection with our purchase of all of the outstanding equity of Symphony Dynamo, Inc. ("SDI") on December 30, 2009, we issued warrants to Holdings that were subject to certain anti-dilution protection in the event that we issued other equity securities within six months from December 30, 2009. Due to this adjustment provision, the warrants did not meet the criteria set forth in ASC 815, *Derivatives and Hedging*, to be considered indexed to our own stock and therefore were recorded as a liability at fair value, which was estimated at the issuance date using the Black-Scholes Model. This fair value measurement was based on significant inputs not observed in the market and thus represented a Level 3 measurement. In connection with an equity offering completed in April 2010 prior to the expiration of the anti-dilution provision, Holdings received warrants to purchase 7,038,210 shares of common stock ("April 2010 Warrants"). The warrants issued on December 30, 2009 were cancelled upon the issuance of the April 2010 Warrants.

The incremental fair value of the April 2010 Warrants was remeasured at June 30, 2010, and resulted in an increase of $9.5 million to the warrant liability, which was reported as other expense in the consolidated statement of operations. Following the expiration of Symphony's anti-dilution protection on June 30, 2010, the value of the April 2010 Warrants of $12 million was reclassified into stockholders' equity in the consolidated balance sheet.

4. Cash, Cash Equivalents and Marketable Securities

The following is a summary of cash, cash equivalents and marketable securities as of December 31, 2012, and 2011 (in thousands):

	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
December 31, 2012				
Cash and cash equivalents:				
Cash	$ 1,542	$ —	$ —	$ 1,542
Money market funds	3,140	—	—	3,140
U.S. government agency securities	715	—	—	715
Municipal securities	2,202	—	—	2,202
Total cash and cash equivalents	7,599	—	—	7,599
Marketable securities available-for-sale:				
U.S. government agency securities	116,986	46	(1)	117,031
U.S. treasury securities	500	—	—	500
Total marketable securities available-for-sale	117,486	46	(1)	117,531
Total cash, cash equivalents and marketable securities	$125,085	$ 46	$ (1)	$125,130
December 31, 2011				
Cash and cash equivalents:				
Cash	$ 2,290	$ —	$ —	$ 2,290
Money market funds	17,171	—	—	17,171
U.S. government agency securities	2,013	—	—	2,013
U.S. treasury securities	7,425	—	—	7,425
Corporate debt securities, secured by the U.S. government	3,044	—	(2)	3,042
Total cash and cash equivalents	31,943	—	(2)	31,941
Marketable securities available-for-sale:				
U.S. government agency securities	26,488	—	(5)	26,483
Corporate debt securities, secured by the U.S. government	55,533	9	(5)	55,537
Total marketable securities available-for-sale	82,021	9	(10)	82,020
Total cash, cash equivalents and marketable securities	$113,964	$ 9	$ (12)	$113,961

The maturities of our marketable securities available-for-sale are as follows (in thousands)

	December 31, 2012	
	Amortized Cost	Estimated Fair Value
Mature in one year or less	$ 79,743	$ 79,772
Mature after one year through two years	37,743	37,759
	$ 117,486	$ 117,531

We invest in short-term money market funds, U.S. government agency securities, U.S treasury securities, municipal securities and corporate obligations secured by the Federal Deposit Insurance Corporation through the Temporary Liquidity Guarantee Program.

There were no realized gains or losses from the sale of marketable securities in the years ended December 31, 2012, 2011 and 2010. All of our investments are classified as short-term and available-for-sale, as we may not hold our investments until maturity.

5. Property and Equipment

Property and equipment as of December 31, 2012, and 2011 consist of the following (in thousands):

	Estimated Useful Life (In years)	December 31, 2012	December 31, 2011
Manufacturing equipment	5-14	$ 7,574	$ 7,305
Lab equipment	5-13	6,755	$ 6,430
Computer equipment	3	1,807	1,488
Furniture and fixtures	3	983	978
Leasehold improvements	5-7	5,445	3,989
Assets in progress		1,047	389
		23,611	20,579
Less accumulated depreciation and amortization		(15,646)	(14,416)
Total		$ 7,965	$ 6,163

Depreciation and amortization expense on property and equipment was $1.2 million, $1.3 million and $1.4 million for the years ended December 31, 2012, 2011 and 2010, respectively.

6. Intangible Assets

Intangible assets consisted primarily of manufacturing process and customer relationships related to our 2006 acquisition of Rhein. The manufacturing process derives from the methods for making proteins in Hansenula yeast, which is a process we use to make a key component in the production of hepatitis B vaccine. The customer relationships derive from Rhein's ability to sell existing, in-process and future products to its existing customers. Purchased intangible assets other than goodwill are amortized on a straight-line basis over their respective useful lives. The manufacturing process and customer relationships were amortized over their estimated useful lives of five years. Both the manufacturing process and customer relationships intangible assets were fully amortized as of the years ended December 31, 2012, and 2011. Amortization of intangible assets was $0.3 million and $1.0 million for the years ended December 31, 2011, and 2010, respectively.

7. Current Accrued Liabilities

Current accrued liabilities as of December 31, 2012, and 2011 consist of the following (in thousands):

	December 31, 2012	December 31, 2011
Payroll and related expenses	$ 4,538	$3,224
Legal expenses	396	220
Third party research and development expenses	3,207	3,903
Other accrued liabilities	1,922	812
Total	$10,063	$8,159

8. Symphony Dynamo, Inc.

On April 18, 2006, we, Symphony and Holdings entered into a transaction involving a series of related agreements providing for the advancement of certain of our immunostimulatory sequences-based programs for cancer, hepatitis B and hepatitis C therapy (collectively, the "Programs"). Pursuant to these agreements, Symphony formed SDI and invested $50 million to fund the Programs, and we licensed to Holdings our intellectual property rights related to the Programs, which were assigned to SDI. As a result of these agreements, Symphony owned 100% of the equity of Holdings, which owned 100% of the equity of SDI.

In connection with the transaction described above, Holdings granted to us an exclusive purchase option that gave us the right, but not the obligation, to acquire the outstanding equity securities of SDI, which would result in our reacquisition of the intellectual property rights that we licensed to Holdings (the "Original Purchase Option"). In exchange for the Original Purchase Option, we granted Holdings five-year warrants to purchase up to 2,000,000 shares of our common stock at an exercise price of $7.32 per share pursuant to a warrant purchase agreement (the "Original Warrants"), and granted certain registration rights to Holdings pursuant to a registration rights agreement. We also received an exclusive option to purchase either the hepatitis B or hepatitis C therapy program (the "Program Option") during the first year of the arrangement. In April 2007, we exercised the Program Option for the hepatitis B program which resulted in the recognition of a $15 million liability to Symphony. We remained primarily responsible for the development of the cancer and hepatitis C therapy programs in accordance with a development plan and related development budgets that we agreed to with Holdings.

Prior to the acquisition of all of the outstanding equity of SDI on December 30, 2009, we consolidated the financial position and results of operations of SDI. In November 2009, we entered into an agreement with Holdings to modify the provisions of and to exercise the Original Purchase Option (the "Amended Purchase Option"). We completed the acquisition of all of the outstanding equity of SDI on December 30, 2009. In exchange for all of the outstanding equity of SDI, we issued to Symphony and certain of its co-investors: (i) 13,000,000 shares of common stock (the "Shares"); (ii) 5-year warrants to purchase 2,000,000 shares of common stock with an exercise price of $1.94 per share (the "Warrants"); and (iii) a non-interest bearing note in the principal amount of $15 million, due December 31, 2012, payable in cash, our common stock or a combination thereof at our discretion, which obligation was previously payable solely in cash on April 18, 2011 (the "Note"). In addition, we agreed to contingent cash payments from us equal to 50% of the first $50 million from any upfront, pre-commercialization milestone or similar payments received by us from any agreement with any third party with respect to the development and/or commercialization of the cancer and hepatitis C therapies originally licensed to SDI. The Original Warrants held by Symphony were cancelled as part of this transaction.

We recorded the acquisition of all of the outstanding equity of SDI pursuant to the Amended Purchase Option as a return of equity to the noncontrolling interest. The acquisition was accounted for as a capital transaction that did not affect our consolidated net loss. However, because the acquisition was accounted for as a capital transaction, the consideration paid in excess of the carrying value of the noncontrolling interest in SDI is treated as a deemed dividend for purposes of reporting net loss and earnings per share.

The estimated fair values of the warrants transferred were calculated using the Black-Scholes valuation model.

We estimated the fair value of the Note using a net present value model with a discount rate of 17%. Imputed interest was recorded as interest expense over the term of the loan using the interest rate method. We paid in cash the $15 million principal balance of the Note on December 31, 2012.

The Shares and Warrants were subject to certain anti-dilution protection in the event that we issued other equity securities within six months from December 30, 2009. As a result of an equity offering completed in April 2010 prior to the expiration of the anti-dilution provision, Symphony received an additional 1,076,420 shares of common stock ("April 2010 Shares") and warrants to purchase 7,038,210 shares of common stock ("April 2010 Warrants") having the same terms as the warrants sold in the offering, which have an exercise price of $1.50 per share and a term of five years. The Warrants issued on December 30, 2009 were cancelled upon the issuance of the April 2010 Warrants.

The fair value of the April 2010 Shares and incremental fair value of the April 2010 Warrants provided to Symphony, as measured upon issuance and remeasured at June 30, 2010, resulted in non-operating expense of $11.1 million in the second quarter of 2010. This also resulted in an increase of $9.5 million to the warrant liability and an increase of $1.6 million to additional paid in capital as of June 30, 2010. Following the expiration

date of Symphony's anti-dilution protection, on June 30, 2010, the value of the April 2010 Warrants of $12.0 million was reclassified into stockholders' equity in the consolidated balance sheets. As of December 31, 2012, warrants to purchase 6,765,128 shares remained outstanding.

9. Financing Agreements

On May 9, 2012, we completed an underwritten public offering of 17,500,000 shares of our common stock to the public at $4.25 per share. The net proceeds to us from this offering were $69.6 million, after deducting offering expenses.

On November 3, 2011, we completed an underwritten public offering of 27,600,000 shares of our common stock including 3,600,000 shares sold pursuant to the full exercise of an overallotment option previously granted to the underwriters at a price to the public of $2.50 per share. The net proceeds to us from this offering were $64.5 million, after deducting offering expenses.

On November 2, 2010, we completed an underwritten public offering of 26,450,000 shares of our common stock including 3,450,000 shares sold pursuant to the full exercise of an overallotment option previously granted to the underwriters at a price to the public of $1.70 per share. The net proceeds to us from this offering were $42.0 million, after deducting offering expenses.

On September 20, 2010, we entered into a Purchase Agreement with Aspire Capital, which provided that, upon the terms and subject to the conditions and limitations set forth therein, Aspire Capital was committed to purchase up to an aggregate of $30.0 million of shares of our common stock (the "Purchase Shares") over the 25-month term of the Purchase Agreement. Under the Purchase Agreement, we agreed to pay Aspire Capital a commitment fee equal to 4% of $30 million in consideration for Aspire Capital's obligation to purchase up to $30 million of our common stock. We paid this commitment fee of $1.2 million by the issuance of 600,000 shares of our common stock and this fee was recorded as a cost of raising capital and netted against the gross proceeds from the Purchase Agreement in September 2010. During 2010, we sold 2,350,000 shares of common stock to Aspire Capital for $3.3 million and during 2011 we sold 10,995,210 shares of common stock for $26.7 million, which totaled the proceeds available to us of $30 million under the Purchase Agreement.

On April 16, 2010, we completed an underwritten public offering resulting in net proceeds of $41.1 million, after deducting offering expenses of approximately $3.0 million, from the sale of 30,293,000 units at a per unit price of $1.4525. Each unit consisted of one share of common stock and one warrant to purchase 0.5 of a share of common stock. Each warrant has an exercise price of $1.50 per share, and is exercisable for a period of five years from the date of issuance. From this offering, warrants to purchase an aggregate of 10,913,873 shares of our common stock were outstanding as of December 31, 2012 (including the warrants to purchase 6,765,128 shares provided to Symphony as described in Note 8 "Symphony Dynamo, Inc.").

On August 17, 2009, we entered into an equity distribution agreement with Wedbush Morgan Securities, Inc. ("Wedbush") pursuant to which we could offer and sell shares of our common stock having an aggregate offering price of up to $15 million from time to time through Wedbush as our sales agent or to Wedbush as a principal. During the fiscal year ended December 31, 2009, we sold 1,281,100 shares of common stock under the agreement with Wedbush as our sales agent for aggregate net proceeds of $2.3 million after deducting commissions paid to Wedbush and offering expenses. On September 14, 2010, the Company terminated the agreement with Wedbush. Prior to the termination of the agreement on September 14, 2010, during the year ended December 31, 2010, we sold 900,860 shares of common stock under the agreement with Wedbush as our sales agent for net proceeds of $1.2 million.

In connection with a 2007 loan agreement that was subsequently terminated in 2008, we issued warrants to purchase up to 3,550,000 shares of our common stock as follows:

Warrant Issuance Date	Shares Issuable (in thousands)	Expiration Date	Exercise Price per Share	Outstanding as of December 31, 2012
July 18, 2007	1,250	2/26/2014	$ 5.13	1,250
October 18, 2007	1,300	2/26/2014	$ 1.68	250
December 27, 2007	300	2/26/2014	$ 5.65	300
December 27, 2007	700	2/26/2014	$ 1.68	—
Total	3,550			1,800

As December 31, 2012, warrants to purchase an aggregate of approximately 12,700,000 shares of our common stock were outstanding.

10. Commitments and Contingencies

We lease our facilities in Berkeley, California (the "Berkeley Lease"), and Düsseldorf, Germany (the "Düsseldorf Lease"), under operating leases that expire in June 2018 and March 2023, respectively. Total net rent expense related to our operating leases for the years ended December 31, 2012, 2011 and 2010, was $1.7 million, $1.7 million and $2.6 million, respectively. Deferred rent was $0.6 million as of both December 31, 2012 and 2011.

Future minimum payments under the non-cancelable portion of our operating leases at December 31, 2012, excluding payments from sublease agreements of $41 thousand, are as follows (in thousands):

Years ending December 31,	
2013	$ 2,064
2014	2,210
2015	2,260
2016	2,311
2017	2,360
Thereafter	3,727
Total	$14,932

During the fourth quarter of 2004, we established a letter of credit with Silicon Valley Bank as security for our Berkeley Lease in the amount of $0.4 million. The letter of credit remained outstanding as of December 31, 2012, and is collateralized by a certificate of deposit which has been included in restricted cash in the consolidated balance sheets as of December 31, 2012 and 2011. Under the terms of the Berkeley Lease, if the total amount of our cash, cash equivalents and marketable securities falls below $20 million for a period of more than 30 consecutive days during the lease term, the amount of the required security deposit will increase to $1.1 million, until such time as our projected cash and cash equivalents will exceed $20 million for the remainder of the lease term, or until our actual cash and cash equivalents remains above $20 million for a period of 12 consecutive months.

We established a letter of credit with Deutsche Bank as security for our Düsseldorf Lease in the amount of approximately 0.2 million Euros. The letter of credit remained outstanding as of December 31, 2012 and is collateralized by a certificate of deposit which has been included in restricted cash in the consolidated balance sheets as of December 31, 2012, and 2011.

In addition to the non-cancelable commitments included above, we have entered into contractual arrangements that obligate us to make payments to the contractual counterparties upon the occurrence of future events. In the normal course of operations, we have entered into license and other agreements and intend to

continue to seek additional rights relating to compounds or technologies in connection with our discovery, manufacturing and development programs. Under the terms of the agreements, we may be required to pay future up-front fees, milestones and royalties on net sales of products originating from the licensed technologies. We consider these potential obligations to be contingent and have summarized all significant arrangements below.

We rely on research institutions, contract research organizations, clinical investigators, material manufacturers and other consultants. As of December 31, 2012, under the terms of our agreements, we are obligated to make future payments as services are provided of approximately $9.9 million through 2015. These agreements are terminable by us upon written notice. We are generally only liable for actual effort expended by the organizations at any point in time during the contract, subject to certain termination fees and penalties.

Under the terms of our exclusive license agreements with the Regents of the University of California, as amended, for certain technology and related patent rights and materials, we pay annual license or maintenance fees and will be required to pay milestones and royalties on net sales of products originating from the licensed technologies, if any.

11. Collaborative Research, Development and License Agreements

GlaxoSmithKline

In December 2008, we entered into a worldwide strategic alliance with GSK to discover, develop and commercialize toll-like receptor (“TLR”) inhibitors. We received an initial payment of $10 million and agreed to conduct research and early clinical development in up to four programs. The deliverables under this arrangement did not have stand-alone value and so did not qualify as separate units of accounting. In 2011, we earned $15 million in milestone payments related to the initiation of Phase 1 and proof-of-mechanism clinical trials of DV1179 in systemic lupus erythematosus patients and expansion of our collaboration with GSK to develop a TLR8 inhibitor. We are eligible to receive future development milestone payments which we have determined to be substantive milestones. GSK can exercise its exclusive option to license each program upon achievement of certain events and we are eligible to receive contingent option exercise payments. If GSK exercises an option, GSK would carry out further development and commercialization of the corresponding products. We are eligible to receive tiered, up to double-digit royalties on sales of any products originating from the collaboration and have retained an option to co-develop and co-promote one product under this agreement.

Revenue from the initial payment from GSK was deferred and is being recognized over the expected period of performance under the agreement which is estimated to be seven years. The following table summarizes the revenues earned under our agreement with GSK (in thousands):

	Years ended December 31,		
	2012	2011	2010
Initial payment	$1,428	$ 1,428	$1,428
Milestone revenue	—	15,000	—
Total	$1,428	$16,428	$1,428

As of December 31, 2012 and 2011, deferred revenue relating to the initial payment was $4.2 million and $5.7 million, respectively.

Absent early termination, the agreement will expire when all of GSK’s payment obligations expire. Either party may terminate the agreement early upon written notice if the other party commits an uncured material breach of the agreement. Either party may terminate the agreement in the event of insolvency of the other party. GSK also has the option to terminate the agreement without cause upon prior written notice within a specified window of time dependent upon the stage of clinical development of the programs.

AstraZeneca

In September 2006, we entered into a three-year research collaboration and license agreement with AstraZeneca for the discovery and development of TLR9 agonist-based therapies for the treatment of asthma and chronic obstructive pulmonary disease. The deliverables under this arrangement did not have stand-alone value and so did not qualify as separate units of accounting. We received an upfront payment of $10 million. In 2008, we received a milestone payment of $4.5 million for the nomination of the first candidate drug, AZD1419, for asthma. The research term of this agreement was extended through July 2010.

In October 2011, we amended our agreement with AstraZeneca to provide that we will conduct initial clinical development of AZD1419. Under the terms of the amended agreement, AstraZeneca will fund all program expenses to cover the cost of development activities through Phase 2a, estimated to total approximately $20 million. We received an initial payment of $3 million to begin the clinical development program. In the first quarter of 2012, we received a $2.6 million payment to advance AZD1419 into preclinical toxicology studies and these toxicology studies were completed in the third quarter of 2012. We and AstraZeneca have agreed to advance AZD1419 towards a Phase 1 clinical trial, which resulted in a development funding payment of $6 million, received in the fourth quarter of 2012. If AstraZeneca chooses to advance the program following completion of Phase 2a, we will receive a $20 million milestone payment and AstraZeneca will retain its rights to develop the candidate therapy and to commercialize the resulting asthma product. Additionally, we are eligible to receive potential future development funding payments and, upon commercialization, we are eligible to receive royalties based on product sales of any products originating from the collaboration. We have the option to co-promote in the United States products arising from the collaboration, if any. AstraZeneca has the right to sublicense its rights upon our prior consent.

Revenue from the 2011 amendment has been deferred and is being recognized as the development work is performed over the estimated performance period of approximately 50 months. The following table summarizes the revenues earned under our agreement with AstraZeneca (in thousands):

	Years ended December 31,		
	2012	2011	2010
Initial payments	$ 720	$120	$10,778
Performance of research activities	2,462	642	3,315
Total	$3,182	$762	$14,093

As of December 31, 2012, and December 31, 2011, deferred revenue from the initial payment and development funding payments was $7.7 million and $4.9 million, respectively.

Absent early termination, the agreement will expire when all of AstraZeneca's payment obligations expire. AstraZeneca has the right to terminate the agreement at any time upon prior written notice and either party may terminate the agreement early upon written notice if the other party commits an uncured material breach of the agreement.

National Institutes of Health ("NIH") and Other Funding

We have been awarded various grants from the NIH and the NIH's National Institute of Allergy and Infectious Disease ("NIAID") in order to fund research. The awards are related to specific research objectives and we earn revenue as the related research expenses are incurred. We have earned revenue during the three years ended December 31, 2012, 2011 and 2010 from the following awards:

- June 2012, NIH awarded us $0.6 million to fund research in screening for inhibitors of TLR8 for treatment of autoimmune diseases.

- May 2012, NIH awarded us $0.4 million to fund development of TLR8 inhibitors for treatment of rheumatoid arthritis.
- July 2011, NIH awarded us $0.6 million to fund research in preclinical models of skin autoimmune inflammation.
- August 2010, NIAID awarded us a grant from the NIH's National Institute of Allergy and Infectious Disease ("NIAID") to take a systems biology approach to study the differences between individuals who do or do not respond to vaccination against the hepatitis B virus. This study will be one of several projects conducted under a grant to the Baylor Institute of Immunology Research in Dallas as part of the Human Immune Phenotyping Centers program. We have been awarded a total of $1.1 million under this grant.
- July 2010, NIH awarded us $0.6 million to explore the feasibility of developing a universal vaccine to prevent infection by human papilloma virus.
- September 2008, NIAID awarded us a five-year $17 million contract to develop our ISS technology using TLR9 agonists as vaccine adjuvants. The contract supports adjuvant development for anthrax as well as other disease models.
- July 2008, NIH awarded us a $1.8 million to develop a therapy for systemic lupus erythematosus, an autoimmune disease.

The following table summarizes the revenues earned under the various arrangements with the NIH and NIAID (in thousands):

	Years ended December 31,		
	2012	2011	2010
NIAID contracts	$3,571	$2,730	$3,197
All other NIH contracts	368	380	743
Total grant revenue	$3,939	$3,110	$3,940

Merck & Co., Inc. ("Merck")

In October 2007, we entered into a global license and development collaboration agreement and a related manufacturing agreement with Merck to jointly develop HEPLISAV. On December 18, 2008, Merck provided notice of its termination of the collaboration, at which time all development, manufacturing and commercialization rights to HEPLISAV reverted to us. In March 2010, we recognized collaboration revenue of $4 million upon receipt of a payment to us in satisfaction of Merck's obligations for the wind down period following Merck's written notice of termination.

12. Net Loss Per Share

Basic net loss per share is calculated by dividing the net loss by the weighted-average number of common shares outstanding during the period. Diluted net loss per share is computed by dividing the net loss attributable to us by the weighted-average number of common shares outstanding during the period and dilutive potential common shares using the treasury-stock method. For purposes of this calculation, common stock subject to repurchase by us, options and warrants are considered to be dilutive potential common shares and are only included in the calculation of diluted net loss per share when their effect is dilutive.

	December 31,		
	2012	2011	2010
Basic and diluted net loss per share (in thousands, except per share amounts):			
Numerator:			
Net loss	$ (69,949)	$ (48,597)	$(57,308)
Denominator for basic and diluted net loss per share:			
Weighted-average common shares outstanding	170,469	125,101	82,463
Basic and diluted net loss per share	$ (0.41)	$ (0.39)	$ (0.69)

Outstanding warrants, stock options and stock subject to repurchase by us under stock awards were excluded from the calculation of net loss per share as the effect of their inclusion would have been anti-dilutive.

	December 31,		
	2012	2011	2010
Outstanding securities not included in diluted net loss per share calculation (in thousands):			
Stock options and stock awards	15,561	11,101	7,288
Warrants	12,714	25,729	25,734
	28,275	36,830	33,022

13. Stockholders' Equity

Stock Plans

As of December 31, 2012, we had four share-based compensation plans.

1997 Equity Incentive Plan ("1997 Plan")

The 1997 Plan was adopted on January 22, 1997 and provided for the issuance of up to 3,443,630 shares of our common stock to employees and non-employees of the Company. Options granted under the 1997 Plan were either incentive stock options or nonqualified stock options. Options under the 1997 Plan were granted for periods of up to ten years and at prices no less than 85% of the estimated fair value of the shares on the date of grant as determined by the Board of Directors, provided, however, that (i) the exercise price of the incentive stock options shall not be less than 100% of the estimated fair value of the shares on the date of grant and (ii) the exercise price of the incentive stock options granted to a 10% stockholder shall not be less than 110% of the estimated fair value of the shares on the date of grant. The options were exercisable immediately and generally vested over a four-year period for stock options issued to employees, directors and scientific advisors and vested quarterly over a four-year period or immediately for stock options issued to all other non-employees. All unvested shares issued under the 1997 Plan are subject to repurchase rights by the Company under such conditions as agreed to by the Company and the optionee. The 1997 Plan expired in the first quarter of 2007. Upon expiration of the 1997 Plan, 273,188 shares previously available for grant expired. Any outstanding options

under the 1997 Plan that are cancelled in future periods will automatically expire and will no longer be available for grant. As of December 31, 2012, options to purchase 471,788 shares of common stock remained outstanding under the 1997 Plan.

2004 Stock Incentive Plan ("2004 Plan")

The 2004 Plan was adopted in January 2004 by the Board of Directors and stockholders and became effective on February 11, 2004. This plan provided for the issuance of up to 3,500,000 shares of our common stock plus an annual increase. Subsequently, we discontinued granting stock options under the 1997 Plan. Options under the 2004 Plan were granted for periods of up to ten years and the exercise price of all incentive stock options granted under the 2004 Plan was at least equal to 100% of the fair market value of the common stock on the date of grant. If, however, incentive stock options were granted to an employee who owns stock possessing more than 10% of the voting power of all classes of the Company's stock or the stock of any parent or subsidiary of the Company, the exercise price of any incentive stock option granted must equal at least 110% of the fair market value on the grant date and the maximum term of these incentive stock options must not exceed five years. The maximum term of an incentive stock option granted to any other participant must not exceed ten years. The 2004 Plan authorizes the issuance of various forms of stock-based awards including stock options, restricted stock, restricted stock units and other equity awards to employees, consultants and members of the board of directors. As of December 31, 2012, options to purchase 4,298,027 shares of common stock remained outstanding under the 2004 Plan.

2010 Employment Inducement Award Plan ("Inducement Plan")

The Inducement Plan was adopted in January 2010 by our Board of Directors to induce qualified individuals to join Dynavax. This Inducement Plan provided for the issuance of up to 1,500,000 shares of our common stock and became effective on January 8, 2010. Stockholder approval of the Inducement Plan is not required under NASDAQ Marketplace Rule 5635(c)(4). As of December 31, 2012, options to purchase 779,000 shares of common stock remained outstanding under the Inducement Plan.

2011 Equity Incentive Plan ("2011 Plan")

The 2011 Plan was approved by the Company's stockholders and adopted in January 2011. The 2011 Plan provides for the issuance of up to 15,000,000 shares of our common stock to employees and non-employees of the Company and became effective on January 6, 2011. The 2011 Plan is administered by our Board of Directors, or a designated committee of the Board of Directors, and awards granted under the 2011 Plan have a term of 10 years unless earlier terminated by the Board of Directors. Under the 2011 Plan, no additional awards will be granted under either the 2004 Plan or the Inducement Plan. As of January 6, 2011, all shares subject to awards outstanding under the 2004 Plan and Inducement Plan that expire or are forfeited will be included in the reserve for the 2011 Plan to the extent such shares would otherwise return to such plans. As of December 31, 2012, options to purchase 8,257,406 shares of common stock remained outstanding under the 2011 Plan.

Activity under our stock plans is set forth below:

	Shares Underlying Outstanding Options (in thousands)	Weighted-Average Exercise Price Per Share (in thousands)	Weighted-Average Remaining Contractual Term (years)	Aggregate Intrinsic Value
Balance at December 31, 2011	10,987	$ 3.10		
Options granted	4,534	3.68		
Options exercised	(1,166)	1.79		
Options cancelled:				
Options forfeited (unvested)	(505)	3.32		
Options cancelled (vested)	(44)	5.53		
Balance at December 31, 2012	13,806	$ 3.38	7.26	$ 4,015
Vested and expected to vest at December 31, 2012	12,886	$ 3.37	7.13	$ 3,955
Exercisable at December 31, 2012	7,226	$ 3.49	5.91	$ 2,825

The total intrinsic value of stock options exercised during the years ended December 31, 2012, 2011 and 2010 was, $2.7 million, $0.1 million and $0.1 million, respectively. The total intrinsic value of exercised stock options is calculated based on the difference between the exercise price and the quoted market price of our common stock as of the close of the exercise date.

The total fair value of stock options vested during the years ended December 31, 2012, 2011 and 2010 was, $9.6 million, $2.8 million and $4.1 million, respectively.

Our non-vested stock awards are comprised of restricted stock units granted with performance-based vesting criteria. A summary of the status of non-vested restricted stock units as of December 31, 2012, and activities during 2012 is summarized as follows:

	Number of Shares (In thousands)	Weighted-Average Grant-Date Fair Value
Non-vested as of December 31, 2011	115	$ 1.98
Granted	1,815	$ 4.23
Vested	(115)	$ 1.98
Forfeited or expired	(60)	$ 4.22
Non-vested as of December 31, 2012	1,755	$ 4.23

Stock-based compensation expense related to restricted stock units was approximately $0.2 million for the year ended December 31, 2012. The aggregate intrinsic value of the restricted stock units outstanding as of December 31, 2012, based on our stock price on that date, was $5.0 million.

The weighted average grant-date fair value of restricted stock units granted during the years ended December 31, 2012 and 2010 was, $4.23 and $1.98, respectively. No restricted stock units were granted during 2011. The total fair value of restricted stock units vested during the years ended December 31, 2012 and 2011 was, $0.2 million and $0.8 million, respectively. No restricted stock units vested during 2010.

Employee Stock Purchase Plan

In January 2004, the Board of Directors and stockholders adopted the 2004 Employee Stock Purchase Plan (the "Purchase Plan"). The Purchase Plan provides for the purchase of common stock by eligible employees and became effective on February 11, 2004. The purchase price per share is the lesser of (i) 85% of the fair market value of the common stock on the commencement of the offer period (generally, the fifteenth day in February or August) or (ii) 85% of the fair market value of the common stock on the exercise date, which is the last day of a purchase period (generally, the fourteenth day in February or August).

As of December 31, 2012, 996,000 shares were reserved and approved for issuance under the Purchase Plan, subject to adjustment for a stock split, or any future stock dividend or other similar change in our common stock or capital structure. To date, employees have acquired 698,724 shares of our common stock under the Purchase Plan. As of December 31, 2012, 297,276 shares of our common stock remained available for future purchases.

Stock-Based Compensation

Under our stock-based compensation plans, option awards generally vest over a four-year period contingent upon continuous service and expire ten years from the date of grant (or earlier upon termination of continuous service). The Company has also granted performance-based equity awards to certain of our employees under the 2011 Plan, the 2004 Plan and the Inducement Plan. As of December 31, 2012, 2,617,966 shares were outstanding related to options and restricted stock units subject to these performance-based vesting criteria. The fair value of each option is estimated on the date of grant using the Black-Scholes option valuation model and the following weighted-average assumptions:

	Stock Options			Employee Stock Purchase Plan		
	Years Ended December 31,			Years Ended December 31,		
	2012	2011	2010	2012	2011	2010
Weighted-average fair value	$3.30	$2.76	$1.49	$3.53	$2.09	$1.47
Risk-free interest rate	0.5%	1.3%	1.7%	0.2%	0.3%	0.4%
Expected life (in years)	4.2	4.0	4.0	1.1	1.2	0.9
Volatility	1.6	1.6	1.6	1.6	1.6	1.6

Expected volatility is based on historical volatility of our stock price. The expected life of options granted is estimated based on historical option exercise and employee termination data, while giving consideration to options that have not yet completed a full life cycle. Our senior management, who hold a majority of the options outstanding, and other employees were grouped and considered separately for valuation purposes. The expected life of the options for senior management is six years and for other employees five and a half years. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant. The dividend yield is zero percent for all years and is based on our history and expectation of dividend payouts.

Compensation expense is based on awards ultimately expected to vest and reflects estimated forfeitures. For equity awards with time-based vesting, the fair value is amortized to expense on a straight-line basis over the vesting periods. For equity awards with performance-based vesting criteria, the fair value is amortized to expense when the achievement of the vesting criteria becomes probable.

We recognized the following amounts of stock-based compensation expense (in thousands):

	Years Ended December 31,		
	2012	2011	2010
Employees and directors stock-based compensation expense	$10,439	$5,185	$2,378
Non-employees stock-based compensation expense	—	4	32
Total	$10,439	$5,189	$2,410

	Years Ended December 31,		
	2012	2011	2010
Research and development	$ 3,514	$2,103	$ 632
General and administrative	6,925	3,086	1,778
Total	$10,439	$5,189	$2,410

In the fourth quarter of 2012, we recognized $1.5 million in additional stock-based compensation expense due to a modification of the terms of stock options related to an amended management continuity and severance agreement with one of our executive officers.

As of December 31, 2012, the total unrecognized compensation cost related to non-vested stock options deemed probable of vesting, including all stock options with time-based vesting, net of estimated forfeitures, amounted to $14.3 million, which is expected to be recognized over the remaining weighted-average vesting period of 2.3 years. As of December 31, 2012, the total unrecognized compensation cost related to non-vested stock options not deemed probable of vesting, net of estimated forfeitures, amounted to $0.3 million.

As of December 31, 2012, the total unrecognized compensation cost related to non-vested equity awards not deemed probable of vesting, net of estimated forfeitures, amounted to $6.3 million.

As of December 31, 2012, the total unrecognized compensation cost related to shares of our common stock under the Purchase Plan, amounted to $0.3 million, which is expected to be recognized over the remaining weighted-average vesting period of 1.0 years.

Warrants

As December 31, 2012, warrants to purchase an aggregate of approximately 12,700,000 shares of our common stock were outstanding. The warrants are exercisable at $1.50 to $5.65 per share. During the years ended December 31, 2012, and 2011, warrants were exercised to purchase an aggregate of approximately 13,000,000 and 4,500,000 shares, respectively, of our common stock.

Preferred Stock Rights

On November 4, 2008, our Board of Directors declared a dividend of one preferred share purchase right (a “Right”) for each outstanding share of our Common Stock, par value $0.001 per share (the “Common Shares”). The dividend was payable on November 17, 2008 to the stockholders of record on that date. Each Right entitles the registered holder to purchase from us one one-hundredth of a share of Series A Junior Participating Preferred Stock, par value $0.001 per share (the “Preferred Shares”), at a price of $6.00 per one one-hundredth of a Preferred Share, subject to adjustment. Upon the acquisition of, or announcement of the intent to acquire, 20 percent or more of our outstanding Common Shares by a person, entity or group of affiliated or associated persons (“Acquiring Person”), each holder of a Right, other than Rights held by the Acquiring Person, will have the right to purchase that number of Common Shares having a market value of two times the exercise price of the Right. If we are acquired in a merger or other business combination transaction or 50 percent or more of our assets or earning power are sold to an Acquiring Person, each holder of a Right will thereafter have the right to purchase, at the then current exercise price of the Right, that number of shares of common stock of the acquiring company which at the time of such transaction will have a market value of two times the exercise price of the Right. The Rights plan is intended to maximize the value of the Company in the event of an unsolicited attempt to take over the Company in a manner or on terms not approved by the Company’s Board of Directors. The Rights will expire on November 17, 2018, unless the Rights are earlier redeemed or exchanged by the Company.

14. Employee Benefit Plan

We maintain a 401(k) Plan, which qualifies as a deferred salary arrangement under Section 401(k) of the Internal Revenue Code. Under the 401(k) Plan, participating employees may defer a portion of their pretax earnings. We may, at our discretion, contribute for the benefit of eligible employees. To date, we have not contributed to the 401(k) Plan.

15. Income Taxes

Consolidated income (loss) before provision for income taxes consisted of the following (in thousands):

	Years Ended December 31,		
	2012	2011	2010
U.S.	$(70,792)	$(49,990)	$(56,379)
Non U.S.	843	1,393	(929)
Total	$(69,949)	$(48,597)	$(57,308)

No income tax expense was recorded for the years ended December 31, 2012, 2011 and 2010 due to net operating loss carryforwards to offset the net income at Dynavax Europe and a valuation allowance which offsets the deferred tax assets. The difference between the consolidated income tax benefit and the amount computed by applying the federal statutory income tax rate to the consolidated loss before income taxes was as follows (in thousands):

	Years Ended December 31,		
	2012	2011	2010
Income tax benefit at federal statutory rate	$(23,650)	$(16,523)	$(19,486)
State tax	(89)	(2,586)	(1,617)
Tax credits	—	(1,394)	(2,172)
Deferred compensation charges	1,002	595	318
Change in valuation allowance	21,966	18,099	19,863
Change in foreign tax rates	—	(34)	22
Change in the fair value measurements	—	286	2,997
Non-deductible debt discount	—	509	420
Deemed dividend	—	273	—
Other	771	775	(345)
Total income tax expense	$ —	$ —	$ —

Deferred tax assets and liabilities as of December 31, 2012 and 2011 consisted of the following (in thousands):

	December 31, 2012	December 31, 2011
Deferred tax assets:		
Net operating loss carry forwards	$ 127,529	$ 103,119
Research tax credit carry forwards	18,163	17,477
Accruals and reserves	8,529	6,818
Capitalized research costs	12,757	17,278
Deferred revenue	2,180	2,189
Other	1,221	1,455
	170,379	148,336
Less valuation allowance	(170,232)	(148,266)
Total deferred tax assets	147	70
Deferred tax liabilities:		
Acquired intangible assets	(86)	(27)
Other	(61)	(43)
Total deferred tax liabilities	(147)	(70)
Net deferred tax assets	$ —	$ —

The tax benefit of net operating losses, temporary differences and credit carryforwards is required to be recorded as an asset to the extent that management assesses that realization is “more likely than not.” Realization of the future tax benefits is dependent on our ability to generate sufficient taxable income within the carryforward period. Because of our recent history of operating losses, management believes that recognition of the deferred tax assets arising from the above-mentioned future tax benefits is currently not likely to be realized and, accordingly, has provided a full valuation allowance. The valuation allowance increased by $22.0 million, $18.1 million and $19.9 million during the years ended December 31, 2012, 2011 and 2010, respectively. The amount of the valuation allowance for deferred tax assets associated with excess tax deductions from stock based compensation arrangements that will be allocated to contributed capital if the future tax benefits are subsequently recognized is $0.4 million.

We have not recorded deferred income taxes applicable to undistributed earnings of a foreign subsidiary that are indefinitely reinvested in foreign operations. Generally, such earnings become subject to U.S. tax upon the remittance of dividends and under certain other circumstances. It is not practicable to estimate the amount of the deferred tax liability on such undistributed earnings.

As of December 31, 2012, we had federal net operating loss carryforwards of approximately $323.8 million, which will expire in the years 2018 through 2032 and federal research and development tax credits of approximately $11.2 million, which expire in the years 2018 through 2032.

As of December 31, 2012, we had net operating loss carryforwards for California state income tax purposes of approximately $226.2 million, which expire in the years 2013 through 2032, and California state research and development tax credits of approximately $10.5 million which do not expire.

As of December 31, 2012, we had net operating loss carryforwards for foreign income tax purposes of approximately $28.0 million, which do not expire.

The Tax Reform Act of 1986 limits the annual use of net operating loss and tax credit carryforwards in certain situations where changes occur in stock ownership of a company. In the event the Company has a change in ownership, as defined, the annual utilization of such carryforwards could be limited. Due to past equity issuances and changes in ownership of Dynavax common stock, we believe that our ability to use some of our net operating losses and tax credits in the future may be limited. We are conducting an analysis under Sections 382 and 383 of the Internal Revenue Code as enacted by the Tax Reform Act of 1986, and if necessary, we will reduce our net operating losses and tax credits by any applicable limitation when our analysis is complete.

In November 2010, we received a one-time $0.7 million payment under The Patient Protection and Affordable Care Act of 2010 covering research and development costs from 2009 and 2010 for three of our qualified therapeutic discovery projects including HEPLISAV. The funds received as a result of this award were recorded as other income in the year ended December 31, 2010.

16. Selected Quarterly Financial Data (Unaudited; in thousands, except per share amounts)

	Year Ended December 31, 2012			
	Q1	Q2	Q3	Q4
Revenues	$ 2,350	$ 2,684	$ 2,874	$ 1,806
Net loss	$ (16,505)	$ (15,110)	$ (17,791)	$ (20,543)
Basic and diluted net loss per share	$ (0.11)	$ (0.09)	$ (0.10)	$ (0.11)
Shares used to compute basic and diluted net loss per share	155,431	167,697	177,870	180,685

	Year Ended December 31, 2011			
	Q1	Q2	Q3	Q4
Revenues	$ 1,744	$ 7,269	$ 1,174	$ 11,427
Net loss	$ (18,466)	$ (10,635)	$ (15,229)	$ (4,267)
Basic and diluted net loss per share	$ (0.16)	$ (0.09)	$ (0.12)	$ (0.03)
Shares used to compute basic and diluted net loss per share	115,726	117,864	124,069	142,482

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (“the Exchange Act”)) that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Principal Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can only provide reasonable, not absolute, assurance of achieving the desired control objectives.

Based on their evaluation as of the end of the period covered by this report, our management, with the participation of our Chief Executive Officer and our Principal Financial Officer, concluded that our disclosure controls and procedures are effective at the reasonable assurance level to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms.

(b) Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our management, with the participation of our Chief Executive Officer and Principal Financial Officer, conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that evaluation, our management concluded that our internal control over financial reporting was effective as of December 31, 2012. The Company's independent registered public accountants, Ernst & Young LLP, audited the consolidated financial statements included in this Annual Report on Form 10-K and have issued an attestation report on the Company's internal control over financial reporting. The report on the audit of internal control over financial reporting appears below.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of Dynavax Technologies Corporation

We have audited Dynavax Technologies Corporation's internal control over financial reporting as of December 31, 2012, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Dynavax Technologies Corporation's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Dynavax Technologies Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2012, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Dynavax Technologies Corporation as of December 31, 2012 and 2011, and the related consolidated statements of operations, comprehensive loss, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2012 of Dynavax Technologies Corporation and our report dated March 8, 2013 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Redwood City, California
March 8, 2013

(c) Changes in Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information required by this Item is incorporated by reference to the sections entitled “Proposal 1—Elections of Directors,” “Executive Officers,” “Corporate Governance” and “Section 16(a) Beneficial Ownership Reporting Compliance” in our Definitive Proxy Statement in connection with the 2013 Annual Meeting of Stockholders (the “Proxy Statement”) which will be filed with the Securities and Exchange Commission within 120 days after the fiscal year ended December 31, 2012.

We have adopted the Dynavax Code of Business Conduct and Ethics, a code of ethics that applies to our employees, including our Chief Executive Officer, Principal Financial Officer and to our non-employee directors. We will provide a written copy of the Dynavax Code of Business Conduct and Ethics to anyone without charge, upon request written to Dynavax, Attention: Jennifer Lew, 2929 Seventh Street, Suite 100, Berkeley, CA 94710-2753, (510) 848-5100.

ITEM 11. EXECUTIVE COMPENSATION

Information required by this Item is incorporated by reference to the section entitled “Executive Compensation,” “Director Compensation,” “Report of the Compensation Committee of the Board of Directors,” and “Compensation Committee Interlocks and Insider Participation” in the Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information regarding security ownership of certain beneficial owners and management is incorporated by reference to the section entitled “Security Ownership of Certain Beneficial Owners and Management” in the Proxy Statement. Information regarding our stockholder approved and non-approved equity compensation plans are incorporated by reference to the section entitled “Equity Compensation Plans” in the Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information required by this Item is incorporated by reference to the sections entitled “Transactions with Related Persons” and “Independence of the Board of Directors” in the Proxy Statement.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Information required by this Item is incorporated by reference to the section entitled “Audit Fees” in the Proxy Statement.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) Documents filed as part of this report:

1. Financial Statements

Report of Independent Registered Public Accounting Firm

Consolidated Balance Sheets

Consolidated Statements of Operations

Consolidated Statements of Comprehensive Loss

Consolidated Statements of Stockholders' Equity

Consolidated Statements of Cash Flows

Notes to Consolidated Financial Statements

2. Financial Statement Schedules

None, as all required disclosures have been made in the Consolidated Financial Statements and notes thereto or are not applicable.

(b) Exhibits

Exhibit Number	Document
3.1[1]	Sixth Amended and Restated Certificate of Incorporation
3.2[1]	Amended and Restated Bylaws
3.3[2]	Form of Certificate of Designation of Series A Junior Participating Preferred Stock
3.4[12]	Certificate of Amendment of Amended and Restated Certificate of Incorporation
3.5[13]	Certificate of Amendment of Amended and Restated Certificate of Incorporation
4.1	Reference is made to Exhibits 3.1, 3.2, 3.3, 3.4 and 3.5 above
4.2[3]	Registration Rights Agreement
4.3[3]	Form of Warrant
4.4[4]	Form of Specimen Common Stock Certificate
4.5[2]	Rights Agreement dated as of November 5, 2008, by and between the Company and Mellon Investor Services LLC
4.6[2]	Form of Rights Certificate
4.7[6]	Form of Restricted Stock Unit Award Agreement
4.8[14]	Form of Amended Warrant
4.9[15]	Form of Warrant
4.10[17]	Registration Rights Agreement dated as of September 20, 2010, by and between the Company and Aspire Capital Fund, LLC
10.30[16]†	Agreement dated September 1, 2006, by and between the Company and AstraZeneca AB.
10.32[5]†	License Agreement, dated June 26, 2007, between Coley Pharmaceuticals Group, Inc. and Dynavax Technologies Corporation

Exhibit Number	Document
10.37[6]+	Amended Management Continuity Agreement, dated as of October 3, 2008, between Dynavax Technologies Corporation and Dino Dina
10.38[6]+	Form of Amended Management Continuity Agreement between Dynavax Technologies Corporation and each of its executive officers
10.39[6]†	Research and Development Collaboration and License Agreement, dated December 15, 2008, between Glaxo Group Limited and Dynavax Technologies Corporation
10.40[7]	Amendment No. 2 to the Agreement dated September 1, 2006 by and between the Company and AstraZeneca AB ("AZ") (the "Agreement") dated February 3, 2009
10.41[8]+	Amended Management Continuity Agreement, dated as of April 22, 2009, between Dynavax Technologies Corporation and Zbigniew Janowicz
10.42[8]	Amendment No. 4, dated June 1, 2009, to the Exclusive License Agreement, dated October 2, 1998, between Dynavax Technologies Corporation and the Regents of the University of California.
10.43[9]	Equity Distribution Agreement, dated August 17, 2009, between Dynavax Technologies Corporation and Wedbush Morgan Securities, Inc.
10.44[10]	Amendment to Equity Distribution Agreement, dated September 10, 2009, between Dynavax Technologies Corporation and Wedbush Morgan Securities, Inc.
10.45[11]+	Management Service Contract, dated as of January 1, 2005, between Rhein Biotech GmbH and Zbigniew Janowicz
10.46[11]+	Amendment, dated February 5, 2008, to Management Service Contract between Dynavax Technologies Corporation and Zbigniew Janowicz
10.47[14]	Amended Purchase Option Agreement, dated November 9, 2009, between Dynavax Technologies Corporation, Symphony Dynamo Holdings LLC and Symphony Dynamo, Inc.
10.48[14]	Warrant Purchase Agreement, dated as of November 9, 2009, between Dynavax Technologies Corporation and Symphony Dynamo Holdings LLC.
10.49[14]	Amended Registration Rights Agreement, dated as of November 9, 2009, between Dynavax Technologies Corporation and Symphony Dynamo Holdings LLC.
10.50[14]	Standstill and Corporate Governance Agreement, dated as of December 30, 2009, between Dynavax Technologies Corporation and Symphony Dynamo Holdings LLC.
10.51[15]	Settlement Agreement, dated as of March 12, 2010 between Dynavax Technologies Corporation and Merck Sharp & Dohme Corp. f/k/a Merck & Co., Inc.
10.54[18]	Amendment No. 3 to the Agreement dated September 1, 2006 by and between the Company and AZ dated September 30, 2010
10.55[19]	First Amendment to Lease, dated as of May 21, 2004, between Dynavax Technologies Corporation and 2929 Seventh Street, L.L.C.
10.56[19]	Second Amendment to Lease, dated as of October 12, 2010, between Dynavax Technologies Corporation and 2929 Seventh Street, L.L.C.
10.58[21]+	Amended and Restated Management Continuity and Severance Agreement, dated as of November 12, 2010, by and between the Company and Dino Dina, M.D.
10.59[21]+	Amended and Restated Management Continuity and Severance Agreement, dated as of November 12, 2010 by and between the Company and J. Tyler Martin, M.D.

Exhibit Number	Document
10.60[22]+	Amendment, dated January 6, 2011, to Management Service Contract between Dynavax Technologies Corporation and Zbigniew Janowicz
10.61[23]+	Form of amendment to Management Continuity Agreement between Dynavax Technologies Corporation and each of its executive officers
10.62[24]+	2011 Equity Incentive Plan
10.63[25]+	Form of Restricted Stock Unit Award Notice and Restricted Stock Unit Award Agreement
10.64[26]+	Form of Stock Option Grant Notice and Option Agreement
10.65[27]	Third Amendment to Lease, dated as of April 1, 2011, between the Dynavax Technologies Corporation and 2929 Seventh Street, L.L.C.
10.66[27]	2004 Non-employee Director Option Program (Revised) and 2005 Non-employee Director Cash Compensation Program, effective April 14, 2005 and amended April 6, 2011
10.67	Amendment No. 4 to the Agreement dated 1 September 2006 by and between AstraZeneca AB and Dynavax Technologies Corporation dated September 23, 2011
10.68[20]	Underwriting Agreement, dated November 3, 2011, by and among Dynavax Technologies Corporation, Cowen and Company, LLC and William Blair & Company, L.L.C.
10.69[29]	Amended and Restated 2004 Non-Employee Director Option Program and Amended and Restated 2005 Non-Employee Director Cash Compensation Program, Amended April 17, 2012.
10.70[30]	Employment Offer Letter to Christine R. Larson dated August 1, 2012.
10.71[30]	Consulting Agreement dated as of May 1, 2012, by and between Frank Cano and Dynavax Technologies Corporation.
10.72	Fourth Amendment to Lease, dated as of December 14, 2012, between the Dynavax Technologies Corporation and 2929 Seventh Street, L.L.C.
10.73	New Lease, dated as of December 14, 2012, between the Dynavax Technologies Corporation and 2929 Seventh Street, L.L.C.
10.74	Consulting Agreement dated as of November 14, 2012, by and between Stanley A. Plotkin and Dynavax Technologies Corporation.
10.75+	Form of amended and restated Management Continuity and Severance Agreement between Dynavax Technologies Corporation and J. Tyler Martin.
10.76[31]	Underwriting Agreement dated May 9, 2012, by and among Dynavax Technologies Corporation, J.P. Morgan Securities L.L.C and Cowen & Company, L.L.C.
21.1	List of Subsidiaries.
23.1	Consent of Independent Registered Public Accounting Firm.
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Exhibit Number	Document
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.
101.LAB*	XBRL Taxonomy Extension Labels Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.

(1) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Amendment No. 4 to Registration Statement on Form S-1/A, as filed with the SEC on February 5, 2004 (File No. 000-50577) and such document filed with the SEC as an exhibit to Dynavax's Current Report on Form 8-K, as filed with the SEC on January 1, 2011.

(2) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Current Report on Form 8-K, as filed with the SEC on November 6, 2008.

(3) Incorporated by reference to Dynavax Technologies Corporation's Registration Statement (File No. 333-145836) on Form S-3 filed on August 31, 2007.

(4) Incorporated by reference to Dynavax Technologies Corporation's Registration Statement (File No. 333-109965) on Form S-1 filed on January 16, 2004.

(5) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Quarterly Report on Form 10-Q for the quarter ended June 30, 2007, as filed with the SEC.

(6) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Annual Report on Form 10-K for the year ended December 31, 2008, as filed with the SEC.

(7) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Quarterly Report on Form 10-Q for the quarter ended March 31, 2009, as filed with the SEC.

(8) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Quarterly Report on Form 10-Q for the quarter ended June 30, 2009, as filed with the SEC.

(9) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Current Report on Form 8-K, as filed with the SEC on August 17, 2009.

(10) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Quarterly Report on Form 10-Q for the quarter ended September 30, 2009, as filed with the SEC.

(11) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Current Report on Form 8-K, as filed with the SEC on February 25, 2010.

(12) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Current Report on Form 8-K, as filed with the SEC on January 4, 2010.

(13) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Current Report on Form 8-K, as filed with the SEC on January 5, 2011.

(14) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Annual Report on Form 10-K, for the fiscal year ended December 31, 2009.

(15) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Current Report on Form 8-K, as filed with the SEC on April 13, 2010.

(16) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Quarterly Report on Form 10-Q for the quarter ended September 30, 2011, as filed with the SEC

(17) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Current Report on Form 8-K, as filed with the SEC on September 20, 2010.

(18) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Current Report on Form 8-K, as filed with the SEC on October 4, 2010.

(19) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Current Report on Form 8-K, as filed with the SEC on October 13, 2010.

(20) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Current Report on Form 8-K, as filed with the SEC on November 8, 2011.

(21) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Current Report on Form 8-K, as filed with the SEC on November 23, 2010.

(22) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Current Report on Form 8-K, as filed with the SEC on January 7, 2011.

(23) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Quarterly Report on Form 10-Q for the quarter ended March 31, 2011, as filed with the SEC

(24) Incorporated by reference from such document filed with the SEC as exhibit 99.1 to Dynavax Technologies Corporation's Registration Statement (File No. 333-171552) on Form S-8, as filed with the SEC on January 6, 2011.

(25) Incorporated by reference from such document filed with the SEC as exhibit 99.1 to Dynavax Technologies Corporation's Registration Statement (File No. 333-171552) on Form S-8, as filed with the SEC on January 6, 2011.

(26) Incorporated by reference from such document filed with the SEC as exhibit 99.3 to Dynavax Technologies Corporation's Registration Statement (File No. 333-171552) on Form S-8, as filed with the SEC on January 6, 2011.

(27) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Quarterly Report on Form 10-Q for the quarter ended June 30, 2011, as filed with the SEC.

(27) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Quarterly Report on Form 10-Q for the quarter ended June 30, 2011, as filed with the SEC.

(28) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Annual Report on Form 10-K for the fiscal year ended December 31, 2011, as filed with the SEC.

(29) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012, as filed with the SEC.

(30) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Quarterly Report on Form 10-Q for the quarter ended September 30, 2012, as filed with the SEC.

(31) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Current Report on Form 8-K, as filed with the SEC on May 10, 2012.

101*** The following materials from Registrant's Annual Report on Form 10-K for the year ended December 31, 2012, formatted in Extensible Business Reporting Language (XBRL) includes: (i) Consolidated Balance Sheets as of December 31, 2012 and December 31, 2011, (ii) Consolidated Statements of Operations for the years ended December 31, 2012, December 31, 2011 and December 31, 2010, (iii) Consolidated Statement of Comprehensive Loss for the years ended December 31, 2012, December 31, 2011 and December 31, 2010, (iv) Consolidated Statements of Shareholders' Equity for the years ended December 31, 2012, December 31, 2011 and December 31, 2010 (v) Consolidated Statements of Cash Flows for the years ended December 31, 2012, December 31, 2011 and December 31, 2010 and (vi) Notes to Consolidated Financial Statements, tagged as blocks of text.

† We have been granted confidential treatment with respect to certain portions of this agreement. Omitted portions have been filed separately with the Securities and Exchange Commission.

* Pursuant to applicable securities laws and regulations, the Registrant is deemed to have complied with the reporting obligation relating to the submission of interactive data files in such exhibits and is not subject to liability under any anti-fraud provisions of the federal securities laws as long as the Registrant has made a good faith attempt to comply with the submission requirements and promptly amends the interactive data files after becoming aware that the interactive data files fail to comply with the submission requirements. These interactive data files are deemed not filed or part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act, are deemed not filed for purposes of section 18 of the Exchange Act and otherwise are not subject to liability under these sections.

+ Indicates management contract or compensatory plan.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Berkeley, State of California.

DYNAVAX TECHNOLOGIES CORPORATION

By: /S/ DINO DINA, M.D.
Dino Dina, M.D.
Chief Executive Officer
(Principal Executive Officer)

Date: March 8, 2013

By: /S/ JENNIFER LEW
Jennifer Lew
Vice President, Finance
(Principal Accounting and Financial Officer)

Date: March 8, 2013

Signature	Title	Date
/S/ DINO DINA, M.D. **Dino Dina, M.D.**	Chief Executive Officer *(Principal Executive Officer)*	March 8, 2013
/S/ JENNIFER LEW **Jennifer Lew**	Vice President, Finance *(Principal Accounting and Financial Officer)*	March 8, 2013
/S/ ARNOLD L. ORONSKY, PH.D. **Arnold L. Oronsky, Ph.D.**	Chairman of the Board	March 8, 2013
/S/ DENNIS A. CARSON, M.D. **Dennis A. Carson, M.D.**	Director	March 8, 2013
/S/ FRANCIS R. CANO, PH.D. **Francis R. Cano, Ph.D.**	Director	March 8, 2013
/S/ DENISE M. GILBERT, PH.D. **Denise M. Gilbert, Ph.D.**	Director	March 8, 2013
/S/ MARK KESSEL **Mark Kessel**	Director	March 8, 2013
/S/ DANIEL L. KISNER, M.D. **Daniel L. Kisner, M.D.**	Director	March 8, 2013
/S/ J. TYLER MARTIN, M.D. **J. Tyler Martin, M.D.**	Director	March 8, 2013

Signature	Title	Date
/S/ PEGGY V. PHILLIPS **Peggy V. Phillips**	Director	March 8, 2013
/S/ STANLEY A. PLOTKIN, M.D. **Stanley A. Plotkin, M.D.**	Director	March 8, 2013

EXHIBIT INDEX

Exhibit Number	Document
3.1[1]	Sixth Amended and Restated Certificate of Incorporation
3.2[1]	Amended and Restated Bylaws
3.3[2]	Form of Certificate of Designation of Series A Junior Participating Preferred Stock
3.4[12]	Certificate of Amendment of Amended and Restated Certificate of Incorporation
3.5[13]	Certificate of Amendment of Amended and Restated Certificate of Incorporation
4.1	Reference is made to Exhibits 3.1, 3.2, 3.3, 3.4 and 3.5 above
4.2[3]	Registration Rights Agreement
4.3[3]	Form of Warrant
4.4[4]	Form of Specimen Common Stock Certificate
4.5[2]	Rights Agreement dated as of November 5, 2008, by and between the Company and Mellon Investor Services LLC
4.6[2]	Form of Rights Certificate
4.7[6]	Form of Restricted Stock Unit Award Agreement
4.8[14]	Form of Amended Warrant
4.9[15]	Form of Warrant
4.10[17]	Registration Rights Agreement dated as of September 20, 2010, by and between the Company and Aspire Capital Fund, LLC
10.30[16]†	Agreement dated September 1, 2006, by and between the Company and AstraZeneca AB.
10.32[5]†	License Agreement, dated June 26, 2007, between Coley Pharmaceuticals Group, Inc. and Dynavax Technologies Corporation
10.37[6]+	Amended Management Continuity Agreement, dated as of October 3, 2008, between Dynavax Technologies Corporation and Dino Dina
10.38[6]+	Form of Amended Management Continuity Agreement between Dynavax Technologies Corporation and each of its executive officers
10.39[6]†	Research and Development Collaboration and License Agreement, dated December 15, 2008, between Glaxo Group Limited and Dynavax Technologies Corporation
10.40[7]	Amendment No. 2 to the Agreement dated September 1, 2006 by and between the Company and AstraZeneca AB (“AZ”) (the “Agreement”) dated February 3, 2009
10.41[8]+	Amended Management Continuity Agreement, dated as of April 22, 2009, between Dynavax Technologies Corporation and Zbigniew Janowicz
10.42[8]	Amendment No. 4, dated June 1, 2009, to the Exclusive License Agreement, dated October 2, 1998, between Dynavax Technologies Corporation and the Regents of the University of California.
10.43[9]	Equity Distribution Agreement, dated August 17, 2009, between Dynavax Technologies Corporation and Wedbush Morgan Securities, Inc.
10.44[10]	Amendment to Equity Distribution Agreement, dated September 10, 2009, between Dynavax Technologies Corporation and Wedbush Morgan Securities, Inc.
10.45[11]+	Management Service Contract, dated as of January 1, 2005, between Rhein Biotech GmbH and Zbigniew Janowicz

Exhibit Number	Document
10.46[11]+	Amendment, dated February 5, 2008, to Management Service Contract between Dynavax Technologies Corporation and Zbigniew Janowicz
10.47[14]	Amended Purchase Option Agreement, dated November 9, 2009, between Dynavax Technologies Corporation, Symphony Dynamo Holdings LLC and Symphony Dynamo, Inc.
10.48[14]	Warrant Purchase Agreement, dated as of November 9, 2009, between Dynavax Technologies Corporation and Symphony Dynamo Holdings LLC.
10.49[14]	Amended Registration Rights Agreement, dated as of November 9, 2009, between Dynavax Technologies Corporation and Symphony Dynamo Holdings LLC.
10.50[14]	Standstill and Corporate Governance Agreement, dated as of December 30, 2009, between Dynavax Technologies Corporation and Symphony Dynamo Holdings LLC.
10.51[15]	Settlement Agreement, dated as of March 12, 2010 between Dynavax Technologies Corporation and Merck Sharp & Dohme Corp. f/k/a Merck & Co., Inc.
10.54[18]	Amendment No. 3 to the Agreement dated September 1, 2006 by and between the Company and AZ dated September 30, 2010
10.55[19]	First Amendment to Lease, dated as of May 21, 2004, between Dynavax Technologies Corporation and 2929 Seventh Street, L.L.C.
10.56[19]	Second Amendment to Lease, dated as of October 12, 2010, between Dynavax Technologies Corporation and 2929 Seventh Street, L.L.C.
10.58[21]+	Amended and Restated Management Continuity and Severance Agreement, dated as of November 12, 2010, by and between the Company and Dino Dina, M.D.
10.59[21]+	Amended and Restated Management Continuity and Severance Agreement, dated as of November 12, 2010 by and between the Company and J. Tyler Martin, M.D.
10.60[22]+	Amendment, dated January 6, 2011, to Management Service Contract between Dynavax Technologies Corporation and Zbigniew Janowicz.
10.61[23]+	Form of amendment to Management Continuity Agreement between Dynavax Technologies Corporation and each of its executive officers.
10.62[24]+	2011 Equity Incentive Plan.
10.63[25]+	Form of Restricted Stock Unit Award Notice and Restricted Stock Unit Award Agreement.
10.64[26]+	Form of Stock Option Grant Notice and Option Agreement.
10.65[27]	Third Amendment to Lease, dated as of April 1, 2011, between the Dynavax Technologies Corporation and 2929 Seventh Street, L.L.C.
10.66[27]+	2004 Non-employee Director Option Program (Revised) and 2005 Non-employee Director Cash Compensation Program, effective April 14, 2005 and amended April 6, 2011
10.67[28]	Amendment No. 4 to the Agreement dated 1 September 2006 by and between AstraZeneca AB and Dynavax Technologies Corporation dated September 23, 2011
10.68[20]	Underwriting Agreement dated November 3, 2011, by and among Dynavax Technologies Corporation, Cowen and Company, LLC and William Blair & Company, L.L.C.
10.69[29]	Amended and Restated 2004 Non-Employee Director Option Program and Amended and Restated 2005 Non-Employee Director Cash Compensation Program, Amended April 17, 2012.
10.70[30]	Employment Offer Letter to Christine R. Larson dated August 1, 2012.

Exhibit Number	Document
10.71[30]	Consulting Agreement dated as of May 1, 2012, by and between Frank Cano and Dynavax Technologies Corporation.
10.72	Fourth Amendment to Lease, dated as of December 14, 2012, between the Dynavax Technologies Corporation and 2929 Seventh Street, L.L.C.
10.73	New Lease, dated as of December 14, 2012, between the Dynavax Technologies Corporation and 2929 Seventh Street, L.L.C.
10.74	Consulting Agreement dated as of November 14, 2012, by and between Stanley A. Plotkin and Dynavax Technologies Corporation.
10.75+	Form of amended and restated Management Continuity and Severance Agreement between Dynavax Technologies Corporation and J. Tyler Martin.
10.76[31]	Underwriting Agreement dated May 9, 2012, by and among Dynavax Technologies Corporation, J.P. Morgan Securities L.L.C and Cowen & Company, L.L.C.
21.1	List of Subsidiaries.
23.1	Consent of Independent Registered Public Accounting Firm.
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase.
101.LAB*	XBRL Taxonomy Extension Labels Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.

(1) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Amendment No. 4 to Registration Statement on Form S-1/A, as filed with the SEC on February 5, 2004 (File No. 000-50577) and such document filed with the SEC as an exhibit to Dynavax's Current Report on Form 8-K, as filed with the SEC on January 1, 2011.

(2) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Current Report on Form 8-K, as filed with the SEC on November 6, 2008.

(3) Incorporated by reference to Dynavax Technologies Corporation's Registration Statement (File No. 333-145836) on Form S-3 filed on August 31, 2007.

(4) Incorporated by reference to Dynavax Technologies Corporation's Registration Statement (File No. 333-109965) on Form S-1 filed on January 16, 2004.

(5) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Quarterly Report on Form 10-Q for the quarter ended June 30, 2007, as filed with the SEC.

(6) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Annual Report on Form 10-K for the year ended December 31, 2008, as filed with the SEC.

(7) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Quarterly Report on Form 10-Q for the quarter ended March 31, 2009, as filed with the SEC.

(8) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Quarterly Report on Form 10-Q for the quarter ended June 30, 2009, as filed with the SEC.

(9) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Current Report on Form 8-K, as filed with the SEC on August 17, 2009.

(10) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Quarterly Report on Form 10-Q for the quarter ended September 30, 2009, as filed with the SEC.

(11) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Current Report on Form 8-K, as filed with the SEC on February 25, 2010.

(12) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Current Report on Form 8-K, as filed with the SEC on January 4, 2010.

(13) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Current Report on Form 8-K, as filed with the SEC on January 5, 2011.

(14) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Annual Report on Form 10-K, for the fiscal year ended December 31, 2009

(15) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Current Report on Form 8-K, as filed with the SEC on April 13, 2010.

(16) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Quarterly Report on Form 10-Q for the quarter ended September 30, 2011, as filed with the SEC.

(17) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Current Report on Form 8-K, as filed with the SEC on September 20, 2010.

(18) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Current Report on Form 8-K, as filed with the SEC on October 4, 2010.

(19) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Current Report on Form 8-K, as filed with the SEC on October 13, 2010.

(20) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Current Report on Form 8-K, as filed with the SEC on November 8, 2011.

(21) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Current Report on Form 8-K, as filed with the SEC on November 23, 2010.

(22) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Current Report on Form 8-K, as filed with the SEC on January 7, 2011.

(23) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Quarterly Report on Form 10-Q for the quarter ended March 31, 2011, as filed with the SEC.

(24) Incorporated by reference from such document filed with the SEC as exhibit 99.1 to Dynavax Technologies Corporation's Registration Statement (File No. 333-171552) on Form S-8, as filed with the SEC on January 6, 2011.

(25) Incorporated by reference from such document filed with the SEC as exhibit 99.2 to Dynavax Technologies Corporation's Registration Statement (File No. 333-171552) on Form S-8, as filed with the SEC on January 6, 2011.

(26) Incorporated by reference from such document filed with the SEC as exhibit 99.3 to Dynavax Technologies Corporation's Registration Statement (File No. 333-171552) on Form S-8, as filed with the SEC on January 6, 2011.

(27) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Quarterly Report on Form 10-Q for the quarter ended June 30, 2011, as filed with the SEC.

(28) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Annual Report on Form 10-K for the fiscal year ended December 31, 2011, as filed with the SEC.

(29) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012, as filed with the SEC.

(30) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Quarterly Report on Form 10-Q for the quarter ended September 30, 2012, as filed with the SEC.

(31) Incorporated by reference from such document filed with the SEC as an exhibit to Dynavax's Current Report on Form 8-K, as filed with the SEC on May 10, 2012

101*** The following materials from Registrant's Annual Report on Form 10-K for the year ended December 31, 2012, formatted in Extensible Business Reporting Language (XBRL) includes: (i) Consolidated Balance Sheets as of December 31, 2012 and December 31, 2011, (ii) Consolidated Statements of Operations for the years ended December 31, 2012, December 31, 2011 and December 31, 2010, (iii) Consolidated Statement of Comprehensive Loss for the years ended December 31, 2012, December 31, 2011 and December 31, 2010, (iv) Consolidated Statements of Shareholders' Equity for the years ended December 31, 2012, December 31, 2011 and December 31, 2010 (v) Consolidated Statements of Cash Flows for the years ended December 31, 2012, December 31, 2011 and December 31, 2010 and (vi) Notes to Consolidated Financial Statements, tagged as blocks of text.

* Pursuant to applicable securities laws and regulations, the Registrant is deemed to have complied with the reporting obligation relating to the submission of interactive data files in such exhibits and is not subject to liability under any anti-fraud provisions of the federal securities laws as long as the Registrant has made a good faith attempt to comply with the submission requirements and promptly amends the interactive data files after becoming aware that the interactive data files fail to comply with the submission requirements. These interactive data files are deemed not filed or part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act, are deemed not filed for purposes of section 18 of the Exchange Act and otherwise are not subject to liability under these sections.

† We have been granted confidential treatment with respect to certain portions of this agreement. Omitted portions have been filed separately with the Securities and Exchange Commission.

+ Indicates management contract or compensatory plan.

Exhibit 10.72

FOURTH AMENDMENT TO LEASE

THIS FOURTH AMENDMENT TO LEASE ("**Fourth Amendment**") is entered into as of December 14, 2012 (the "**Fourth Amendment Effective Date**"), by and between 2929 SEVENTH ST., LLC, a California limited liability company ("**Landlord**") and Dynavax Technologies Corporation, a Delaware corporation ("**Tenant**"), with reference to the following facts:

A. Landlord and Tenant are parties to that certain lease dated as of January 7, 2004 (the "**Original Lease**"), which lease has been previously amended by that certain First Amendment to Lease dated as of May 21, 2004, that certain Second Amendment to Lease dated as of October 12, 2010 (the "**Second Amendment**") and that certain Third Amendment to Lease dated as of April 1, 2011 (the Original Lease, as so amended, being referred to herein as the "**Lease**"), pursuant to which Landlord leases to Tenant space currently containing approximately 40,702 rentable square feet (the "**Premises**"), consisting of Suite No. 100, Suite No. 130 and Suite No. 200 in the building located at 2929 Seventh Street, Berkeley, California (the "**Building**").

B. The Lease by its terms is scheduled to expire on September 30, 2017 (the "**Current Expiration Date**"), and the parties desire to extend the Term and otherwise amend the Lease, all on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the above recitals which by this reference are incorporated herein, the mutual covenants and conditions contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. **Extension**. The Term of the Lease is hereby extended for a period of approximately eight (8) months (the "**Fourth Amendment Extension Term**") and shall expire upon the expiration of the 2919 Lease (defined in Section 3 below) (such expiration date being referred to herein as the "**Fourth Amendment Extended Termination Date**"), unless sooner terminated in accordance with the terms of the Lease. From and after the date hereof, references in the Lease to the "Expiration Date" shall mean the Fourth Amendment Extended Termination Date, and references to the "Term" shall mean the Fourth Amendment Extension Term. Nothwithstanding anything in this Section 1 to the contrary, in no event shall the Fourth Amendment Extended Termination Date be later than June 30, 2018.

2. **Monthly Base Rent**. The schedule of Monthly Base Rent for the Premises during the Fourth Amendment Extension Term shall be as follows:

Period	Monthly Base Rent
October 1, 2017 - Fourth Amendment Extended Termination Date	$112,676.91

All such Monthly Base Rent shall be payable by Tenant in accordance with the terms of the Lease.

3. **No Termination of Second Amendment Expansion Option**. Notwithstanding the fact that Landlord and Tenant have entered into that certain lease of even date hereof (the

"**2919 Lease**"), pursuant to which Tenant is leasing from Landlord the entirety of the building known as 2919 Seventh Street, Berkeley (the "**2919 Building**"), which building is located adjacent to the Building and consists of approximately 14,461 rentable square feet. Section 7 (Expansion Option) of the Second Amendment shall remain in full force and effect.

4. **Right of First Offer**.

(a) Generally. During the Term (as extended hereby), Tenant shall have a one-time right of first offer (the "**Right of First Offer**") with respect to the space located on the first (1st) floor of the Building commonly known as Suite 105 and described on **Exhibit A** attached hereto (the "**Offering Space**") if such space becomes Available for Lease (described below). The Offering Space shall be deemed to be "**Available for Lease**" if and when Landlord has received notice from the existing tenant in the Offering Space that such tenant will not renew its lease with Landlord and will be vacating the Offering Space. Within a reasonable time after Landlord has determined that the Offering Space is Available for Lease (but prior to leasing the Offering Space to a third party), Landlord shall advise Tenant in writing (the "**Advice**") of the terms, including but not limited to Monthly Base Rent under which Landlord is prepared to lease the Offering Space to Tenant, for a term that is equal to the greater of (i) the then-remaining Term or (ii) three (3) years following the date the term for the Offering Space would commence (provided, however, that in no event will the proposed term for the Offering Space commence on a date which is earlier than the date that is two (2) months following the date of the Advice). Tenant may lease the Offering Space in its entirety only, under such terms, by delivering written notice of exercise to Landlord ("**Notice of Exercise**") within fifteen (15) business days after Landlord's delivery of the Advice, except that Tenant shall have no such Right of First Offer and Landlord need not provide Tenant with an Advice, if:

(i) Tenant is in Default under the Lease at the time Landlord would otherwise deliver the Advice; or

(ii) any portion of the Premises is sublet (other than to a Tenant Affiliate) at the time Landlord would otherwise deliver the Advice; or

(iii) Tenant's interest in this Lease has been assigned (other than to Tenant Affiliate) prior to the date Landlord would otherwise deliver the Advice.

(b) Terms. If Tenant exercises the Right of First Offer, the term for the Offering Space shall commence upon the commencement date stated in the Advice and thereupon the Offering Space shall be considered a part of the Premises, provided that all of the terms stated in the Advice (including the Monthly Base Rent rate) shall govern Tenant's leasing of the Offering Space and only to the extent that they do not conflict with the Advice, the terms and conditions of the Lease (as amended hereby) shall apply to the Offering Space. Unless otherwise specified in the Advice, the Offering Space shall be accepted by Tenant in its "AS IS" condition and configuration existing on the earlier of the date Tenant takes possession of the Offering Space or as of the date the term for such Offering Space commences.

(c) Failure to Exercise; Expiration. The rights of Tenant hereunder with respect to the Offering Space shall terminate on the earlier to occur of (i) Tenant's failure to

exercise its Right of First Offer within the fifteen (15) business day period provided in Section 4(a) above, and (iii) the date Landlord would have provided Tenant an Advice if Tenant had not been in violation of one or more of the conditions set forth in Section 4(a) clauses (i)-(iii) above.

(d) Offering Amendment. If Tenant timely exercises the Right of First Offer, Landlord shall prepare an amendment (the "**Offering Amendment**") adding the Offering Space to the Premises on the terms set forth in the Advice and reflecting the changes in the Monthly Base Rent, rentable area of the Premises, Tenant's Share and other appropriate terms. A copy of the Offering Amendment shall be (i) sent to Tenant as soon as reasonably possible after Landlord's receipt of Tenant's Notice of Exercise, and (ii) executed by Tenant and returned to Landlord within ten (10) business days thereafter. Notwithstanding the foregoing, regardless of whether Tenant executes the Offering Amendment, Tenant shall be irrevocably bound to lease the Offering Space upon the terms and conditions of an applicable Advice if Tenant exercises the Right of First Offer.

5. [RESERVED]

6. **Cross-Default**. In addition to the events of Default listed under Section 11.1 of the Original Lease, Tenant shall be deemed in Default under the Lease (as amended hereby) if Tenant is in default (beyond any applicable notice and cure period) under the 2919 Lease (as may be amended).

7. **Miscellaneous**.

(a) This Fourth Amendment and the attached exhibit, which is hereby incorporated into and made a part of this Fourth Amendment, set forth the entire agreement between the parties with respect to the matters set forth herein. There have been no additional oral or written representations or agreements.

(b) Except as herein modified or amended, the provisions, conditions and terms of the Lease shall remain unchanged and in full force and effect.

(c) In the case of any inconsistency between the provisions of the Lease and this Fourth Amendment, the provisions of this Fourth Amendment shall govern and control.

(d) Submission of this Fourth Amendment by Landlord is not an offer to enter into this Fourth Amendment but rather is a solicitation for such an offer by Tenant. Landlord shall not be bound by this Fourth Amendment until Landlord has executed and delivered the same to Tenant.

(e) Capitalized terms used in this Fourth Amendment shall have the same definitions as set forth in the Lease to the extent that such capitalized terms are defined therein and not redefined in this Fourth Amendment.

(f) Tenant hereby represents to Landlord that Tenant has dealt with no broker in connection with this Fourth Amendment. Tenant agrees to indemnify and hold Landlord harmless from all claims of any brokers claiming to have represented Tenant in connection with

this Fourth Amendment. Landlord hereby represents to Tenant that Landlord has dealt with no broker in connection with this Fourth Amendment. Landlord agrees to indemnify and hold Tenant harmless from all claims of any brokers claiming to have represented Landlord in connection with this Fourth Amendment.

(g) Each party represents to the other party that it has full authority and power to enter into and perform its obligations hereunder, that the person executing this Fourth Amendment is fully empowered to do so, and that no consent or authorization is necessary from any third party.

(h) Tenant represents and warrants to Landlord that Tenant is currently in compliance with and shall at all times through and including the Fourth Amendment Extended Termination Date, remain in compliance with the regulations of the Office of Foreign Asset Control ("**OFAC**") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) and any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action relating thereto.

(i) This Fourth Amendment may be executed in multiple counterparts each of which is deemed an original but together constitute one and the same instrument. This Fourth Amendment may be executed in so-called "pdf" format and each party has the right to rely upon a pdf counterpart of this Fourth Amendment signed by the other party to the same extent as if such party had received an original counterpart.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Fourth Amendment as of the Fourth Amendment Effective Date.

LANDLORD: **2929 SEVENTH ST., LLC**,
a California limited liability company

By: /s/ Richard K. Robbins
Richard K. Robbins
Managing Member

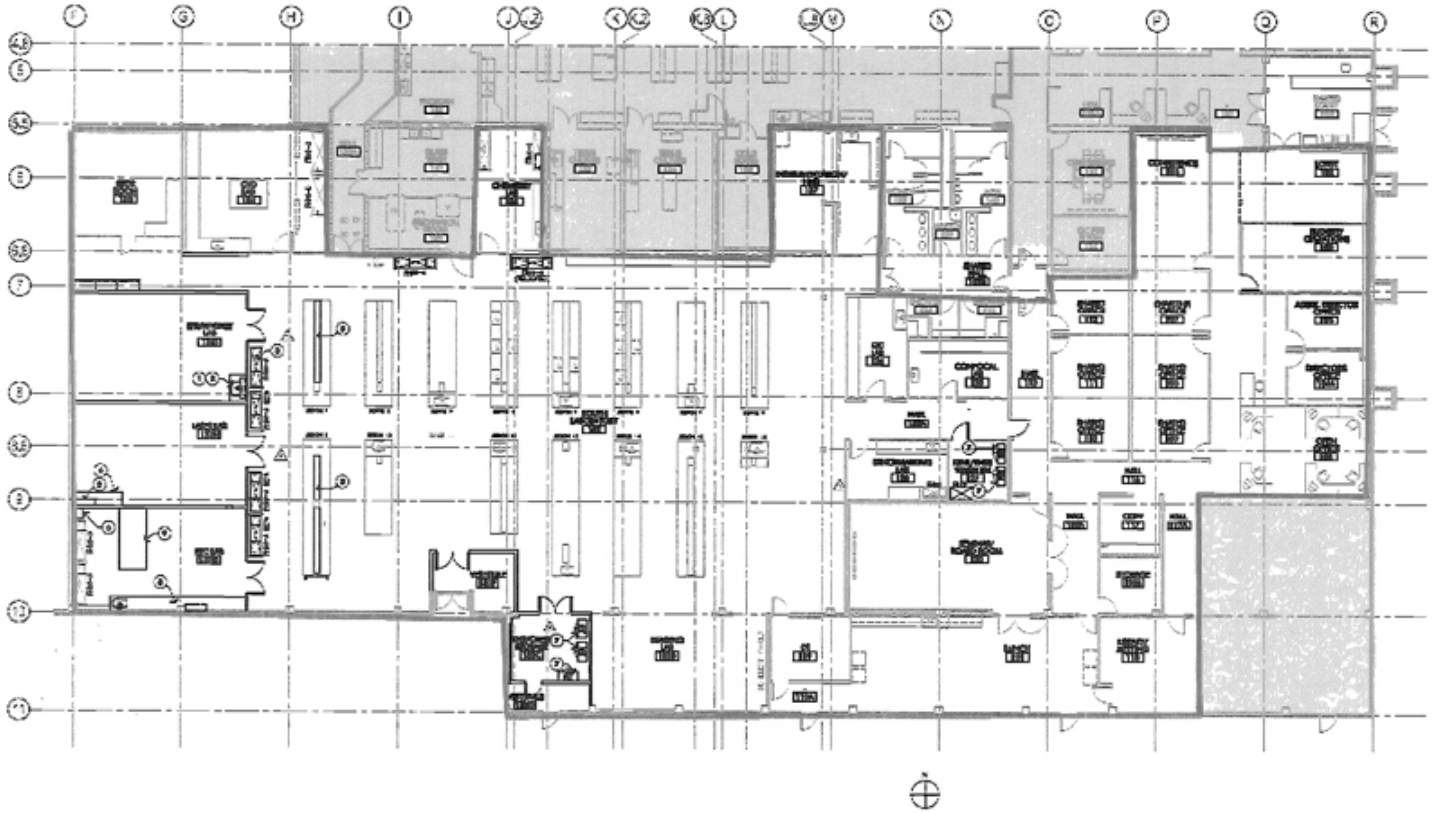
TENANT: **DYNAVAX TECHNOLOGIES CORPORATION**, a Delaware corporation

By: /s/ Jennifer Lew
Name: Jennifer Lew
Title: VP Finance

EXHIBIT A

PLAN OF OFFERING SPACE

EXHIBIT A : OFFERING SPACE



2929 SEVENTH STREET : SUITE 105

LEASE

BETWEEN

2929 SEVENTH STREET, L.L.C. (LANDLORD)

AND

DYNAVAX TECHNOLOGIES CORPORATION (TENANT)

2919 Seventh Street
Berkeley, California

LEASE

ARTICLE 1

BASIC LEASE PROVISIONS

1.1 BASIC LEASE PROVISIONS

In the event of any conflict between these Basic Lease Provisions and any other Lease provision, such other Lease provision shall control.

(1) BUILDING ADDRESS:

2919 Seventh Street
Berkeley, California 94710

(2) LANDLORD AND ADDRESS:

2929 Seventh Street, L.L.C.
1120 Nye Street, Suite 400
San Rafael, California 94901

Notices to Landlord shall be addressed:

2929 Seventh Street, L.L.C.
c/o Wareham Property Group
1120 Nye Street, Suite 400
San Rafael, California 94901

with a copy to:

Shartsis Friese LLP
One Maritime Plaza, Ste. 1800
San Francisco, California 94111
Attn.: David H. Kremer, Esq.

(3) TENANT AND CURRENT ADDRESS:

(a) Name: Dynavax Technologies Corporation

(b) State of incorporation: Delaware

Notices to Tenant shall be addressed:

2929 Seventh Street, Suite 100
Berkeley, CA 94710
Attn: Chief Financial Officer

(4) DATE OF LEASE: as of December 14, 2012

(5) LEASE TERM: approximately five (5) years

(6) PROJECTED COMMENCEMENT DATE: June 1, 2013

(7) EXPIRATION DATE: The day immediately preceding the fifth (5th) anniversary of the Commencement Date, if the Commencement Date occurs on the first day of a calendar month; or, if the Commencement Date shall be other than the first day of a calendar month, then the last day of the calendar month in which the fifth (5th) anniversary of the Commencement Date occurs.

(8) MONTHLY BASE RENT:

PERIOD FROM/TO	MONTHLY
Months 1 – 12	$35,428.53
Months 13 – 24	$36,491.39
Months 25 – 36	$37,586.13
Months 37 – 48	$38,713.71
Months 49 – 60	$39,875.12

(9) RENTABLE AREA OF THE PREMISES: approximately 14,461 square feet

(10) SECURITY DEPOSIT: None

(11) [RESERVED]

(12) TENANT'S USE OF PREMISES: General office administration

(13) PARKING: 28 parking spaces, of which a number reasonably determined by Landlord will be reserved for Tenant in the nearest parking lots located to the west and north of the Building that are owned by Landlord or its Affiliate, and the balance of which shall be located in parking lot(s) owned by Landlord or its Affiliate within 400 yards of the corner of Seventh Street and Anthony Street. Parking shall be free of charge.

(14) BROKERS: NONE

(15) BASE YEAR: 2013

1.2 ENUMERATION OF EXHIBITS AND RIDER

The Exhibits and Rider set forth below and attached to this Lease are incorporated in this Lease by this reference:

EXHIBIT A	Plan of Premises
EXHIBIT B	Workletter Agreement
EXHIBIT C	Rules and Regulations
RIDER 1	Commencement Date Agreement

1.3 DEFINITIONS

For purposes hereof, the following terms shall have the following meanings:

ADJUSTMENT YEAR: The applicable calendar year or any portion thereof, during the Term, after the Base Year for which a Rent Adjustment computation is being made.

AFFILIATE: Any corporation or other business entity that is currently owned or controlled by, owns or controls, or is under common ownership or control with Tenant or Landlord, as the case may be, and as specified hereunder.

BUILDING: The office building located at the address specified in Section 1.1.

COMMENCEMENT DATE: The date described in Section 2.2(a).

COMMON AREAS: All areas of the Property made available by Landlord from time to time for the general common use or benefit of the tenants of the Property, and their employees and invitees, or the public, as such areas currently exist and as they may be changed from time to time. Tenant occupies the entire Building; accordingly, there are no common areas within the Building.

DECORATION: Tenant Alterations which do not require a building permit and which do not involve any of the structural elements of the Building, or any of the Building's systems, including its electrical, mechanical, plumbing, security, heating, ventilating, air-conditioning, communication, and fire and life safety systems.

DEFAULT RATE: Two (2) percentage points above the rate then most recently announced by Bank of America, N.A., at its San Francisco main office as its base lending reference rate, from time to time announced, but in no event higher than the maximum rate permitted by Law.

ENVIRONMENTAL LAWS: All Laws governing the use, storage, disposal or generation of any Hazardous Material, including, without limitation, the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, and the Resource Conservation and Recovery Act of 1976, as amended.

EXPIRATION DATE: The date specified in Section 1.1 as the Expiration Date, unless changed by operation of Article Two.

FORCE MAJEURE: Any accident, casualty, act of God, war or civil commotion, strike or labor troubles, or any cause whatsoever beyond the reasonable control of Landlord or Tenant, including water shortages, energy shortages or governmental preemption in connection with an act of God, a national emergency, or by reason of Law, or by reason of the conditions of supply and demand which have been or are affected by act of God, war or other emergency.

HAZARDOUS MATERIAL: Such substances, material and wastes which are or become regulated under any Environmental Law; or which are classified as hazardous or toxic under any Environmental Law; and explosives and firearms, radioactive material, asbestos, polychlorinated biphenyls, and petroleum products. The restrictions on use of Hazardous Material are set forth in Section 7.1(c).

INDEMNITEES: Collectively, Landlord, any Mortgagee or ground lessor of the Property, the property manager and the leasing manager for the Property and their respective partners, members, directors, officers and employees.

LAND: The parcel(s) of real estate on which the Building is located.

LANDLORD WORK: The construction or installation of improvements to the Premises to be furnished by Landlord, if any, as specifically described in the Workletter.

LAWS OR LAW: All laws, ordinances, rules, regulations, other requirements, orders, rulings or decisions adopted or made by any governmental body, agency, department or judicial authority having jurisdiction over the Property, the Premises or Tenant’s activities at the Premises and any covenants, conditions or restrictions of record which affect the Property.

LEASE: This instrument and all exhibits and riders attached hereto, as may be amended from time to time.

MONTHLY BASE RENT: The monthly base rent specified in Section 1.1.

MORTGAGEE: Any holder of a mortgage, deed of trust or other security instrument encumbering the Property.

NATIONAL HOLIDAYS: New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day and other holidays recognized by the Landlord and the janitorial and other unions servicing the Building in accordance with their contracts.

OPERATING EXPENSES: All costs, expenses and disbursements of every kind and nature which Landlord shall pay or become obligated to pay in connection with the ownership, management, operation, maintenance, replacement and repair of the Building and the Property (including, without limitation, property management fees, costs and expenses, and the amortized portion of any capital expenditure or improvement, together with interest thereon, and the costs of changing utility service providers). Operating Expenses shall not include, (i) Leasing commissions, attorneys’ fees, costs, disbursements, and other expenses incurred in connection

with negotiations or disputes with tenants, or in connection with leasing, renovating, or improving space for tenants or other occupants or prospective tenants or other occupants of the Building, (ii) capital costs for the Property (except for amortized portion of capital for the purpose of reducing or controlling Operating Expenses or complying with applicable Laws), (iii) depreciation charges; (iv) all interest, loan fees, and other carrying costs related to any mortgage or deed of trust or related to any capital item, and all rental and other payable due under any ground or underlying lease, or any lease for any equipment ordinarily considered to be of a capital nature (except janitorial equipment which is not affixed to the Building and except for loans for capital improvements which Landlord is allowed to include in Operating Expenses as provided above); (v) ground rental payments; (vi) advertising and marketing expenses; (vii) costs of Landlord reimbursed by insurance proceeds; (viii) Landlord's general corporate overhead; (ix) the cost of any service sold to any tenant (including Tenant) or other occupant for which Landlord is entitled to be reimbursed as an additional charge or rental over and above the basic rent and escalations payable under the lease with that tenant; (x) the cost or expense of any services or benefits provided generally to other tenants in the Building and not provided or available to Tenant; (xi) any compensation paid to clerks, attendants, or other persons in commercial concessions operated by Landlord; (xii) any costs, fines, or penalties incurred due to violations by Landlord of any governmental rule or authority, this Lease or any other lease in the Property, or due to Landlord's negligence or willful misconduct; (xiii) management fees in excess of 4 1/2% of gross receipts for the Property; (xiv) costs for sculpture, paintings, or other objects of art in excess of $2,500.00 for any one piece (nor insurance thereon or extraordinary security in connection therewith); (xv) wages, salaries, or other compensation paid to any executive employees above the grade of building manager; (xvi) the cost of containing, removing, or otherwise remediating any contamination of the Property by any Hazardous Materials where such contamination existed prior to the Commencement Date or was caused by another tenant of the Property; (xvii) costs incurred due to Landlord's violation of any terms or conditions of this Lease or any other lease relating to the Building or Property; (xviii) overhead profit increments paid to Landlord's subsidiaries or affiliates for services (other than management services, which services are capped pursuant to item xiii above) on or to the Building or for supplies or other materials to the extent that the cost of the services, supplies, or materials exceeds the cost that would have been paid had the services, supplies, or materials been provided by unaffiliated parties on a competitive basis; and (xix) the cost of correcting any building code or other violations of which Landlord received written notification prior to the Commencement Date. If Landlord pays the deductible portion on any insurance claim applicable to a capital expenditure or improvement, that deductible portion shall be amortized over the life of the capital expenditure or improvement. If any Operating Expense, though paid in one year, relates to more than one calendar year, at the option of Landlord such expense may be proportionately allocated among such related calendar years.

PREMISES: The entirety of the Building depicted on Exhibit A attached hereto.

PROPERTY: The Property consists of the Building, the building located at 2929 Seventh Street, the two (2) buildings located at 999 Anthony Street, associated surface and garage parking as designated by Landlord from time to time, landscaping and improvements, together with the Land, any associated interests in real property, and the personal property, fixtures, machinery, equipment, systems and apparatus located in or used in conjunction with any of the foregoing.

REAL PROPERTY: The Property excluding any personal property.

RENT: Collectively, Monthly Base Rent, Rent Adjustments and Rent Adjustment Deposits, and all other charges, payments, late fees or other amounts required to be paid by Tenant under this Lease.

RENT ADJUSTMENT: Any amounts owed by Tenant for payment of Operating Expenses or Taxes. The Rent Adjustments shall be determined and paid as provided in Article Four.

RENT ADJUSTMENT DEPOSIT: An amount equal to Landlord's estimate of the Rent Adjustment attributable to each month of the applicable Adjustment Year. On or before the beginning of each Adjustment Year or with Landlord's Statement (defined in Article 4), Landlord may estimate and notify Tenant in writing of its estimate of the amount of Operating Expenses and Taxes payable by Tenant for such Adjustment Year. Prior to the first determination by Landlord of the amount of Operating Expenses and Taxes for the first Adjustment Year, Landlord may estimate such amounts in the foregoing calculation. The last estimate by Landlord shall remain in effect as the applicable Rent Adjustment Deposit unless and until Landlord notifies Tenant in writing of a change, which notice may be given by Landlord from time to time during any Adjustment Year.

RENTABLE AREA OF THE PREMISES: The amount of square footage set forth in Section 1.1 which shall not be changed except as a result of the change in the physical size of the Premises.

RENTABLE AREA OF THE BUILDING: The amount of square footage set forth in Section 1.1, which shall not be changed except as a result of the change in the physical size of the Premises.

SECURITY DEPOSIT: None.

SUBSTANTIALLY COMPLETE or SUBSTANTIAL COMPLETION: The completion of the Landlord Work (subject to Tenant's obligation to pay for the portion of the Landlord Work as set forth in the Work Letter), in good and workmanlike manner, in material compliance with all applicable laws and the plans mutually agreed upon by Landlord and Tenant, except for minor insubstantial details of construction, decoration or mechanical adjustments and other "punchlist" items that do not unreasonably interfere with Tenant's use of the Premises.

TAXES: All federal, state and local governmental taxes, assessments and charges of every kind or nature, whether general, special, ordinary or extraordinary, which Landlord shall pay or become obligated to pay because of or in connection with the ownership, leasing, management, control or operation of the Property or any of its components (including any personal property used in connection therewith), which may also include any rental or similar taxes levied in lieu of or in addition to general real and/or personal property taxes. For purposes hereof, Taxes for any year shall be Taxes which are assessed for any period of such year, whether or not such Taxes are billed and payable in a subsequent calendar year. There shall be included in Taxes for any year the amount of all fees, costs and expenses (including reasonable attorneys' fees) paid by Landlord during such year in seeking or obtaining any refund or

reduction of Taxes. Taxes for any year shall be reduced by the net amount of any tax refund received by Landlord attributable to such year. If a special assessment payable in installments is levied against any part of the Property, Taxes for any year shall include only the installment of such assessment and any interest payable or paid during such year. Taxes shall not include any federal or state inheritance, general income, gift or estate taxes, except that if a change occurs in the method of taxation resulting in whole or in part in the substitution of any such taxes, or any other assessment, for any Taxes as above defined, such substituted taxes or assessments shall be included in the Taxes. Notwithstanding anything herein to the contrary, Taxes shall include only 50% of any increases that result from a reassessment of value due to "new construction" on or a "change of ownership" of the Property (as such terms are defined in part 0.5 of division 1 of the California Revenue and Taxation Code or any amendments or successor statutes thereto). For the purposes of the Rent Adjustment, Taxes shall be calculated based upon the longest period available for payment.

TENANT ADDITIONS: Collectively, Landlord Work and Tenant Alterations.

TENANT ALTERATIONS: Any alterations, improvements, additions, installations or construction in or to the Premises or any Building systems serving the Premises (excluding Landlord Work).

TENANT DELAY: Any event or occurrence that delays the completion of the Landlord Work which is caused by or is described as follows:

(1) special work, changes, alterations or additions requested or made by Tenant in the design or finish in any part of the Premises after approval of the plans and specifications (as described in the Workletter);

(2) Tenant's delay in submitting plans, supplying information, approving plans, specifications or estimates, giving authorizations or otherwise;

(3) [intentionally omitted];

(4) the performance or completion by Tenant or any person engaged by Tenant of any work in or about the Premises; or

(5) failure to perform or comply with any obligation or condition binding upon Tenant pursuant to the Workletter, including the failure to approve and pay for such Landlord Work or other items if and to the extent the Workletter provides they are to be approved or paid by Tenant.

TENANT'S SHARE: The percentage that represents the ratio of the Rentable Area of the Premises to the Rentable Area of the Building (i.e., 100%). Tenant shall have no obligation to pay Tenant's Share (or any other portion) of Operating Expenses attributable solely to other buildings on the Property, and shall only be responsible for paying a percentage of the Operating Expenses fairly attributable to the Common Areas, such percentage to be represented by a fraction, the numerator of which is the square footage in the Premises, and the denominator of which is the square footage contained in all buildings on the Property.

TERM: The term of this Lease commencing on the Commencement Date and expiring on the Expiration Date.

TERMINATION DATE: The Expiration Date or such earlier date as this Lease terminates or Tenant's right to possession of the Premises terminates.

WORKLETTER: The Agreement regarding the manner of completion of Landlord Work set forth on Exhibit B attached hereto.

ARTICLE 2

PREMISES, TERM, FAILURE TO GIVE POSSESSION, AND PARKING

2.1 LEASE OF PREMISES

Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the Premises for the Term and upon the terms, covenants and conditions provided in this Lease. In the event Landlord delivers possession of the Premises to Tenant prior to the Commencement Date in response to Tenant's request, Tenant shall be subject to all of the terms, covenants and conditions of this Lease (except with respect to the payment of Rent) as of the date of such possession.

2.2 TERM

(a) The Commencement Date shall be the date the Landlord Work is Substantially Complete.

(b) Within thirty (30) days following the occurrence of the Commencement Date, Landlord and Tenant shall enter into an agreement (the form of which is attached hereto as Rider 1) confirming the Commencement Date and the Expiration Date. If Tenant fails to enter into such agreement, then the Commencement Date and the Expiration Date shall be the dates designated by Landlord in such agreement. If the Expiration Date does not fall on the last day of a calendar month, Landlord may elect to adjust the Expiration Date to the last day of the calendar month in which Expiration Date occurs through the agreement referenced above, which shall set forth such adjusted date.

2.3 FAILURE TO GIVE POSSESSION

If Landlord shall be unable to give possession of the Premises on the Projected Commencement Date by reason of the following: (i) the Building has not been sufficiently completed to make the Premises ready for occupancy, (ii) the Landlord Work, if any, is not Substantially Complete, (iii) the holding over or retention of possession of any tenant, tenants or occupants, or (iv) for any other reason, then Landlord shall not be subject to any liability for the failure to give possession on said date. Under such circumstances, the Commencement Date shall be the date the Premises are made available to Tenant by Landlord with the Landlord Work Substantially Complete, and no such failure to give possession on the Projected Commencement Date shall affect the validity of this Lease or the obligations of the Tenant hereunder. The said

Premises shall be deemed to be ready for Tenant's occupancy in the event Landlord's Work, if any, is Substantially Complete, or if the delay in the availability of the Premises for occupancy shall be due to any Tenant Delay and/or default on the part of Tenant and/or its subtenant or subtenants. In the event of any dispute as to whether the Landlord Work is Substantially Complete, the decision of Landlord's architect shall be final and binding on the parties.

2.4 CONDITION OF PREMISES

Tenant shall notify Landlord in writing within thirty (30) days after the later of Substantial Completion of the Landlord Work or when Tenant takes possession of the Premises of any defects in the Premises claimed by Tenant or in the materials or workmanship furnished by Landlord in completing the Landlord Work. Except for defects stated in such notice, Tenant shall be conclusively deemed to have accepted the Premises "AS IS" in the condition existing on the date Tenant first takes possession, and to have waived all claims relating to the condition of the Premises. Landlord shall proceed diligently to correct the defects stated in such notice unless Landlord disputes the existence of any such defects. In the event of any dispute as to the existence of any such defects, the decision of Landlord's architect shall be final and binding on the parties. No agreement of Landlord to alter, remodel, decorate, clean or improve the Premises or the Real Property and no representation regarding the condition of the Premises or the Real Property has been made by or on behalf of Landlord to Tenant, except as may be specifically stated in this Lease or in the Workletter. Notwithstanding anything in this Section 2.4 to the contrary, Landlord shall deliver the Premises to Tenant in "broom clean" condition with all Building systems, doors and windows in operational condition. Tenant shall notify Landlord in writing within thirty (30) days of any portion of the Premises not being in compliance with the foregoing sentence, and Landlord shall promptly repair same at Landlord's sole cost and expense (i.e., not as part of Operating Expenses).

2.5 PARKING

During the Term, Tenant may use the number of spaces specified in Section 1.1. The locations and type of parking shall be designated by Landlord or Landlord's parking operator from time to time. Tenant acknowledges and agrees that the parking spaces serving the Property may include tandem parking and a mixture of spaces for compact vehicles as well as full-size passenger automobiles, and that Tenant shall not use parking spaces for vehicles larger than the striped size of the parking spaces. All vehicles utilizing Tenant's parking privileges shall prominently display identification stickers or other markers, and/or have passes or keycards for ingress and egress, as may be required and provided by Landlord or its parking operator from time to time. Tenant shall comply with any and all parking rules and regulations from time to time established by Landlord or Landlord's parking operator, including a requirement that Tenant pay to Landlord or Landlord's parking operator a charge for loss and replacement of passes, keycards, identification stickers or markers, and for any and all loss or other damage caused by persons or vehicles related to use of Tenant's parking privileges. Tenant shall not allow any vehicles using Tenant's parking privileges to be parked, loaded or unloaded except in accordance with this Section, including in the areas and in the manner designated by Landlord or its parking operator for such activities. If any vehicle is using the parking or loading areas contrary to any provision of this Section, Landlord or its parking operator shall have the right, in addition to all other rights and remedies of Landlord under this Lease, to remove or tow away the

vehicle without prior notice to Tenant, and the cost thereof shall be paid to Landlord within ten (10) days after notice from Landlord to Tenant.

ARTICLE 3

RENT

Tenant agrees to pay to Landlord at the first office specified in Section 1.1, or to such other persons, or at such other places designated by Landlord, without any prior demand therefor in immediately available funds and without any deduction or offset whatsoever, Rent, including Monthly Base Rent and Rent Adjustments in accordance with Article Four, during the Term. Monthly Base Rent shall be paid monthly in advance on the first day of each month of the Term, except that the first installment of Monthly Base Rent shall be paid by Tenant to Landlord concurrently with execution of this Lease. Monthly Base Rent shall be prorated for partial months within the Term. Unpaid Rent shall bear interest at the Default Rate from the date due until paid. Tenant's covenant to pay Rent shall be independent of every other covenant in this Lease.

ARTICLE 4

RENT ADJUSTMENTS AND PAYMENTS

4.1 RENT ADJUSTMENTS

Tenant shall pay to Landlord Rent Adjustments with respect to each Adjustment Year as follows:

(i) The Rent Adjustment Deposit representing Tenant's Share of increases in Operating Expenses for the applicable Adjustment Year over the Operating Expenses for the Base Year, monthly during the Term with the payment of Monthly Base Rent;

(ii) The Rent Adjustment Deposit representing Tenant's Share of increases in Taxes for the applicable Adjustment Year over the Taxes for the Base Year, monthly during the Term with the payment of Monthly Base Rent; and

(iii) Any Rent Adjustments due in excess of the Rent Adjustment Deposits in accordance with Section 4.2. Rent Adjustments due from Tenant to Landlord for any Adjustment Year shall be Tenant's Share of Operating Expenses for such year in excess of the Base Year Operating Expenses and Tenant's Share of Taxes for such year in excess of the Base Year Taxes. If Operating Expenses and/or Taxes in any Adjustment Year decrease below the amount of Operating Expenses and/or Taxes for the Base Year for any reason, the Rent Adjustment Deposit for Operating Expenses and/or Taxes, as the case may be, for that Adjustment Year shall be $0.

(iv) For purposes of determining Rent Adjustments, if the Building is not fully occupied during all or any portion of the Base Year or any Adjustment Year during the Term, Landlord shall make appropriate adjustments to the variable components of Operating Expenses for the Base Year or such Adjustment Year, employing sound accounting and management principles consistently applied, to determine the amount of Operating Expenses that would have been paid or incurred by Landlord had the Building been ninety-five percent (95%) occupied, and the amount so determined shall be deemed to have been the amount of Operating Expenses for the Base Year or such Adjustment Year. In the event that the Property is not fully assessed for all or a portion of the Base Year or any Adjustment Year, then Taxes shall be adjusted to an amount which would have been payable in the Base Year or such Adjustment Year if the Property had been fully assessed.

4.2 STATEMENT OF LANDLORD

As soon as practicable after the expiration of the Base Year, and each Adjustment Year thereafter, Landlord will furnish to Tenant a statement ("Landlord's Statement") showing the following:

(i) The amount of actual Operating Expenses and Taxes for the Base Year and thereafter for the most recent Adjustment Year;

(ii) The amount of Rent Adjustments due Landlord for the most recent Adjustment Year, less credit for Rent Adjustment Deposits or other amounts paid, if any, toward Operating Expenses and Taxes for such Adjustment Year; and

(iii) Any change in the Rent Adjustment Deposit due monthly in the current Adjustment Year, including the amount or revised amount due for months preceding any such change pursuant to Landlord's Statement.

Tenant shall pay to Landlord within ten (10) business days after receipt of each Landlord's Statement any amounts for Rent Adjustments then due in accordance with such Landlord's Statement. Any amounts due from Landlord to Tenant pursuant to this Section shall be credited to the Rent Adjustment Deposit next coming due, or refunded to Tenant if the Term has already expired provided Tenant is not in default hereunder and no further Rent is due. No interest or penalties shall accrue on any amounts that Landlord is obligated to credit or refund to Tenant by reason of this Section 4.2. Landlord's failure to deliver Landlord's Statement or to compute the amount of the Rent Adjustments shall not constitute a waiver by Landlord of its right to deliver such items nor constitute a waiver or release of Tenant's obligations to pay such amounts. The Rent Adjustment Deposit shall be credited against Rent Adjustments due for the applicable Adjustment Year. During the last complete Adjustment Year or during any partial Adjustment Year in which the Lease terminates, Landlord may include in the Rent Adjustment Deposit its estimate of Rent Adjustments which may not be finally determined until after the

termination or expiration of this Lease. Tenant's obligation to pay Rent Adjustments survives the expiration or termination of the Lease.

4.3 BOOKS AND RECORDS

Landlord shall maintain books and records showing Operating Expenses and Taxes in accordance with industry standard accounting and management practices, consistently applied. Tenant or its representative (which representative shall be a certified public accountant licensed to do business in the state in which the Property is located and whose primary business is certified public accounting and who shall not be paid on a contingency basis) shall have the right, for a period of sixty (60) days following the date upon which Landlord's Statement is delivered to Tenant, to examine the Landlord's books and records with respect to the items in the foregoing statement of Operating Expenses and Taxes during normal business hours, upon written notice, delivered at least three (3) business days in advance. If Tenant does not object in writing to Landlord's Statement within sixty (60) days of Tenant's receipt thereof, specifying the nature of the item in dispute and the reasons therefor, then Landlord's Statement shall be considered final and accepted by Tenant. If Tenant does dispute any Landlord's Statement, Tenant shall deliver a copy of any such audit to Landlord at the time of notification of the dispute. If Tenant does not provide such notice of dispute and a copy of such audit to Landlord within such sixty (60) day period, it shall be deemed to have waived such right to dispute Landlord's Statement. Any amount due to the Landlord as shown on Landlord's Statement, whether or not disputed by Tenant as provided herein shall be paid by Tenant when due as provided above, without prejudice to any such written exception. In no event shall Tenant be permitted to examine Landlord's records or to dispute any statement of Operating Expenses and Taxes unless Tenant has paid and continues to pay all Rent when due. Tenant shall be solely responsible for all costs, expenses and fees incurred for the audit. However, notwithstanding the foregoing, if Landlord and Tenant determine that Operating Expenses for the Building for the year in question were less than stated by more than 5%, Landlord, within 30 days after its receipt of paid invoices therefor from Tenant, shall reimburse Tenant for the reasonable amounts paid by Tenant to third parties in connection with such review by Tenant up to a maximum of $3,500.00. Upon resolution of any dispute with respect to Operating Expenses and Taxes, Tenant shall either pay Landlord any shortfall or Landlord shall credit Tenant with respect to any overages paid by Tenant. The records obtained by Tenant shall be treated as confidential and neither Tenant nor any of its representatives or agents shall disclose or discuss the information set forth in the audit to or with any other person or entity ("Confidentiality Requirement"). Tenant shall indemnify and hold Landlord harmless for any losses or damages arising out of the breach of the Confidentiality Requirement. In no event shall Tenant be permitted to examine Landlord's records or to dispute any statement of Expenses unless Tenant has paid and continues to pay all Rent when due.

4.4 TENANT OR LEASE SPECIFIC TAXES

In addition to Monthly Base Rent, Rent Adjustments, Rent Adjustment Deposits and other charges to be paid by Tenant, Tenant shall pay to Landlord, upon demand, any and all taxes payable by Landlord (other than federal or state inheritance, general income, franchise gift or estate taxes) whether or not now customary or within the contemplation of the parties hereto: (a) upon, allocable to, or measured by the Rent payable hereunder, including any gross receipts tax

or excise tax levied by any governmental or taxing body with respect to the receipt of such rent; or (b) upon or with respect to the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion thereof; or (c) upon the measured value of Tenant's personal property located in the Premises or in any storeroom or any other place in the Premises or the Property, or the areas used in connection with the operation of the Property, it being the intention of Landlord and Tenant that, to the extent possible, such personal property taxes shall be billed to and paid directly by Tenant; (d) resulting from Landlord Work or Tenant Alterations to the Premises, whether title thereto is in Landlord or Tenant; or (e) upon this transaction. Taxes paid by Tenant pursuant to this Section 4.4 shall not be included in any computation of Taxes payable pursuant to Sections 4.1 and 4.2.

ARTICLE 5

[RESERVED]

ARTICLE 6

SERVICES

6.1 UTILITIES; SERVICES

During the Term, all charges for electricity, gas, telephone, water, sewer, trash and janitorial services and any other service and utility servicing the Premises shall be paid by Tenant to the applicable utility or service provider. Gas, electricity and water services shall be metered, and Tenant shall establish an account with the applicable utility provider with respect to each such utility. If Tenant fails to pay any utility or service charges when due, Landlord may pay the amount due, which amount plus interest at the Default Rate, shall be due and payable by Tenant as additional Rent hereunder.

6.2 SIGNAGE

Initial Building standard signage will be installed by Landlord at the Building. Any change in such initial signage shall be only with Landlord's prior written consent, shall conform to Building standard signage and shall be at Tenant's sole cost and expense. Tenant shall not place on the exterior of the Premises or the door, window or roof, within any display window space or within five (5) feet behind the entry to the Premises, any sign, decoration, lettering, advertising matter or descriptive material without Landlord's prior written approval. Tenant shall submit to Landlord reasonably detailed drawings of its proposed signs for review and approval by Landlord prior to utilizing same. All signs, awnings, canopies, decorations, lettering, advertising matter or other items used by Tenant shall conform to the standards of design, motif, and decor, from time to time, established by Landlord for the Building and shall be insured and maintained at all times by Tenant in good condition, operating order and repair. Flashing signs and credit card or other signs, advertisements and hand lettered signs visible from outside the Building or the Common Areas are prohibited. Landlord shall have the right, without notice to Tenant and without any liability for damage to the Premises reasonably caused thereby, to remove any items displayed or affixed in or to the Premises which Landlord determines to be in violation of the provisions of this Section. If any damage is done to Tenant's signs, Tenant

shall commence to repair same within five (5) days after such damage occurs, and upon Tenant's failure to commence the repair work within said five (5) day period and to diligently prosecute the same to completion, Landlord may, after notice to Tenant, repair such damage and Tenant shall pay Landlord, upon demand, Landlord's costs and expenses in connection therewith.

ARTICLE 7

POSSESSION, USE AND CONDITION OF PREMISES

7.1 POSSESSION AND USE OF PREMISES

(a) Tenant shall be entitled to possession of the Premises when the Landlord Work is Substantially Complete. Tenant shall occupy and use the Premises only for the uses specified in Section 1.1 to conduct Tenant's business. Tenant shall not occupy or use the Premises (or permit the use or occupancy of the Premises) for any purpose or in any manner which: (1) is unlawful or in violation of any Law or Environmental Law; (2) may be dangerous to persons or property or which may increase the cost of, or invalidate, any policy of insurance carried on the Building or covering its operations; (3) is contrary to or prohibited by the terms and conditions of this Lease or the rules of the Building set forth in Article Eighteen; or (4) would tend to create or continue a nuisance.

(b) Tenant shall comply with all Environmental Laws pertaining to Tenant's occupancy and use of the Premises and concerning the proper storage, handling and disposal of any Hazardous Material introduced to the Premises, the Building or the Property by Tenant or other occupants of the Premises, or their employees, servants, agents, contractors, customers or invitees during the Term. Landlord shall comply with all Environmental Laws applicable to the Property other than those to be complied with by Tenant pursuant to the preceding sentence. Tenant shall not generate, store, handle or dispose of any Hazardous Material in, on, or about the Property without the prior written consent of Landlord, which may be withheld in Landlord's sole discretion, except that such consent shall not be required to the extent of Hazardous Material packaged and contained in office products for consumer use in general business offices or laboratories in quantities for ordinary day-to-day use provided such use does not give rise to, or pose a risk of, exposure to or release of Hazardous Material. Landlord consents to the use by Tenant of necessary quantities of Hazardous Material in connection with the operations of its laboratory facilities provided that: (i) materials are stored in original containers, (ii) Tenant provides Landlord with a list of all such Hazardous Materials and the quantities at the Premises from time to time within ten (10) days after request by Landlord, (iii) such use is in compliance with applicable Environmental Law and (iv) such use does not give rise to, or pose a risk of, exposure to or release of Hazardous Materials. Upon request, and from time to time, Tenant shall provide Landlord with a list of all such Hazardous Materials and the quantity of such Hazardous Materials used at the Premises. In the event that Tenant is notified of any investigation or violation of any Environmental Law arising from Tenant's activities at the Premises, Tenant shall immediately deliver

to Landlord a copy of such notice. In such event or in the event Landlord reasonably believes that a violation of Environmental Law exists, Landlord may conduct such tests and studies relating to compliance by Tenant with Environmental Laws or the alleged presence of Hazardous Materials upon the Premises as Landlord deems desirable, all of which shall be completed at Tenant's expense. Landlord's inspection and testing rights are for Landlord's own protection only, and Landlord has not, and shall not be deemed to have assumed any responsibility to Tenant or any other party for compliance with Environmental Laws, as a result of the exercise, or non-exercise of such rights. Tenant hereby indemnifies, and agrees to defend, protect and hold harmless, the Indemnitees from any and all loss, claim, demand, action, expense, liability and cost (including attorneys' fees and expenses) arising out of or in any way related to the presence of any Hazardous Material introduced to the Premises during the Term by any party other than Landlord or Landlord's Indemnitees, agents or contractors. In case of any action or proceeding brought against the Indemnitees by reason of any such claim, upon notice from Landlord, Tenant covenants to defend such action or proceeding by counsel chosen by Landlord, in Landlord's sole discretion. Landlord reserves the right to settle, compromise or dispose of any and all actions, claims and demands related to the foregoing indemnity. If any Hazardous Material is released, discharged or disposed of on or about the Property and such release, discharge or disposal is not caused by Tenant or other occupants of the Premises, or their employees, servants, agents, contractors, customers or invitees, such release, discharge or disposal shall be deemed casualty damage under Article Fourteen to the extent that the Premises are affected thereby; in such case, Landlord and Tenant shall have the obligations and rights respecting such casualty damage provided under such Article.

(c) Landlord and Tenant acknowledge that the Americans With Disabilities Act of 1990 (42 U.S.C. §12101 et seq.) and regulations and guidelines promulgated thereunder, as all of the same may be amended and supplemented from time to time (collectively referred to herein as the "ADA") establish requirements for business operations, accessibility and barrier removal, and that such requirements may or may not apply to the Premises, the Building and the Property depending on, among other things: (1) whether Tenant's business is deemed a "public accommodation" or "commercial facility", (2) whether such requirements are "readily achievable", and (3) whether a given alteration affects a "primary function area" or triggers "path of travel" requirements. The parties hereby agree that: (a) Landlord shall be responsible for ADA Title III compliance in the Common Areas, except as provided below, (b) Tenant shall be responsible for ADA Title III compliance in the Premises, including any leasehold improvements or other work to be performed in the Premises under or in connection with this Lease, (c) Landlord may perform, or require that Tenant perform, and Tenant shall be responsible for the cost of, ADA Title III "path of travel" requirements triggered by Tenant Alterations in the Premises, and (d) Landlord may perform, or require Tenant to perform, and Tenant shall be responsible for the cost of, ADA Title III compliance in the Common Areas necessitated by the Building being deemed to be a "public accommodation" instead of a "commercial facility" as a

result of Tenant's use of the Premises. Landlord represents and warrants that the Premises shall be in compliance with ADA Title III as of the Commencement Date, other than those ADA requirements that may be triggered by Tenant's use of the Premises for other than general office use. Tenant shall be solely responsible for requirements under Title I of the ADA relating to Tenant's employees.

7.2 LANDLORD ACCESS TO PREMISES; APPROVALS

(a) Tenant shall permit Landlord to erect, use and maintain pipes, ducts, wiring and conduits in and through the Premises, so long as Tenant's use, layout or design of the Premises is not materially affected or altered. Landlord or Landlord's agents shall have the right to enter upon the Premises in the event of an emergency, or to inspect the Premises, to perform services required hereunder, to conduct safety and other testing in the Premises and to make such repairs, alterations, improvements or additions to the Premises or the Building or other parts of the Property as Landlord may deem necessary or desirable (including all alterations, improvements and additions in connection with a change in service provider or providers). Any entry or work by Landlord may be during normal business hours and Landlord may use reasonable efforts to ensure that any entry or work shall not materially interfere with Tenant's occupancy of the Premises.

(b) If Tenant shall not be personally present to permit an entry into the Premises when for any reason an entry therein shall be necessary or permissible, Landlord (or Landlord's agents), after attempting to notify Tenant (unless Landlord believes an emergency situation exists), may enter the Premises without rendering Landlord or its agents liable therefor, and without relieving Tenant of any obligations under this Lease.

(c) Landlord may enter the Premises for the purpose of conducting such inspections, tests and studies as Landlord may deem desirable or necessary to confirm Tenant's compliance with all Laws and Environmental Laws or for other purposes necessary in Landlord's reasonable judgment to ensure the sound condition of the Property and the systems serving the Property. Landlord's rights under this Section 7.2(c) are for Landlord's own protection only, and Landlord has not, and shall not be deemed to have assumed, any responsibility to Tenant or any other party as a result of the exercise or non-exercise of such rights, for compliance with Laws or Environmental Laws or for the accuracy or sufficiency of any item or the quality or suitability of any item for its intended use.

(d) Landlord may do any of the foregoing, or undertake any of the inspection or work described in the preceding paragraphs without such action constituting an actual or constructive eviction of Tenant, in whole or in part, or giving rise to an abatement of Rent by reason of loss or interruption of business of the Tenant, or otherwise.

(e) The review, approval or consent of Landlord with respect to any item required or permitted under this Lease is for Landlord's own protection only, and Landlord has not, and shall not be deemed to have assumed, any responsibility to Tenant or any other party, as a result of the exercise or non-exercise of such rights, for compliance with Laws or Environmental Laws or for the accuracy or sufficiency of any item or the quality or suitability of any item for its intended use.

7.3 QUIET ENJOYMENT

Landlord covenants, in lieu of any implied covenant of quiet possession or quiet enjoyment, that so long as Tenant is in compliance with the covenants and conditions set forth in this Lease, Tenant shall have the right to quiet enjoyment of the Premises without hindrance or interference from Landlord or those claiming through Landlord, and subject to the covenants and conditions set forth in the Lease and to the rights of any Mortgagee or ground lessor.

ARTICLE 8

MAINTENANCE

8.1 LANDLORD'S MAINTENANCE

Subject to the provisions of Articles Four (as to reimbursement of Operating Expenses) and Fourteen, Landlord shall maintain in good order, condition and repair the foundations, roofs, exterior walls, and the structural elements of the Building, plus the electrical, plumbing, heating, ventilating, air-conditioning, mechanical and the fire and life safety systems of the Building (including the Premises), except that: (a) Landlord shall not be responsible for the maintenance or repair of any floor or wall coverings in the Premises; (b) the cost of performing any of said maintenance or repairs to the Premises shall be paid directly by Tenant as additional Rent and not included in Operating Expenses, and (c) the cost of performing any of said maintenance or repairs to the Building caused by the negligence of Tenant, its employees, agents, servants, licensees, subtenants, contractors or invitees, shall be paid directly by Tenant as additional Rent and not included in Operating Expenses, subject to the waivers set forth in Section 16.4. Landlord shall not be liable to Tenant for any expense, injury, loss or damage resulting from work done in or upon, or in connection with the use of, any adjacent or nearby building, land, street or alley. Landlord shall maintain the Building in compliance with all Environmental Laws to the extent Landlord has received written notice of violation of such Laws.

8.2 TENANT'S MAINTENANCE

Subject to the provisions of Section 8.1 above and Article Fourteen and Fifteen, Tenant, at its expense, shall keep and maintain the Premises and all Tenant Additions in good order, condition and repair and in accordance with all Laws and Environmental Laws (except to the extent Landlord is responsible for compliance with Laws and Environmental Laws in the Premises under the terms of this Lease). Tenant shall provide regular janitorial services to the Premises, at Tenant's sole cost and expense. Tenant shall not permit waste and shall promptly and adequately repair all damages to the Premises and replace or repair all damaged or broken glass in the interior of the Premises, fixtures or appurtenances. Any repairs or maintenance shall

be completed with materials of similar quality to the original materials, all such work to be completed under the supervision of Landlord. Any such repairs or maintenance shall be performed only by contractors or mechanics approved by Landlord, which approval shall not be unreasonably withheld, and whose work will not cause or threaten to cause disharmony or interference with Landlord or other tenants in the Building and their respective agents and contractors performing work in or about the Building. If Tenant fails to perform any of its obligations set forth in this Section 8.2, Landlord may, in its sole discretion and upon 24 hours prior notice to Tenant (except without notice in the case of emergencies), perform the same, and Tenant shall pay to Landlord any costs or expenses incurred by Landlord upon demand.

ARTICLE 9

ALTERATIONS AND IMPROVEMENTS

9.1 TENANT ALTERATIONS

(a) The following provisions shall apply to the completion of any Tenant Alterations:

(i) Tenant shall not, except as provided herein, without the prior written consent of Landlord, which consent shall not be unreasonably withheld, make or cause to be made any Tenant Alterations in or to the Premises or any Property systems serving the Premises. Prior to making any Tenant Alterations, Tenant shall give Landlord ten (10) days prior written notice (or such earlier notice as would be necessary pursuant to applicable Law) to permit Landlord sufficient time to post appropriate notices of non-responsibility. Subject to all other requirements of this Article Nine, Tenant may undertake Decoration work without Landlord’s prior written consent. Tenant shall furnish Landlord with the names and addresses of all contractors and subcontractors and copies of all contracts. All Tenant Alterations shall be completed at such time and in such manner as Landlord may from time to time designate, and only by contractors or mechanics approved by Landlord, which approval shall not be unreasonably withheld, provided, however, that Landlord may, in its sole discretion, specify the engineers and contractors to perform all work relating to the Building’s systems (including the mechanical, heating, plumbing, security, ventilating, air-conditioning, electrical, communication and the fire and life safety systems in the Building). The contractors, mechanics and engineers who may be used are further limited to those whose work will not cause or threaten to cause disharmony or interference with Landlord or other tenants in the Building and their respective agents and contractors performing work in or about the Building. Landlord may further condition its consent upon Tenant furnishing to Landlord and Landlord approving prior to the commencement of any work or delivery of materials to the Premises related to the Tenant Alterations such of the following as specified by Landlord: architectural plans and specifications, opinions from Landlord’s engineers stating that the Tenant Alterations will not in any

way adversely affect the Building's systems, necessary permits and licenses, certificates of insurance, and such other documents in such form reasonably requested by Landlord. Landlord may, in the exercise of reasonable judgment, request that Tenant provide Landlord with appropriate evidence of Tenant's ability to complete and pay for the completion of the Tenant Alterations such as a performance bond or letter of credit. Upon completion of the Tenant Alterations, Tenant shall deliver to Landlord an as-built mylar and digitized (if available) set of plans and specifications for the Tenant Alterations.

(ii) Tenant shall pay the cost of all Tenant Alterations and the cost of decorating the Premises and any work to the Property occasioned thereby. Upon completion of Tenant Alterations, Tenant shall furnish Landlord with contractors' affidavits and full and final waivers of lien and receipted bills covering all labor and materials expended and used in connection therewith and such other documentation reasonably requested by Landlord or Mortgagee.

(iii) Tenant agrees to complete all Tenant Alterations (i) in accordance with all Laws, Environmental Laws, all requirements of applicable insurance companies and in accordance with Landlord's standard construction rules and regulations, and (ii) in a good and workmanlike manner with the use of good grades of materials. Tenant shall notify Landlord immediately if Tenant receives any notice of violation of any Law in connection with completion of any Tenant Alterations and shall immediately take such steps as are necessary to remedy such violation. In no event shall such supervision or right to supervise by Landlord nor shall any approvals given by Landlord under this Lease constitute any warranty by Landlord to Tenant of the adequacy of the design, workmanship or quality of such work or materials for Tenant's intended use or of compliance with the requirements of Section 9.1 (a)(3)(i) and (ii) above or impose any liability upon Landlord in connection with the performance of such work.

(b) All Tenant Additions whether installed by Landlord or Tenant, shall without compensation or credit to Tenant, become part of the Premises and the property of Landlord at the time of their installation and shall remain in the Premises, unless pursuant to Article Twelve, Tenant may remove them or is required to remove them at Landlord's request.

9.2 LIENS

Tenant shall not permit any lien or claim for lien of any mechanic, laborer or supplier or any other lien to be filed against the Building, the Land, the Premises, or any other part of the Property arising out of work performed, or alleged to have been performed by, or at the direction of, or on behalf of Tenant. If any such lien or claim for lien is filed, Tenant shall within ten (10) days of receiving notice of such lien or claim (a) have such lien or claim for lien released of record or (b) deliver to Landlord a bond in form, content, amount, and issued by surety,

satisfactory to Landlord, indemnifying, protecting, defending and holding harmless the Indemnitees against all costs and liabilities resulting from such lien or claim for lien and the foreclosure or attempted foreclosure thereof. If Tenant fails to take any of the above actions, Landlord, in addition to its rights and remedies under Article Eleven, without investigating the validity of such lien or claim for lien, may pay or discharge the same and Tenant shall, as payment of additional Rent hereunder, reimburse Landlord upon demand for the amount so paid by Landlord, including Landlord's expenses and attorneys' fees.

ARTICLE 10

ASSIGNMENT AND SUBLETTING

10.1 ASSIGNMENT AND SUBLETTING

(a) Without the prior written consent of Landlord, which may be withheld in Landlord's sole discretion, Tenant may not sublease, assign, mortgage, pledge, hypothecate or otherwise transfer or permit the transfer of this Lease or the encumbering of Tenant's interest therein in whole or in part, by operation of Law or otherwise or permit the use or occupancy of the Premises, or any part thereof, by anyone other than Tenant, provided, however, if Landlord chooses not to recapture the space proposed to be subleased or assigned as provided in Section 10.2, Landlord shall not unreasonably withhold its consent to a subletting or assignment under this Section 10.1. Tenant agrees that the provisions governing sublease and assignment set forth in this Article Ten shall be deemed to be reasonable. If Tenant desires to enter into any sublease of the Premises or assignment of this Lease, Tenant shall deliver written notice thereof to Landlord ("Tenant's Notice"), together with the identity of the proposed subtenant or assignee and the proposed principal terms thereof and financial and other information sufficient for Landlord to make an informed judgment with respect to such proposed subtenant or assignee at least fifteen (15) days prior to the commencement date of the term of the proposed sublease or assignment. If Tenant proposes to sublease less than all of the Rentable Area of the Premises, the space proposed to be sublet and the space retained by Tenant must each be a marketable unit as reasonably determined by Landlord and otherwise in compliance with all Laws. Landlord shall notify Tenant in writing of its approval or disapproval of the proposed sublease or assignment or its decision to exercise its rights under Section 10.2 within thirty (30) days after receipt of Tenant's Notice (and all required information). Tenant shall submit for Landlord's approval (which approval shall not be unreasonably withheld) any advertising which Tenant or its agents intend to use with respect to the space proposed to be sublet.

(b) With respect to Landlord's consent to an assignment or sublease, Landlord may take into consideration any factors that Landlord may deem relevant, and the reasons for which Landlord's denial shall be deemed to be reasonable shall include, without limitation, the following:

(1) the business reputation or creditworthiness of any proposed subtenant or assignee is not acceptable to Landlord; or

(2) in Landlord's reasonable judgment the proposed assignee or sublessee would diminish the value or reputation of the Building or Landlord; or

(3) any proposed assignee's or sublessee's use of the Premises would be different from the Use of the Premises set forth in Section 1.1 or would violate Section 7.1 of the Lease or would violate the provisions of any other leases of tenants in the Property; or

(4) the proposed sublessee or assignee is a bona fide prospective tenant of Landlord in the Property as demonstrated by a written proposal dated within ninety (90) days prior to the date of Tenant's request; or

(5) the proposed sublessee or assignee would materially increase the estimated pedestrian and vehicular traffic to and from the Premises and the Building.

(c) Any sublease or assignment shall be expressly subject to the terms and conditions of this Lease. Any subtenant or assignee shall execute such documents as Landlord may reasonably require to evidence such subtenant's sublease of all or a portion of the Premises or assignee's assumption of the obligations and liabilities of Tenant under this Lease. Tenant shall deliver to Landlord a copy of all agreements executed by Tenant and the proposed subtenant and assignee with respect to the Premises. Landlord's approval of a sublease, assignment, hypothecation, transfer or third party use or occupancy shall not constitute a waiver of Tenant's obligation to obtain Landlord's consent to further assignments or subleases, hypothecations, transfers or third party use or occupancy.

(d) For purposes of this Article Ten, an assignment shall be deemed to include a change in the majority control of Tenant, resulting from any transfer, sale or assignment of shares of stock of Tenant occurring by operation of Law or otherwise if Tenant is a corporation whose shares of stock are not traded publicly. If Tenant is a partnership, any change in the partners of Tenant shall be deemed to be an assignment.

(e) Notwithstanding anything in this Article Ten to the contrary, occupancy of all or part of the Premises by (i) any related entity, parent company, subsidiary, or Affiliate of Tenant, or (ii) any entity which owns or is owned by an Affiliate of Tenant, or (iii) any company in which Tenant has a controlling interest, or (iv) any successor corporation to Tenant, whether by merger, consolidation, or otherwise, or any person or entity who purchases all or substantially all of Tenant's business or assets, shall not be deemed an assignment or subletting requiring Landlord's prior written consent, provided that such related entity,

parent company, subsidiary, Affiliate, controlled company, or successor corporation was not formed as a subterfuge to avoid the obligations of this Article Ten. In such transactions, the provisions of subsections (a) and (b), above, shall not apply, and Tenant may assign the Lease at any time, or sublease all or part of the Premise at any time, without receipt of Landlord's consent, to any such entity so long as such transaction was not entered into as a subterfuge to avoid the obligations and restrictions of this Lease and Landlord receives written notice of such assignment or sublease within 30 days of such transaction. In addition, the provisions of Sections 10.2 and 10.3 below shall not apply to such transactions, and any options or rights that Tenant may have under this Lease shall transfer to such entity.

10.2 RECAPTURE

Excluding any assignment or sublease contemplated in Section 10.1(e), Landlord shall have the option to exclude from the Premises covered by this Lease ("recapture") the space proposed to be sublet or subject to the assignment, effective as of the proposed commencement date of such sublease or assignment. If Landlord elects to recapture, Tenant shall surrender possession of the space proposed to be subleased or subject to the assignment to Landlord on the effective date of recapture of such space from the Premises, such date being the Termination Date for such space. Effective as of the date of recapture of any portion of the Premises pursuant to this section, the Monthly Base Rent, Rentable Area of the Premises and Tenant's Share shall be adjusted accordingly.

10.3 EXCESS RENT

Except in connection with any assignment permitted under Section 10.1(e) above, Tenant shall pay Landlord on the first day of each month during the term of the sublease or assignment, fifty percent (50%) of the amount by which the sum of all rent and other consideration (direct or indirect) due from the subtenant or assignee for such month exceeds: (i) that portion of the Monthly Base Rent and Rent Adjustments due under this Lease for said month which is allocable to the space sublet or assigned (the "Sublease/Assignment Rent"); and (ii) the following costs and expenses for the subletting or assignment of such space: (1) brokerage commissions and attorneys' fees and expenses, (2) the actual costs paid in making any improvements or substitutions in the Premises required by any sublease or assignment; and (3) "free rent" periods, costs of any inducements or concessions given to subtenant or assignee, moving costs, and other amounts in respect of such subtenant's or assignee's other leases or occupancy arrangements.

10.4 TENANT LIABILITY

In the event of any sublease or assignment, whether or not with Landlord's consent, Tenant shall not be released or discharged from any liability, whether past, present or future, under this Lease, including any liability arising from the exercise of any renewal or expansion option, to the extent such exercise is expressly permitted by Landlord. Tenant's liability shall remain primary, and in the event of default by any subtenant, assignee or successor of Tenant in performance or observance of any of the covenants or conditions of this Lease, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against said

subtenant, assignee or successor. After any assignment, Landlord may consent to subsequent assignments or subletting of this Lease, or amendments or modifications of this Lease with assignees of Tenant, without notifying Tenant, or any successor of Tenant, and without obtaining its or their consent thereto, and to the extent Tenant has delivered its written consent to such action, such action shall not relieve Tenant or any successor of Tenant of liability under this Lease. If Landlord grants consent to such sublease or assignment, Tenant shall pay all reasonable attorneys' fees and expenses incurred by Landlord with respect to such assignment or sublease. In addition, if Tenant has any options to extend the Term or to add other space to the Premises, such options shall not be available to any subtenant or assignee, directly or indirectly without Landlord's express written consent, which may be withheld in Landlord's sole discretion.

10.5 ASSUMPTION AND ATTORNMENT

If Tenant shall assign this Lease as permitted herein, the assignee shall expressly assume all of the obligations of Tenant hereunder in a written instrument satisfactory to Landlord and furnished to Landlord not later than fifteen (15) days prior to the effective date of the assignment. If Tenant shall sublease the Premises as permitted herein, Tenant shall, at Landlord's option, within fifteen (15) days following any request by Landlord, obtain and furnish to Landlord the written agreement of such subtenant to the effect that, upon termination of the Lease, the subtenant will attorn to Landlord and will pay all subrent directly to Landlord; provided, however, Landlord agrees to mitigate any damages to which Landlord would otherwise be entitled under California Civil Code Section 1951.2 by the amount of subrent Landlord receives.

ARTICLE 11

DEFAULT AND REMEDIES

11.1 EVENTS OF DEFAULT

The occurrence or existence of any one or more of the following shall constitute a "Default" by Tenant under this Lease:

(a) Tenant fails to pay any installment or other payment of Rent including Rent Adjustment Deposits or Rent Adjustments within five (5) days after written notice;

(b) Tenant fails to observe or perform any of the other covenants, conditions or provisions of this Lease or the Workletter and fails to cure such default within thirty (30) days after written notice thereof to Tenant (or such additional time as may be required, up to a maximum of ninety (90) days, subject to extension due to Force Majeure events), unless the default involves a hazardous condition, which shall be cured forthwith or unless the failure to perform is a Default for which this Lease specifies there is no cure or grace period;

(c) the interest of Tenant in this Lease is levied upon under execution or other legal process;

(d) a petition is filed by or against Tenant to declare Tenant bankrupt or seeking a plan of reorganization or arrangement under any Chapter of the Bankruptcy Act, or any amendment, replacement or substitution therefor, or to delay payment of, reduce or modify Tenant's debts, which in the case of an involuntary action is not discharged within thirty (30) days;

(e) Tenant is declared insolvent by Law or any assignment of Tenant's property is made for the benefit of creditors;

(f) a receiver is appointed for Tenant or Tenant's property, which appointment is not discharged within thirty (30) days;

(g) any action taken by or against Tenant to reorganize or modify Tenant's capital structure in a materially adverse way which in the case of an involuntary action is not discharged within thirty (30) days;

(h) upon the dissolution of Tenant;

(i) upon the third occurrence within any calendar year during the Term that Tenant fails to pay Rent when due and incurred late fees or has breached a particular covenant of this Lease (whether or not such failure or breach is thereafter cured within any stated cure or grace period or statutory period); provided, this provision shall not apply unless Landlord has provided Tenant with written notice of its applicability following the second such occurrence; or

(j) Tenant's default (beyond any applicable notice and cure period) under that certain lease dated as of January 7, 2004 between Landlord and Tenant, as such lease has been amended (and as may be further amended), pursuant to which Tenant leases from Landlord certain space located in the building adjacent to the Building, such building commonly known as 2929 Seventh Street, Berkeley.

11.2 LANDLORD'S REMEDIES

(a) A Default shall constitute a breach of the Lease for which Landlord shall have the rights and remedies set forth in this Section 11.2 and all other rights and remedies set forth in this Lease or now or hereafter allowed by Law, whether legal or equitable, and all rights and remedies of Landlord shall be cumulative and none shall exclude any other right or remedy.

(b) With respect to a Default, at any time Landlord may terminate Tenant's right to possession by written notice to Tenant stating such election. Any written notice required pursuant to Section 11.1 shall constitute notice of unlawful detainer pursuant to California Code of Civil Procedure Section 1161 if, at Landlord's sole discretion, it states Landlord's election that Tenant's right to possession is terminated after expiration of any period required by Law or any longer period required by Section 11.1. Upon the expiration of the period stated in Landlord's written notice of termination (and unless such notice provides an option to cure within such period and Tenant cures the Default within such period), Tenant's

right to possession shall terminate and this Lease shall terminate, and Tenant shall remain liable as hereinafter provided. Upon such termination in writing of Tenant's right to possession, Landlord shall have the right, subject to applicable Law, to re-enter the Premises and dispossess Tenant and the legal representatives of Tenant and all other occupants of the Premises by unlawful detainer or other summary proceedings, or otherwise as permitted by Law, regain possession of the Premises and remove their property (including their trade fixtures, personal property and those Tenant Additions which Tenant is required or permitted to remove under Article Twelve), but Landlord shall not be obligated to effect such removal, and such property may, at Landlord's option, be stored elsewhere, sold or otherwise dealt with as permitted by Law, at the risk of, expense of and for the account of Tenant, and the proceeds of any sale shall be applied pursuant to Law. Landlord shall in no event be responsible for the value, preservation or safekeeping of any such property. Tenant hereby waives all claims for damages that may be caused by Landlord's removing or storing Tenant's personal property pursuant to this Section or Section 12.1, and Tenant hereby indemnifies, and agrees to defend, protect and hold harmless, the Indemnitees from any and all loss, claims, demands, actions, expenses, liability and cost (including attorneys' fees and expenses) arising out of or in any way related to such removal or storage. Upon such written termination of Tenant's right to possession and this Lease, Landlord shall have the right to recover damages for Tenant's Default as provided herein or by Law, including the following damages provided by California Civil Code Section 1951.2:

(i) the worth at the time of award of the unpaid Rent which had been earned at the time of termination;

(ii) the worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such Rent loss that Tenant proves could reasonably have been avoided;

(iii) the worth at the time of award of the amount by which the unpaid Rent for the balance of the term of this Lease after the time of award exceeds the amount of such Rent loss that Tenant proves could be reasonably avoided; and

(iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including, without limitation, Landlord's unamortized costs of tenant improvements, leasing commissions and legal fees incurred in connection with entering into this Lease. The word "rent" as used in this Section 11.2 shall have the same meaning as the defined term Rent in this Lease. The "worth at the time of award" of the amount referred to in clauses (1) and (2) above is computed by allowing interest at the Default Rate. The worth at the time of award of the amount referred to in clause

(3) above is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%). For the purpose of determining unpaid Rent under clause (3) above, the monthly Rent reserved in this Lease shall be deemed to be the sum of the Monthly Base Rent, monthly storage space rent, if any, and the amounts last payable by Tenant as Rent Adjustments for the calendar year in which Landlord terminated this Lease as provided hereinabove.

(c) Even if Tenant is in Default and/or has abandoned the Premises, this Lease shall continue in effect for so long as Landlord does not terminate Tenant's right to possession by written notice as provided in Section 11.2(b) above, and Landlord may enforce all its rights and remedies under this Lease, including the right to recover Rent as it becomes due under this Lease. In such event, Landlord shall have all of the rights and remedies of a landlord under California Civil Code Section 1951.4 (Landlord may continue Lease in effect after Tenant's Default and abandonment and recover Rent as it becomes due, if Tenant has the right to sublet or assign, subject only to reasonable limitations), or any successor statute. During such time as Tenant is in Default, if Landlord has not terminated this Lease by written notice and if Tenant requests Landlord's consent to an assignment of this Lease or a sublease of the Premises, subject to Landlord's option to recapture pursuant to Section 10.2, Landlord shall not unreasonably withhold its consent to such assignment or sublease. Tenant acknowledges and agrees that the provisions of Article Ten shall be deemed to constitute reasonable limitations of Tenant's right to assign or sublet. Tenant acknowledges and agrees that in the absence of written notice pursuant to Section 11.2(b) above terminating Tenant's right to possession, no other act of Landlord shall constitute a termination of Tenant's right to possession or an acceptance of Tenant's surrender of the Premises, including acts of maintenance or preservation or efforts to relet the Premises or the appointment of a receiver upon initiative of Landlord to protect Landlord's interest under this Lease or the withholding of consent to a subletting or assignment, or terminating a subletting or assignment, if in accordance with other provisions of this Lease.

(d) In the event that Landlord seeks an injunction with respect to a breach or threatened breach by Tenant of any of the covenants, conditions or provisions of this Lease, Tenant agrees to pay the premium for any bond required in connection with such injunction.

(e) Tenant hereby waives any and all rights to relief from forfeiture, redemption or reinstatement granted by Law (including California Civil Code of Procedure Sections 1174 and 1179) in the event of Tenant being evicted or dispossessed for any cause or in the event of Landlord obtaining possession of the Premises by reason of Tenant's Default or otherwise;

(f) Notwithstanding any other provision of this Lease, a notice to Tenant given under this Article and Article Twenty-four of this Lease or given pursuant to California Code of Civil Procedure Section 1161, and any notice served by mail shall be

deemed served, and the requisite waiting period deemed to begin under said Code of Civil Procedure Section upon mailing, without any additional waiting requirement under Code of Civil Procedure Section 1011 et seq. or by other Law. For purposes of Code of Civil Procedure Section 1162, Tenant's "place of residence", "usual place of business", "the property" and "the place where the property is situated" shall mean and be the Premises, whether or not Tenant has vacated same at the time of service.

(g) The voluntary or other surrender or termination of this Lease, or a mutual termination or cancellation thereof, shall not work a merger and shall terminate all or any existing assignments, subleases, subtenancies or occupancies permitted by Tenant, except if and as otherwise specified in writing by Landlord.

(h) No delay or omission in the exercise of any right or remedy of Landlord upon any default by Tenant, and no exercise by Landlord of its rights pursuant to Section 25.15 to perform any duty which Tenant fails timely to perform, shall impair any right or remedy or be construed as a waiver. No provision of this Lease shall be deemed waived by Landlord unless such waiver is in writing signed by Landlord. The waiver by Landlord of any breach of any provision of this Lease shall not be deemed a waiver of any subsequent breach of the same or any other provision of this Lease.

11.3 ATTORNEY'S FEES

In the event any party brings any suit or other proceeding with respect to the subject matter or enforcement of this Lease, the prevailing party (as determined by the court, agency or other authority before which such suit or proceeding is commenced) shall, in addition to such other relief as may be awarded, be entitled to recover attorneys' fees, expenses and costs of investigation as actually incurred, including court costs, expert witness fees, costs and expenses of investigation, and all attorneys' fees, costs and expenses in any such suit or proceeding (including in any action or participation in or in connection with any case or proceeding under the Bankruptcy Code, 11 United States Code Sections 101 et seq., or any successor statutes, in establishing or enforcing the right to indemnification, in appellate proceedings, or in connection with the enforcement or collection of any judgment obtained in any such suit or proceeding).

11.4 BANKRUPTCY

The following provisions shall apply in the event of the bankruptcy or insolvency of Tenant:

(a) In connection with any proceeding under Chapter 7 of the Bankruptcy Code where the trustee of Tenant elects to assume this Lease for the purposes of assigning it, such election or assignment, may only be made upon compliance with the provisions of (b) and (c) below, which conditions Landlord and Tenant acknowledge to be commercially reasonable. In the event the trustee elects to reject this Lease then Landlord shall immediately be entitled to possession of the Premises without further obligation to Tenant or the trustee.

(b) Any election to assume this Lease under Chapter 11 or 13 of the Bankruptcy Code by Tenant as debtor-in-possession or by Tenant's trustee (the "Electing Party") must provide for:

(i) The Electing Party to cure or provide to Landlord adequate assurance that it will cure all monetary defaults under this Lease within fifteen (15) days from the date of assumption and it will cure all nonmonetary defaults under this Lease within thirty (30) days from the date of assumption. Landlord and Tenant acknowledge such condition to be commercially reasonable.

(ii) If the Electing Party has assumed this Lease or elects to assign Tenant's interest under this Lease to any other person, such interest may be assigned only if the intended assignee has provided adequate assurance of future performance (as herein defined), of all of the obligations imposed on Tenant under this Lease.

(iii) For the purposes hereof, "adequate assurance of future performance" means that Landlord has ascertained that each of the following conditions has been satisfied:

(1) The assignee has submitted a current financial statement, certified by its chief financial officer, which shows a net worth and working capital in amounts sufficient to assure the future performance by the assignee of Tenant's obligations under this Lease; and

(2) Landlord has obtained consents or waivers from any third parties that may be required under a lease, mortgage, financing arrangement, or other agreement by which Landlord is bound, to enable Landlord to permit such assignment.

(c) Landlord's acceptance of rent or any other payment from any trustee, receiver, assignee, person, or other entity will not be deemed to have waived, or waive, the requirement of Landlord's consent, Landlord's right to terminate this Lease for any transfer of Tenant's interest under this Lease without such consent, or Landlord's claim for any amount of Rent due from Tenant.

11.5 LANDLORD'S DEFAULT

Landlord shall be in default hereunder in the event Landlord has not begun and pursued with reasonable diligence the cure of any failure of Landlord to meet its obligations hereunder within thirty (30) days after the receipt by Landlord of written notice from Tenant of the alleged failure to perform. In no event shall Tenant have the right to terminate or rescind this Lease as a result of Landlord's default as to any covenant or agreement contained in this Lease. Tenant hereby waives such remedies of termination and rescission and hereby agrees that Tenant's remedies for default hereunder and for breach of any promise or inducement shall be limited to a suit for damages and/or injunction. In addition, Tenant hereby covenants that, prior to the

exercise of any such remedies, it will give the Mortgagee notice and a reasonable time to cure any default by Landlord.

ARTICLE 12

SURRENDER OF PREMISES

12.1 IN GENERAL

Upon the Termination Date, Tenant shall surrender and vacate the Premises immediately and deliver possession thereof to Landlord in a clean, good and tenantable condition, excepting ordinary wear and tear, and damage caused by Landlord. Tenant shall deliver to Landlord all keys to the Premises. Tenant shall remove from the Premises all movable personal property of Tenant and Tenant's trade fixtures and cabling installed by or on behalf of Tenant. Tenant shall be entitled to remove such Tenant Alterations, which at the time of their installation Landlord and Tenant agreed may be removed by Tenant. Tenant shall also remove such other Tenant Alterations as required by Landlord, including any Tenant Alterations containing Hazardous Materials. Tenant shall pay any costs Landlord incurs to: (a) repair damage resulting from removal of any of Tenant's property, furnishings or Tenant Alterations; (b) close floor, ceiling and roof openings caused by such removal; and (c) restore the Premises to a tenantable condition as reasonably determined by Landlord. If any of the Tenant Alterations which were installed by Tenant involved the lowering of ceilings, raising of floors or the installation of specialized wall or floor coverings or lights, then Tenant shall also be liable for the cost to return such surfaces to their condition prior to the commencement of this Lease. In the event possession of the Premises is not delivered to Landlord when required hereunder, or if Tenant shall fail to remove those items described above, Landlord may (but shall not be obligated to), at Tenant's expense, remove any of such property and store, sell or otherwise deal with such property as provided in Section 11.2(b), including the waiver and indemnity obligations provided in that Section.

12.2 LANDLORD'S RIGHTS

All property which may be removed from the Premises by Landlord shall be conclusively presumed to have been abandoned by Tenant and Landlord may deal with such property as provided in Section 11.2(b), including the waiver and indemnity obligations provided in that Section. Tenant shall also reimburse Landlord for all costs and expenses incurred by Landlord in removing any of Tenant Alterations and in restoring the Premises to the condition required by this Lease at the Termination Date.

ARTICLE 13

HOLDING OVER

In the event that Tenant holds over in possession of the Premises after the Termination Date, Tenant shall pay Landlord 125% of the monthly Rent payable for the month immediately preceding the holding over (including increases for Rent Adjustments which Landlord may reasonably estimate. Tenant shall also pay all damages sustained by Landlord by reason of such retention of possession. The provisions of this Article shall not constitute a waiver by Landlord

of any re-entry rights of Landlord, and Tenant's continued occupancy of the Premises shall be as a tenancy in sufferance.

ARTICLE 14

DAMAGE BY FIRE OR OTHER CASUALTY

14.1 SUBSTANTIAL UNTENANTABILITY

(a) If any fire or other casualty (whether insured or uninsured) renders all or a substantial portion of the Premises or the Building untenantable for the Permitted Use, Landlord shall, with reasonable promptness after the occurrence of such damage, cause a licensed architect or contractor to estimate the length of time that will be required to substantially complete the repair and restoration and shall by notice advise Tenant of such estimate ("Landlord's Notice"). If Landlord's Notice indicates that the amount of time required to substantially complete such repair and restoration will exceed one hundred eighty (180) days from the date such damage occurred, then Landlord, or Tenant if all or a substantial portion of the Premises or the Building is rendered untenantable, shall have the right to terminate this Lease as of the date of such damage upon giving written notice to the other at any time within twenty (20) days after delivery of Landlord's Notice, provided that if Landlord so chooses, Landlord's Notice may also constitute such notice of termination.

(b) Unless this Lease is terminated as provided in the preceding subparagraph, Landlord shall proceed with reasonable promptness to repair and restore the Premises to its condition as existed prior to such casualty, subject to reasonable delays for insurance adjustments and Force Majeure delays, and also subject to zoning Laws and building codes then in effect. Landlord shall have no liability to Tenant, and Tenant shall not be entitled to terminate this Lease if such repairs and restoration are not in fact completed within the time period estimated by Landlord so long as Landlord shall proceed with reasonable diligence to complete such repairs and restoration. Notwithstanding the foregoing to the contrary, if the repair and restoration is not completed within two hundred seventy (270) days from the date such damage occurred, then Tenant shall have the right to terminate this Lease as of the two hundred seventy- first (271st) day after the date such damage occurred by providing twenty (20) days prior written notice to Landlord.

(c) Tenant acknowledges that Landlord shall be entitled to the full proceeds of any insurance coverage, whether carried by Landlord or Tenant, for damages to the Premises, except for those proceeds of Tenant's insurance of its own personal property and equipment which would be removable by Tenant at the Termination Date. All such insurance proceeds shall be payable to Landlord whether or not the Premises are to be repaired and restored, provided, however, if this Lease is not terminated and the parties proceed to repair and restore Tenant Additions at Tenant's cost, to the extent Landlord received proceeds of Tenant's insurance

covering Tenant Additions, such proceeds shall be applied to reimburse Tenant for its cost of repairing and restoring Tenant Additions.

(d) Notwithstanding anything to the contrary herein set forth: (i) Landlord shall have no duty pursuant to this Section to repair or restore any portion of any Tenant Additions or to expend for any repair or restoration of the Premises or Building amounts in excess of insurance proceeds paid to Landlord and available for repair or restoration; and (ii) Tenant shall not have the right to terminate this Lease pursuant to this Section if any damage or destruction was caused by the act or neglect of Tenant, its agent or employees. Whether or not the Lease is terminated pursuant to this Article Fourteen, in no event shall Tenant be entitled to any compensation or damages for loss of the use of the whole or any part of the Premises or for any inconvenience or annoyance occasioned by any such damage, destruction, rebuilding or restoration of the Premises or the Building or access thereto.

(e) Any repair or restoration of the Premises performed by Tenant shall be in accordance with the provisions of Article Nine hereof.

14.2 INSUBSTANTIAL UNTENANTABILITY

If the Premises or the Building is damaged by a casualty but neither is rendered substantially untenantable for the Permitted Use and Landlord's Notice indicates that the time to substantially complete the repair or restoration will not exceed one hundred eighty (180) days from the date such damage occurred, then Landlord shall proceed to repair and restore the Premises or the Building other than Tenant Additions, with reasonable promptness; provided, however, if such damage is to the Premises and occurs during the last twelve (12) months of the Term and the estimated time to complete repairs exceeds thirty-three and one-third percent (33 1/3%) of the then remaining Term, or occurs during the last six (6) months of the Term (regardless of the estimated repair time), then either Tenant or Landlord shall have the right to terminate this Lease as of the date of such casualty by giving written notice thereof to the other within twenty (20) days after the date of such casualty. Notwithstanding the aforesaid, Landlord's obligation to repair shall be limited in accordance with the provisions of Section 14.1 above.

14.3 RENT ABATEMENT

Except for the negligence or willful act of Tenant or its agents, employees, contractors or invitees, if all or any part of the Premises are rendered untenantable by fire or other casualty and this Lease is not terminated, Monthly Base Rent and Rent Adjustments shall abate for that part of the Premises which is untenantable on a per diem basis from the date of the casualty until Landlord has Substantially Completed the repair and restoration work in the Premises which it is required to perform, provided, that as a result of such casualty, Tenant does not occupy the portion of the Premises which is untenantable during such period.

14.4 WAIVER OF STATUTORY REMEDIES

The provisions of this Lease, including this Article Fourteen, constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, the Premises or the Property or any part of either, and any Law, including Sections 1932(2), 1933(4), 1941 and 1942 of the California Civil Code, with respect to any rights or obligations concerning damage or destruction shall have no application to this Lease or to any damage to or destruction of all or any part of the Premises or the Property or any part of either, and are hereby waived.

ARTICLE 15

EMINENT DOMAIN

15.1 TAKING OF WHOLE OR SUBSTANTIAL PART

In the event the whole or any substantial part of the Building or of the Premises is taken or condemned by any competent authority for any public use or purpose (including a deed given in lieu of condemnation) and is thereby rendered untenantable, this Lease shall terminate as of the date title vests in such authority, and Monthly Base Rent and Rent Adjustments shall be apportioned as of the Termination Date. Notwithstanding anything to the contrary herein set forth, in the event the taking is temporary (for less than the remaining Term of the Lease), Landlord may elect either (i) to terminate this Lease or (ii) permit Tenant to receive the entire award attributable to the Premises in which case Tenant shall continue to pay Rent and this Lease shall not terminate.

15.2 TAKING OF PART

In the event a part of the Building or the Premises is taken or condemned by any competent authority (or a deed is delivered in lieu of condemnation) and this Lease is not terminated, the Lease shall be amended to reduce or increase, as the case may be, the Monthly Base Rent and Tenant’s Share to reflect the Rentable Area of the Premises or Building, as the case may be, remaining after any such taking or condemnation. Landlord, upon receipt and to the extent of the award in condemnation (or proceeds of sale) shall make necessary repairs and restorations to the Premises (exclusive of Tenant Additions) and to the Building to the extent necessary to constitute the portion of the Building not so taken or condemned as a complete architectural and economically efficient unit. Notwithstanding the foregoing, if as a result of any taking, or a governmental order that the grade of any street or alley adjacent to the Building is to be changed and such taking or change of grade makes it necessary or desirable to substantially remodel or restore the Building or prevents the economical operation of the Building, Landlord shall have the right to terminate this Lease upon ninety (90) days prior written notice to Tenant.

15.3 COMPENSATION

Landlord shall be entitled to receive the entire award (or sale proceeds) from any such taking, condemnation or sale without any payment to Tenant, and Tenant hereby assigns to Landlord Tenant’s interest, if any, in such award; provided, however, Tenant shall have the right separately to pursue against the condemning authority a separate award in respect of the loss, if

any, to Tenant Additions paid for by Tenant without any credit or allowance from Landlord so long as there is no diminution of Landlord's award as a result.

ARTICLE 16

INSURANCE

16.1 TENANT'S INSURANCE

Tenant, at Tenant's expense, agrees to maintain in force, with a company or companies acceptable to Landlord, during the Term: (a) Commercial General Liability Insurance on a primary basis and without any right of contribution from any insurance carried by Landlord covering the Premises on a claims-made basis against all claims for personal injury, bodily injury, death and property damage, including broad form contractual liability coverage, and such insurance shall be for such limits that are reasonably required by Landlord from time to time but not less than a combined single limit of One Million and No/100 Dollars ($1,000,000.00), plus an umbrella policy of not less than Four Million and No/100 Dollars ($4,000,000.00), have a retroactive date that is the same as the Commencement Date and be written with an insurance company having an A.M. Best Rating of "A-VII" or greater; (b) Workers' Compensation and Employers' Liability Insurance to the extent required by and in accordance with the Laws of the State of California; (c) "Special Perils" property insurance in an amount adequate to cover the full replacement cost of all Tenant Additions, equipment, installations, fixtures and contents of the Premises in the event of loss; (d) in the event a motor vehicle is to be used by Tenant in connection with its business operation from the Premises, Comprehensive Automobile Liability Insurance coverage with limits of not less than One Million and No/100 Dollars ($1,000,000.00) combined single limit coverage against bodily injury liability and property damage liability arising out of the use by or on behalf of Tenant, its agents and employees in connection with this Lease, of any owned, non-owned or hired motor vehicles; and (e) such other insurance or coverages as Landlord reasonably requires provided such other insurance or coverages are consistent with the requirements of landlords of buildings similar to the Building in the San Francisco Bay Area.

16.2 FORM OF POLICIES

The Commercial General Liability Insurance and umbrella policies referred to in 16.1 shall satisfy the following requirements. Each policy shall (i) name Landlord and the Indemnitees as additional insureds (except Workers' Compensation and Employers' Liability Insurance), (ii) be issued by one or more responsible insurance companies licensed to do business in the State of California reasonably satisfactory to Landlord, (iii) where applicable, provide for deductible amounts satisfactory to Landlord and not permit co-insurance, (iv) shall provide that such insurance may not be canceled without thirty (30) days' prior written notice to the Landlord, and (v) each policy of "Special Perils" property insurance shall provide that the policy shall not be invalidated should the insured waive in writing prior to a loss, any or all rights of recovery against any other party for losses covered by such policies. Tenant shall deliver to Landlord, certificates of insurance and at Landlord's request, copies of all policies and renewals thereof to be maintained by Tenant hereunder, not less than ten (10) days prior to the Commencement Date and not less than ten (10) days prior to the expiration date of each policy.

16.3 LANDLORD'S INSURANCE

Landlord agrees to purchase and keep in full force and effect during the Term hereof, including any extensions or renewals thereof, insurance under policies issued by insurers of recognized responsibility, qualified to do business in the State of California on the Building in amounts not less than the greater of eighty (80%) percent of the then full replacement cost (without depreciation) of the Building (above foundations and excluding Tenant Additions) or an amount sufficient to prevent Landlord from becoming a co-insurer under the terms of the applicable policies, against fire and such other risks as may be included in standard forms of all risk coverage insurance reasonably available from time to time. Landlord agrees to maintain in force during the Term, Commercial General Liability Insurance covering the Building on an occurrence basis against all claims for personal injury, bodily injury, death, and property damage. Such insurance shall be for a combined single limit of not less than Three Million and No/100 Dollars ($3,000,000.00). Neither Landlord's obligation to carry such insurance nor the carrying of such insurance shall be deemed to be an indemnity by Landlord with respect to any claim, liability, loss, cost or expense due, in whole or in part, to Tenant's negligent acts or omissions or willful misconduct. Without obligation to do so, Landlord may, in its sole discretion from time to time, carry insurance in amounts greater and/or for coverage additional to the coverage and amounts set forth above.

16.4 WAIVER OF SUBROGATION

(a) Landlord agrees that, if obtainable at no, or minimal, additional cost, and so long as the same is permitted under the laws of the State of California, it will include in its "Special Perils" policies appropriate clauses pursuant to which the insurance companies (i) waive all right of subrogation against Tenant with respect to losses payable under such policies and/or (ii) agree that such policies shall not be invalidated should the insured waive in writing prior to a loss any or all right of recovery against any party for losses covered by such policies.

(b) Tenant agrees to include, if obtainable at no, or minimal, additional cost, and so long as the same is permitted under the laws of the State of California, in its "Special Perils" insurance policy or policies on Tenant Additions, whether or not removable, and on Tenant's furniture, furnishings, fixtures and other property removable by Tenant under the provisions of this Lease appropriate clauses pursuant to which the insurance company or companies (i) waive the right of subrogation against Landlord and/or any tenant of space in the Building with respect to losses payable under such policy or policies and/or (ii) agree that such policy or policies shall not be invalidated should the insured waive in writing prior to a loss any or all right of recovery against any party for losses covered by such policy or policies. If Landlord shall be named as an additional insured in accordance with the foregoing, Landlord agrees to endorse promptly to the order of Tenant, without recourse, any check, draft, or order for the payment of money representing the proceeds of any such policy or representing any other payment growing out of or connected with said policies, and Landlord does hereby irrevocably waive any and all rights in and to such proceeds and payments.

(c) Provided that Landlord's right of full recovery under its policy or policies aforesaid is not adversely affected or prejudiced thereby, Landlord hereby waives any and all right of recovery which it might otherwise have against Tenant, its servants, agents and employees, for loss or damage occurring to the Real Property and the fixtures, appurtenances and equipment therein, to the extent the same is covered by Landlord's insurance, notwithstanding that such loss or damage may result from the negligence or fault of Tenant, its servants, agents or employees. Provided that Tenant's right of full recovery under its aforesaid policy or policies is not adversely affected or prejudiced thereby, Tenant hereby waives any and all right of recovery which it might otherwise have against Landlord, its servants, and employees and against every other tenant of the Real Property who shall have executed a similar waiver as set forth in this Section 16.4 (c) for loss or damage to Tenant Additions, whether or not removable, and to Tenant's furniture, furnishings, fixtures and other property removable by Tenant under the provisions hereof to the extent the same is coverable by Tenant's insurance required under this Lease, notwithstanding that such loss or damage may result from the negligence or fault of Landlord, its servants, agents or employees, or such other tenant and the servants, agents or employees thereof.

(d) Landlord and Tenant hereby agree to advise the other promptly if the clauses to be included in their respective insurance policies pursuant to subparagraphs (a) and (b) above cannot be obtained on the terms hereinbefore provided and thereafter to furnish the other with a certificate of insurance or copy of such policies showing the naming of the other as an additional insured, as aforesaid. Landlord and Tenant hereby also agree to notify the other promptly of any cancellation or change of the terms of any such policy that would affect such clauses or naming.

16.5 NOTICE OF CASUALTY

Tenant shall give Landlord notice in case of a fire or accident in the Premises promptly after Tenant is aware of such event.

ARTICLE 17

WAIVER OF CLAIMS AND INDEMNITY

17.1 WAIVER OF CLAIMS

To the extent permitted by Law, Tenant releases the Indemnitees from, and waives all claims for, damage to person or property sustained by the Tenant or any occupant of the Premises or the Property resulting directly or indirectly from any existing or future condition, defect, matter or thing in and about the Premises or the Property or any part of either or any equipment or appurtenance therein, or resulting from any accident in or about the Premises or the Property, or resulting directly or indirectly from any act or neglect of any tenant or occupant of the Property or of any other person, including Landlord's agents and servants, except to the extent caused by the gross negligence or willful and wrongful act of any of the Indemnitees. To the extent permitted by Law, Tenant hereby waives any consequential damages, compensation or

claims for inconvenience or loss of business, rents, or profits as a result of such injury or damage, whether or not caused by the gross negligence or willful and wrongful act of any of the Indemnitees. If any such damage, whether to the Premises or the Property or any part of either, or whether to Landlord or to other tenants in the Property, results from any act or neglect of Tenant, its employees, servants, agents, contractors, invitees or customers, Tenant shall be liable therefor and Landlord may, at Landlord's option, repair such damage and Tenant shall, upon demand by Landlord, as payment of additional Rent hereunder, reimburse Landlord within ten (10) days of demand for the total cost of such repairs, in excess of amounts, if any, paid to Landlord under insurance covering such damages.

17.2 INDEMNITY BY TENANT

To the extent permitted by Law, Tenant hereby indemnifies, and agrees to protect, defend and hold the Indemnitees harmless, against any and all actions, claims, demands, liability, costs and expenses, including attorneys' fees and expenses for the defense thereof, arising from Tenant's occupancy of the Premises performed by Tenant, from the undertaking of any Tenant Alterations or repairs to the Premises, from the conduct of Tenant's business on the Premises, or from any breach or default on the part of Tenant in the performance of any covenant or agreement on the part of Tenant to be performed pursuant to the terms of this Lease, or from any willful act or negligence of Tenant, its agents, contractors, servants, employees, customers or invitees, in or about the Premises or the Property or any part of either. In case of any action or proceeding brought against the Indemnitees by reason of any such claim, upon notice from Landlord, Tenant covenants to defend such action or proceeding by counsel chosen by Tenant and reasonably acceptable to Landlord. Landlord reserves the right to settle, compromise or dispose of any and all actions, claims and demands related to the foregoing indemnity. The foregoing indemnity shall not operate to relieve Indemnitees of liability to the extent such liability is caused by the willful and wrongful act of Indemnitees. Further, the foregoing indemnity is subject to and shall not diminish any waivers in effect in accordance with Section 16.4 by Landlord or its insurers to the extent of amounts, if any, paid to Landlord under its "Special Perils" property insurance.

17.3 INDEMNITY BY LANDLORD

To the extent permitted by Law, Landlord hereby indemnifies, and agrees to protect, defend and hold Tenant harmless from and against any and all liability, loss, suits, claims, actions, costs and expense, including without limitation, any attorney's fees, arising from any contamination of the Premises or the Property (including the underlying land and groundwater) by any Hazardous Materials, where such contamination was not caused by Tenant. The provision of this Section 17.3 shall survive the expiration or earlier termination of the Term. Nothing in this Section 17.3 shall be deemed to modify Tenant's obligations under Section 4.1 of the Lease.

ARTICLE 18

RULES AND REGULATIONS

18.1 RULES

Tenant agrees for itself and for its subtenants, employees, agents, and invitees to comply with the rules and regulations listed on Exhibit C attached hereto and with all reasonable modifications and additions thereto which Landlord may make from time to time.

18.2 ENFORCEMENT

Nothing in this Lease shall be construed to impose upon the Landlord any duty or obligation to enforce the rules and regulations as set forth on Exhibit C or as hereafter adopted, or the terms, covenants or conditions of any other lease as against any other tenant, and the Landlord shall not be liable to the Tenant for violation of the same by any other tenant, its servants, employees, agents, visitors or licensees. Landlord shall use reasonable efforts to enforce the rules and regulations of the Property in a uniform and non-discriminatory manner.

ARTICLE 19

LANDLORD'S RESERVED RIGHTS

Landlord shall have the following rights exercisable without notice to Tenant and without liability to Tenant for damage or injury to persons, property or business and without being deemed an eviction or disturbance of Tenant's use or possession of the Premises or giving rise to any claim for offset or abatement of Rent: (1) to change the Building's name or street address upon thirty (30) days' prior written notice to Tenant; (2) to install, affix and maintain all signs on the exterior and/or interior of the Building; (3) to designate and/or approve prior to installation, all types of signs, window shades, blinds, drapes, awnings or other similar items, and all internal lighting that may be visible from the exterior of the Premises; (4) upon reasonable notice to Tenant, to display the Premises to prospective purchasers and lenders at reasonable hours at any time during the Term and to prospective tenants at reasonable hours during the last twelve (12) months of the Term; (5) to grant to any party the exclusive right to conduct any business or render any service in or to the Building, provided such exclusive right shall not operate to prohibit Tenant from using the Premises for the purpose permitted hereunder; (6) to change the arrangement and/or location of entrances or passageways, doors and doorways, corridors, elevators, stairs, washrooms or public portions of the Building, and to close entrances, doors, corridors, elevators or other facilities, provided that such action shall not materially and adversely interfere with Tenant's access to the Premises or the Building; (7) to have access for Landlord and other tenants of the Building to any mail chutes and boxes located in or on the Premises as required by any applicable rules of the United States Post Office; and (8) to close the Building after Standard Operating Hours, except that Tenant and its employees and invitees shall be entitled to admission at all times, under such regulations as Landlord prescribes for security purposes. Notwithstanding anything in this Article 19 to the contrary, clauses (5) through (7) above, inclusive, shall only be applicable at any time that the Premises consist of less than the entire Building.

ARTICLE 20

ESTOPPEL CERTIFICATE

20.1 IN GENERAL

Within ten (10) days after request therefor by Landlord, Tenant, Mortgagee or any prospective mortgagee or owner, Tenant or Landlord agrees as directed in such request to execute an Estoppel Certificate in recordable form, binding upon Tenant or Landlord, certifying (i) that this Lease is unmodified and in full force and effect (or if there have been modifications, a description of such modifications and that this Lease as modified is in full force and effect); (ii) the dates to which Rent has been paid; (iii) that Tenant is in the possession of the Premises if that is the case; (iv) that to the knowledge of the party completing the Estoppel Certificate, Landlord or Tenant (as applicable) is not in default under this Lease, or, if a default has occurred, the nature thereof in detail; (v) (if Tenant is completing Estoppel Certificate) that Tenant, to its knowledge, has no offsets or defenses to the performance of its obligations under this Lease (or if Tenant believes there are any offsets or defenses, a full and complete explanation thereof); (vi) that the Premises have been completed in accordance with the terms and provisions hereof or the Workletter, that Tenant has accepted the Premises and the condition thereof and of all improvements thereto and has no claims against Landlord or any other party with respect thereto; (vii) (if Tenant is completing Estoppel Certificate) that if an assignment of rents or leases has been served upon the Tenant by a Mortgagee, Tenant will acknowledge receipt thereof and agree to be bound by the reasonable provisions thereof; (viii) (if Tenant is completing Estoppel Certificate) that Tenant will give to the Mortgagee copies of all notices required or permitted to be given by Tenant to Landlord; and (ix) to any other information reasonably requested. Landlord or Tenant shall pay all reasonable attorneys' fees and expenses incurred by the requesting party with respect to executing the Estoppel Certificate.

20.2 ENFORCEMENT

In the event that Tenant fails to deliver an Estoppel Certificate, then such failure shall be a Default for which there shall be no cure or grace period. In addition to any other remedy available to Landlord, Landlord may impose a charge equal to $500.00 for each day that Tenant fails to deliver an Estoppel Certificate

ARTICLE 21

[RESERVED]

ARTICLE 22

REAL ESTATE BROKERS

Tenant represents that Tenant has not dealt with any real estate broker, sales person, or finder in connection with this Lease, and no such person initiated or participated in the negotiation of this Lease, or showed the Premises to Tenant. Tenant hereby agrees to indemnify, protect, defend and hold Landlord and the Indemnitees, harmless from and against any and all

liabilities and claims for commissions and fees arising out of a breach of the foregoing representation.

ARTICLE 23

MORTGAGEE PROTECTION

23.1 SUBORDINATION AND ATTORNMENT

This Lease is and shall be expressly subject and subordinate at all times to (i) any ground or underlying lease of the Real Property, now or hereafter existing, and all amendments, extensions, renewals and modifications to any such lease, and (ii) the lien of any mortgage or trust deed now or hereafter encumbering fee title to the Real Property and/or the leasehold estate under any such lease, and all amendments, extensions, renewals, replacements and modifications of such mortgage or trust deed and/or the obligation secured thereby, unless such ground lease or ground lessor, or mortgage, trust deed or Mortgagee, expressly provides or elects that the Lease shall be superior to such lease or mortgage or trust deed. If any such mortgage or trust deed is foreclosed (including any sale of the Real Property pursuant to a power of sale), or if any such lease is terminated, upon request of the Mortgagee or ground lessor, as the case may be, Tenant shall attorn to the purchaser at the foreclosure sale or to the ground lessor under such lease, as the case may be, provided, however, that such purchaser or ground lessor shall not be (i) bound by any payment of Rent for more than one month in advance except payments in the nature of security for the performance by Tenant of its obligations under this Lease; (ii) subject to any offset, defense or damages arising out of a default of any obligations of any preceding Landlord; or (iii) bound by any amendment or modification of this Lease made without the written consent of the Mortgagee or ground lessor subsequent to the date of such Mortgagee's or ground lessor's security interest; or (iv) liable for any security deposits not actually received in cash by such purchaser or ground lessor. This subordination shall be self-operative and no further certificate or instrument of subordination need be required by any such Mortgagee or ground lessor. In confirmation of such subordination, however, Tenant shall execute promptly any reasonable certificate or instrument that Landlord, Mortgagee or ground lessor may request. Tenant hereby constitutes Landlord as Tenant's attorney-in-fact to execute such certificate or instrument for and on behalf of Tenant upon Tenant's failure to do so within fifteen (15) days of a request to do so. Upon request by such successor in interest, Tenant shall execute and deliver reasonable instruments confirming the attornment provided for herein.

Notwithstanding the foregoing, upon written request by Tenant, Landlord will use reasonable efforts to obtain a non-disturbance, subordination and attornment agreement from Landlord's then current Mortgagee on such Mortgagee's then current standard form of agreement. "Reasonable efforts" of Landlord shall not require Landlord to incur any cost, expense or liability to obtain such agreement, it being agreed that Tenant shall be responsible for any fee or review costs charged by the Mortgagee. Upon request of Landlord, Tenant will execute the Mortgagee's form of non-disturbance, subordination and attornment agreement and return the same to Landlord for execution by the Mortgagee. Landlord's failure to obtain a non-disturbance, subordination and attornment agreement for Tenant shall have no effect on the rights, obligations and liabilities of Landlord and Tenant or be considered to be a default by Landlord hereunder.

23.2 MORTGAGEE PROTECTION

Tenant agrees to give any Mortgagee or ground lessor, by registered or certified mail, a copy of any notice of default served upon the Landlord by Tenant, provided that prior to such notice Tenant has received notice (by way of service on Tenant of a copy of an assignment of rents and leases, or otherwise) of the address of such Mortgagee or ground lessor. Tenant further agrees that if Landlord shall have failed to cure such default within the time provided for in this Lease, then the Mortgagee or ground lessor shall have an additional thirty (30) days after receipt of notice thereof within which to cure such default or if such default cannot be cured within that time, then such additional notice time as may be necessary, if, within such thirty (30) days, any Mortgagee or ground lessor has commenced and is diligently pursuing the remedies necessary to cure such default (including commencement of foreclosure proceedings or other proceedings to acquire possession of the Real Property, if necessary to effect such cure). Such period of time shall be extended by any period within which such Mortgagee or ground lessor is prevented from commencing or pursuing such foreclosure proceedings or other proceedings to acquire possession of the Real Property by reason of Landlord's bankruptcy. Until the time allowed as aforesaid for Mortgagee or ground lessor to cure such defaults has expired without cure, Tenant shall have no right to, and shall not, terminate this Lease on account of default. This Lease may not be modified or amended so as to reduce the Rent or shorten the Term, or so as to adversely affect in any other respect to any material extent the rights of the Landlord, nor shall this Lease be canceled or surrendered, without the prior written consent, in each instance, of the ground lessor or the Mortgagee.

ARTICLE 24

NOTICES

All notices, demands or requests provided for or permitted to be given pursuant to this Lease must be in writing and shall be personally delivered, sent by Federal Express or other reputable overnight courier service, or mailed by first class, registered or certified United States mail, return receipt requested, postage prepaid. All notices, demands or requests to be sent pursuant to this Lease shall be deemed to have been properly given or served by delivering or sending the same in accordance with this Section, addressed to the parties hereto at their respective addresses listed in Sections 1.1. Notices, demands or requests sent by mail or overnight courier service as described above shall be effective upon deposit in the mail or with such courier service. However, the time period in which a response to any such notice, demand or request must be given shall commence to run from (i) in the case of delivery by mail, the date of receipt on the return receipt of the notice, demand or request by the addressee thereof, or (ii) in the case of delivery by Federal Express or other overnight courier service, the date of acceptance of delivery by an employee, officer, director or partner of Landlord or Tenant. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given, as indicated by advice from Federal Express or other overnight courier service or by mail return receipt, shall be deemed to be receipt of notice, demand or request sent. Notices may also be served by personal service upon any officer, director or partner of Landlord or Tenant, and shall be effective upon such service. By giving to the other party at least thirty (30) days written notice thereof, either party shall have the right from time to

time during the term of this Lease to change their respective addresses for notices, statements, demands and requests, provided such new address shall be within the United States of America.

ARTICLE 25

MISCELLANEOUS

25.1 LATE CHARGES

(a) All payments required hereunder (other than the Monthly Base Rent, Rent Adjustments, and Rent Adjustment Deposits, which shall be due as hereinbefore provided) to Landlord shall be paid within ten (10) business days after Landlord's demand therefor. All such amounts (including Monthly Base Rent, Rent Adjustments, and Rent Adjustment Deposits) not paid when due shall bear interest from the date due until the date paid at the Default Rate in effect on the date such payment was due.

(b) In the event Tenant is more than five (5) days late in paying any installment of Rent due under this Lease, Tenant shall pay Landlord a late charge equal to five percent (5%) of the delinquent installment of Rent. The parties agree that (i) such delinquency will cause Landlord to incur costs and expenses not contemplated herein, the exact amount of which will be difficult to calculate, including the cost and expense that will be incurred by Landlord in processing each delinquent payment of rent by Tenant, (b) the amount of such late charge represents a reasonable estimate of such costs and expenses and that such late charge shall be paid to Landlord for each delinquent payment in addition to all Rent otherwise due hereunder. The parties further agree that the payment of late charges and the payment of interest provided for in subparagraph (a) above are distinct and separate from one another in that the payment of interest is to compensate Landlord for its inability to use the money improperly withheld by Tenant, while the payment of late charges is to compensate Landlord for its additional administrative expenses in handling and processing delinquent payments.

(c) Payment of interest at the Default Rate and/or of late charges shall not excuse or cure any default by Tenant under this Lease, nor shall the foregoing provisions of this Article or any such payments prevent Landlord from exercising any right or remedy available to Landlord upon Tenant's failure to pay Rent when due, including the right to terminate this Lease.

25.2 NO JURY TRIAL; VENUE; JURISDICTION

Each party hereto (which includes any assignee, successor, heir or personal representative of a party) shall not seek a jury trial, hereby waives trial by jury, and hereby further waives any objection to venue in the County in which the Property is located, and agrees and consents to personal jurisdiction of the courts of the State of California, in any action or proceeding or counterclaim brought by any party hereto against the other on any matter whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's

use or occupancy of the Premises, or any claim of injury or damage, or the enforcement of any remedy under any statute, emergency or otherwise, whether any of the foregoing is based on this Lease or on tort law. No party will seek to consolidate any such action in which a jury has been waived with any other action in which a jury trial cannot or has not been waived. It is the intention of the parties that these provisions shall be subject to no exceptions. By execution of this Lease the parties agree that this provision may be filed by any party hereto with the clerk or judge before whom any action is instituted, which filing shall constitute the written consent to a waiver of jury trial pursuant to and in accordance with Section 631 of the California Code of Civil Procedure. No party has in any way agreed with or represented to any other party that the provisions of this Section will not be fully enforced in all instances. The provisions of this Section shall survive the expiration or earlier termination of this Lease.

25.3 OPTION

This Lease shall not become effective as a lease or otherwise until executed and delivered by both Landlord and Tenant. The submission of the Lease to Tenant does not constitute a reservation of or option for the Premises, but when executed by Tenant and delivered to Landlord, the Lease shall constitute an irrevocable offer by Tenant in effect for fifteen (15) days to lease the Premises on the terms and conditions herein contained.

25.4 AUTHORITY

Each party represents and warrants to the other party that it has full authority and power to enter into and perform its obligations under this Lease, that the person executing this Lease is fully empowered to do so, and that no consent or authorization is necessary from any third party. Either party may request that the other party provide the requesting party with evidence of authority.

25.5 ENTIRE AGREEMENT

This Lease, plus the Exhibits and any Rider, attached hereto contain the entire agreement between Landlord and Tenant concerning the Premises and there are no other agreements, either oral or written, and no other representations or statements, either oral or written, on which Tenant has relied. This Lease shall not be modified except by a writing executed by Landlord and Tenant.

25.6 MODIFICATION OF LEASE FOR BENEFIT OF MORTGAGEE

If Mortgagee of Landlord requires a modification of this Lease which shall not result in any increased cost or expense to Tenant or in any other substantial and adverse change in the rights and obligations of Tenant hereunder, then Tenant agrees that the Lease may be so modified.

25.7 EXCULPATION

Tenant agrees, on its behalf and on behalf of its successors and assigns, that any liability or obligation under this Lease shall only be enforced against Landlord’s equity interest in the Property and in no event against any other assets of the Landlord, or Landlord’s officers or

directors or partners, and that any liability of Landlord with respect to this Lease shall be so limited and Tenant shall not be entitled to any judgment in excess of such amount.

25.8 ACCORD AND SATISFACTION

No payment by Tenant or receipt by Landlord of a lesser amount than any installment or payment of Rent due shall be deemed to be other than on account of the amount due, and no endorsement or statement on any check or any letter accompanying any check or payment of Rent shall be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such installment or payment of Rent or pursue any other remedies available to Landlord. No receipt of money by Landlord from Tenant after the termination of this Lease or Tenant's right of possession of the Premises shall reinstate, continue or extend the Term. Receipt or acceptance of payment from anyone other than Tenant, including an assignee of Tenant, is not a waiver of any breach of Article Ten, and Landlord may accept such payment on account of the amount due without prejudice to Landlord's right to pursue any remedies available to Landlord.

25.9 LANDLORD'S OBLIGATIONS ON SALE OF BUILDING

In the event of any sale or other transfer of the Building, Landlord shall be entirely freed and relieved of all agreements and obligations of Landlord hereunder accruing or to be performed after the date of such sale or transfer, provided such transferee has expressly assumed such obligations of Landlord. Landlord shall have the right to assign this Lease to an entity comprised of the principals of Landlord or affiliates of such entities. Upon such assignment and assumption of the obligations of Landlord hereunder, Landlord shall be entirely freed and relieved of all obligations hereunder after the date of transfer.

25.10 BINDING EFFECT

Subject to the provisions of Article Ten, this Lease shall be binding upon and inure to the benefit of Landlord and Tenant and their respective heirs, legal representatives, successors and permitted assigns.

25.11 CAPTIONS

The Article and Section captions in this Lease are inserted only as a matter of convenience and in no way define, limit, construe, or describe the scope or intent of such Articles and Sections.

25.12 TIME; APPLICABLE LAW; CONSTRUCTION

Time is of the essence of this Lease and each and all of its provisions. This Lease shall be construed in accordance with the Laws of the State of California. If more than one person signs this Lease as Tenant, the obligations hereunder imposed shall be joint and several. If any term, covenant or condition of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each item, covenant or condition

of this Lease shall be valid and be enforced to the fullest extent permitted by Law. Wherever the term "including" or "includes" is used in this Lease, it shall have the same meaning as if followed by the phrase "but not limited to". The language in all parts of this Lease shall be construed according to its normal and usual meaning and not strictly for or against either Landlord or Tenant.

25.13 ABANDONMENT

In the event Tenant abandons the Premises but is otherwise in compliance with all the terms, covenants and conditions of this Lease, Landlord shall (i) have the right to enter into the Premises in order to show the space to prospective tenants, (ii) have the right to reduce the services provided to Tenant pursuant to the terms of this Lease to such levels as Landlord reasonably determines to be adequate services for an unoccupied premises and (iii) during the last six (6) months of the Term, have the right to prepare the Premises for occupancy by another tenant upon the end of the Term. Tenant expressly acknowledges that in the absence of written notice pursuant to Section 11.2(b) or pursuant to California Civil Code Section 1951.3 terminating Tenant's right to possession, none of the foregoing acts of Landlord or any other act of Landlord shall constitute a termination of Tenant's right to possession or an acceptance of Tenant's surrender of the Premises, and the Lease shall continue in effect.

25.14 LANDLORD'S RIGHT TO PERFORM TENANT'S DUTIES

If Tenant fails timely to perform any of its duties under this Lease or the Workletter, Landlord shall have the right (but not the obligation), to perform such duty on behalf and at the expense of Tenant without prior notice to Tenant, and all sums expended or expenses incurred by Landlord in performing such duty shall be deemed to be additional Rent under this Lease and shall be due and payable upon demand by Landlord.

25.15 SECURITY SYSTEM

Landlord shall not be obligated to provide or maintain any security patrol or security system. Landlord shall not be responsible for the quality of any such patrol or system which may be provided hereunder or for damage or injury to Tenant, its employees, invitees or others due to the failure, action or inaction of such patrol or system.

25.16 NO LIGHT, AIR OR VIEW EASEMENTS

Any diminution or shutting off of light, air or view by any structure which may be erected on lands of or adjacent to the Property shall in no way affect this Lease or impose any liability on Landlord.

25.17 CONSENTS

Wherever the consent, approval, judgment or determination of Landlord or Tenant is required or permitted under this Lease, such consent, approval, judgment or determination shall not be unreasonably withheld, conditioned or delayed, unless the Lease specifically otherwise specifies the standards under which Landlord or Tenant may withhold its consent.

25.18 RECORDATION

Neither this Lease, nor any notice nor memorandum regarding the terms hereof, shall be recorded by Tenant. Any such unauthorized recording shall be a Default for which there shall be no cure or grace period. Tenant agrees to execute and acknowledge, at the request of Landlord, a memorandum of this Lease, in recordable form.

25.19 SURVIVAL

The waivers of the right of jury trial, the other waivers of claims or rights, the releases and the obligations of Tenant under this Lease to indemnify, protect, defend and hold harmless Landlord and/or Indemnitees shall survive the expiration or termination of this Lease, and so shall all other obligations or agreements which by their terms survive expiration or termination of the Lease.

25.20 RIDERS

Any Rider attached hereto and executed both by Landlord and Tenant shall be deemed to be a part hereof and hereby incorporated herein.

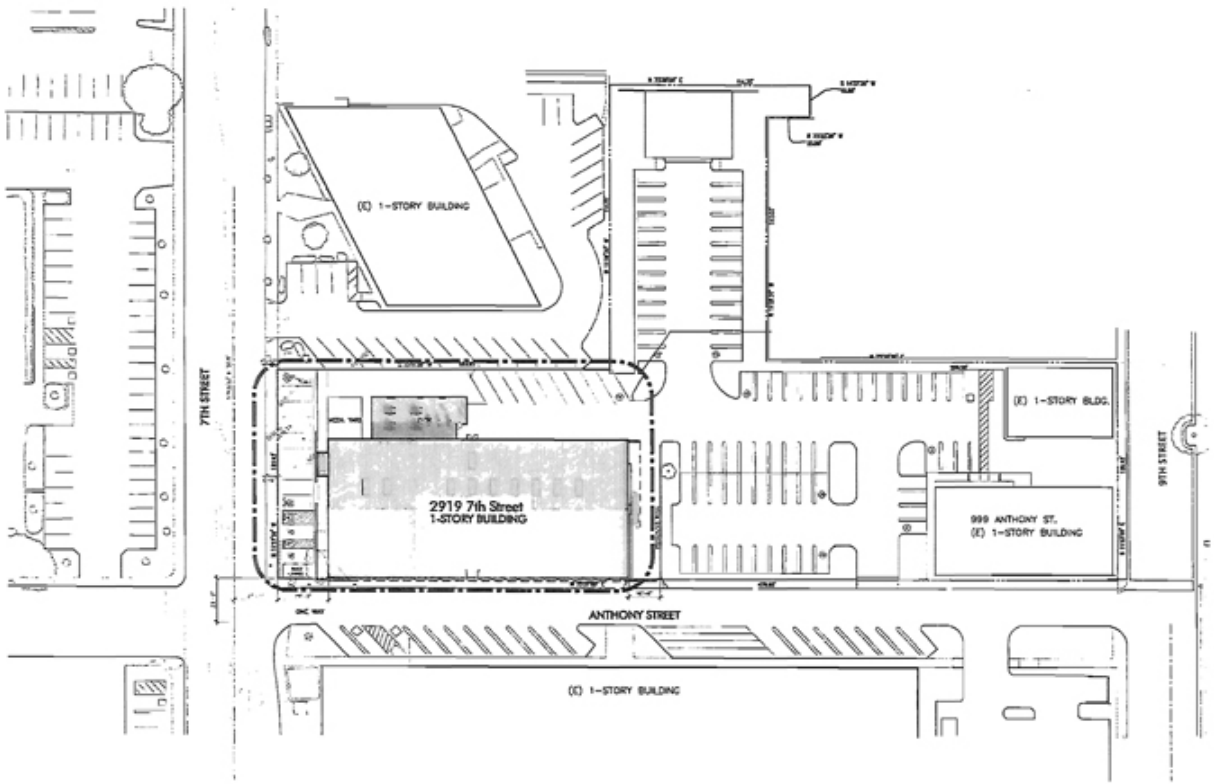
IN WITNESS WHEREOF, this Lease has been executed as of the date set forth in Section 1.1 hereof.

TENANT:	LANDLORD:
DYNAVAX TECHNOLOGIES CORPORATION, a Delaware corporation	2929 SEVENTH STREET, L.L.C., a California limited liability company
By: /s/ Jennifer Lew Print Name: Jennifer Lew Its: VP Finance	By: /s/ Richard K. Robbins Richard K. Robbins Managing Member

EXHIBIT A

PLAN OF PREMISES

A-1



REFERENCE NORTH

SCALE: 1" = 20'-0"

WAREHAM DEVELOPMENT

2919 7th Street, Berkeley, CA 94710

DGA planning | architecture | interiors

EXHIBIT B

WORKLETTER AGREEMENT

This Workletter Agreement ("Workletter") is attached to and a part of a certain Lease herewith by 2929 Seventh Street, L.L.C., a California limited liability company, as Landlord, and Dynavax Technologies Corporation, a Delaware corporation, as Tenant, for the Premises as described therein (the "Lease").

1. Capitalized terms used in this Work Letter shall have the same meanings set forth in the Lease except as otherwise specified herein and except for terms capitalized in the ordinary course of punctuation.

2. Landlord shall perform improvements to the Premises in accordance with the preliminary space plan attached hereto as Schedule 1 (the "Space Plan"), such Space Plan being subject to final approval by Landlord and Tenant (acting in good faith), using Building standard methods, materials and finishes that are consistent with those in the space leased by Tenant from Landlord in the adjacent building located at 2929 Seventh Street and shall use commercially reasonable efforts to Substantially Complete the Landlord Work by the Projected Completion Date. The improvements to be performed in accordance with this Workletter and the Space Plan are hereinafter referred to as the "Landlord Work" and shall be performed at Landlord's sole cost and expense. Notwithstanding the foregoing sentence to the contrary, following Substantial Completion of the Landlord Work, Tenant shall pay for the items of the Landlord Work set forth in Schedule 2 to this Workletter as additional Rent, and such payment shall be made within two (2) weeks following Landlord's demand therefor. Landlord shall enter into direct contracts for the Landlord Work with subcontractors selected by Landlord.

3. All other work and upgrades, subject to Landlord's approval, shall be at Tenant's sole cost and expense (subject to the terms of Section 9.1 of the Lease), plus any applicable state sales or use tax thereon. Tenant shall be responsible for any Tenant Delay in completion of the Landlord Work resulting from any such other work and upgrades requested or performed by Tenant. Subject to the terms and conditions of the Lease including, without limitation, Article 17, and provided Landlord has received evidence of Tenant's procurement of all insurance coverage required under the Lease, Tenant, at Tenant's sole risk, shall be permitted to enter the Premises from and after the mutual execution and delivery of the Lease (and concurrently during the period of the performance of the Landlord Work), solely for the purpose of installing Tenant's voice and data cabling and any security system. Landlord may withdraw such permission for Tenant to enter the Premises, if Landlord determines that such entry is causing a dangerous situation for Landlord, Tenant, or Tenant's vendors or contractors, or is otherwise interfering with the progress of the Landlord Work. Tenant will have no obligation to pay Rent during such early access period.

4. Other than as specified above, Landlord's supervision or performance of any work for or on behalf of Tenant shall not be deemed to be a representation by Landlord that such work complies with applicable insurance requirements, building codes, ordinances, laws or regulations or that the improvements constructed will be adequate for Tenant's use.

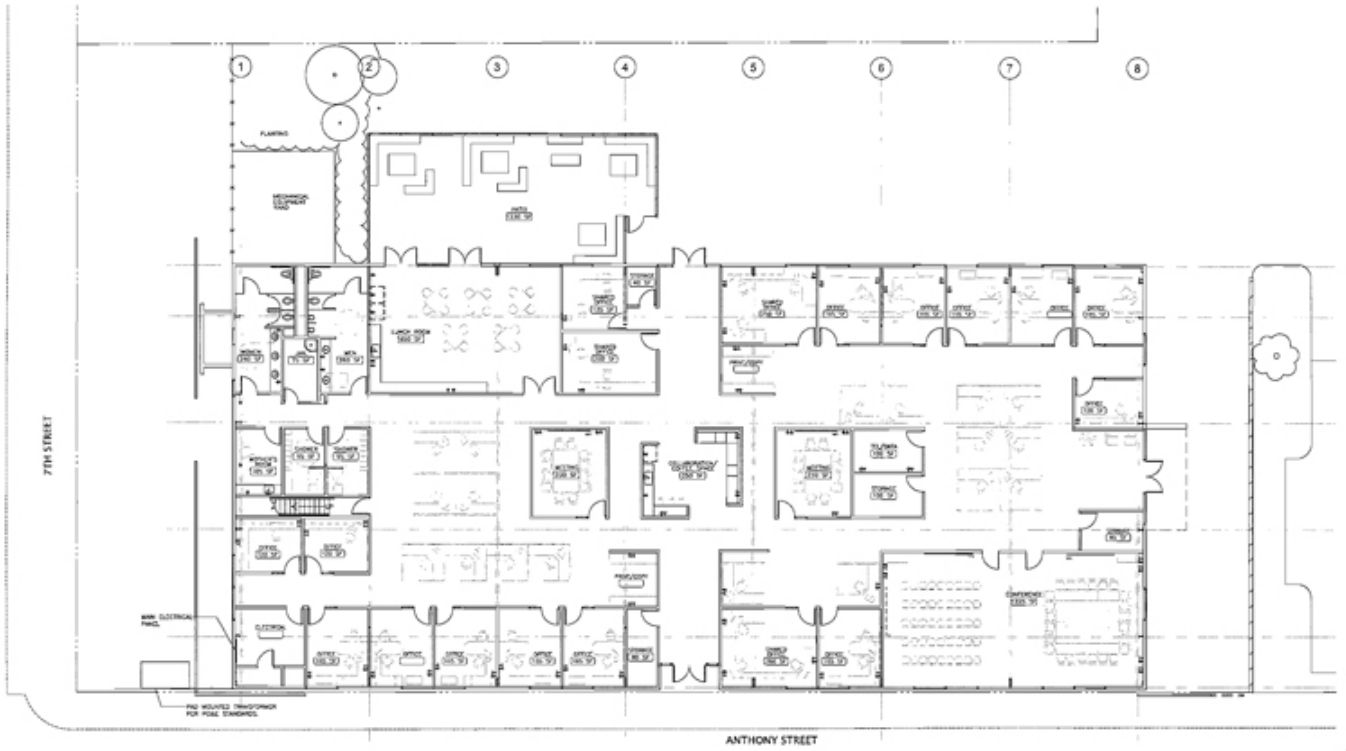
SCHEDULE 1 TO EXHIBIT B

SPACE PLAN

B-2

WAREHAM DEVELOPMENT

2919 Seventh Street, Berkeley



SUBJECT TO FINAL APPROVAL BY LANDLORD & TENANT

Proposed Layout - Option 6 SD-7

1/8" = 1'-0" 11 Dec 2012

folio
architects
4633 old ironsides drive, suite 305 Santa Clara, CA 95054 P 408.562.8900 F 408.390.9437 www.folioarchitects.com

SCHEDULE 2 TO EXHIBIT B

LANDLORD WORK ITEMS SUBJECT TO TENANT REIMBURSEMENT

- One extra shower, approximate cost of $7,500
- Projection equipment support and electrical, approximate cost of $3,500
- Acoustic paneling at conference room, approximate cost of $24,800.00
- Lockers, approximate cost of $6,100.00

Tenant, in its sole and absolute discretion, reserves the right to remove all or any portion of the items set forth above from the scope of work if it so elects by providing written notice to Landlord prior to the date Landlord has incurred costs in connection with the applicable item; otherwise, Tenant shall be required to pay the costs incurred by Landlord in connection with the applicable item.

EXHIBIT C

RULES AND REGULATIONS

1. No sidewalks, entrance, passages, courts, elevators, vestibules, stairways, corridors or halls shall be obstructed or encumbered by Tenant or used for any purpose other than ingress and egress to and from the Premises and if the Premises are situated on the ground floor of the Property, Tenant shall further, at Tenant's own expense, keep the sidewalks and curb directly in front of the Premises clean and free from rubbish.

2. No awning or other Projection shall be attached to the outside walls or windows of the Property without the prior written consent of Landlord. No curtains, blinds, shades, drapes or screens shall be attached to or hung in, or used in connection with any window or door of the Premises, without the prior written consent of Landlord. Such awnings, Projections, curtains, blinds, shades, drapes, screens and other fixtures must be of a quality, type, design, color, material and general appearance approved by Landlord, and shall be attached in the manner approved by Landlord. All lighting fixtures hung in offices or spaces along the perimeter of the Premises must be of a quality, type, design, bulb color, size and general appearance approved by Landlord.

3. No sign, advertisement, notice, lettering, decoration or other thing shall be exhibited, inscribed, painted or affixed by Tenant on any part of the outside or inside of the Premises or of the Property, without the prior written consent of Landlord. In the event of the violation of the foregoing by Tenant, Landlord may remove same without any liability, and may charge the expense incurred by such removal to Tenant.

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

5. No showcases or other articles shall be put in front of or affixed to any part of the exterior of the Property, nor placed in public portions thereof without the prior written consent of Landlord.

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

7. Tenant shall not mark, paint, drill into or in any way deface any part of the Premises or the Property. No boring, cutting or stringing of wires shall be permitted, except with the prior written consent of Landlord, and as Landlord may direct.

8. No animal or bird of any kind shall be brought into or kept in or about the Premises or the Property, except seeing-eye dogs, other seeing-eye animals or animals used in connection with Tenant's laboratory use of the Premises.

9. Prior to leaving the Premises for the day, Tenant shall draw or lower window coverings and extinguish all lights.

10. Tenant shall not make, or permit to be made, any unseemly or disturbing noises or disturb or interfere with occupants of the Property, or neighboring buildings or premises, or those having business with them. Tenant shall not throw anything out of the doors, windows or skylights or down the passageways.

11. Neither Tenant nor any of Tenant's agents, servants, employees, contractors, visitors or licensees shall at any time bring or keep upon the Premises any flammable, combustible or explosive fluid, chemical or substance.

12. No additional locks, bolts or mail slots of any kind shall be placed upon any of the doors or windows by Tenant, nor shall any change be made in existing locks or the mechanism thereof. Tenant must, upon the termination of the tenancy, restore to Landlord all keys of stores, offices and toilet rooms, either furnished to, or otherwise procured by Tenant, and in the event of the loss of any keys so furnished, Tenant shall pay to Landlord the cost thereof.

13. All removals, or the carrying in or out of any safes, freight, furniture, construction material, bulky matter or heavy equipment of any description must take place during the hours which Landlord or its agent may determine from time to time. Landlord reserves the right to prescribe the weight and position of all safes, which must be placed upon two-inch thick plank strips to distribute the weight. The moving of safes, freight, furniture, fixtures, bulky matter or heavy equipment of any kind must be made upon previous notice to the Building Manager and in a manner and at times prescribed by him, and the persons employed by Tenant for such work are subject to Landlord's prior approval. Landlord reserves the right to inspect all safes, freight or other bulky articles to be brought into the Property and to exclude from the Property all safes, freight or other bulky articles which violate any of these Rules and Regulations or the Lease of which these Rules and Regulations are a part.

14. Tenant shall not purchase spring water, towels, janitorial or maintenance or other like service from any company or persons not approved by Landlord. Landlord shall approve a sufficient number of sources of such services to provide Tenant with a reasonable selection, but only in such instances and to such extent as Landlord in its judgment shall consider consistent with security and proper operation of the Property.

15. Landlord shall have the right to prohibit any advertising or business conducted by Tenant referring to the Property which, in Landlord's opinion, tends to impair the reputation of the Property or its desirability as a first class building for offices and/or commercial services and upon notice from Landlord, Tenant shall refrain from or discontinue such advertising.

16. Tenant's contractors shall, while in the Premises or elsewhere in the Property, be subject to and under the control and direction of the Building Manager (but not as agent or servant of said Building Manager or of Landlord).

17. If the Premises is or becomes infested with vermin as a result of the use or any misuse or neglect of the Premises by Tenant, its agents, servants, employees, contractors, visitors or licensees, Tenant shall forthwith at Tenant's expense cause the same to be exterminated from

time to time to the satisfaction of Landlord and shall employ such licensed exterminators as shall be approved in writing in advance by Landlord.

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

19. Canvassing, soliciting and peddling in the Property are prohibited and Tenant shall cooperate to prevent the same.

20. No water cooler, air conditioning unit or system or other apparatus shall be installed or used by Tenant without the written consent of Landlord.

21. There shall not be used in any premises, or in the public halls, plaza areas, lobbies, or elsewhere in the Property, either by Tenant or by Tenant's contractors or others, in the delivery or receipt of merchandise, any hand trucks or dollies, except those equipped with rubber tires and sideguards.

22. Tenant, Tenant's agents, servants, employees, contractors, licensees, or visitors shall not park any vehicles in any driveways, service entrances, or areas posted "No Parking" and shall comply with any other parking restrictions imposed by Landlord from time to time.

23. Tenant shall install and maintain, at Tenant's sole cost and expense, an adequate visibly marked (at all times properly operational) fire extinguisher next to any duplicating or photocopying machine or similar heat producing equipment, which may or may not contain combustible material, in the Premises.

24. Tenant shall not use the name of the Property for any purpose other than as the address of the business to be conducted by Tenant in the Premises, nor shall Tenant use any picture of the Property in its advertising, stationery or in any other manner without the prior written permission of Landlord. Landlord expressly reserves the right at any time to change said name without in any manner being liable to Tenant therefor.

25. Tenant shall not prepare any food nor do any cooking, operate or conduct any restaurant, luncheonette or cafeteria for the sale or service of food or beverages to its employees or to others, except that food and beverage preparation by Tenant's employees using microwave ovens or coffee makers shall be permitted provided no odors of cooking or other processes emanate from the Premises without the prior approval of Landlord. Tenant shall not install or permit the installation or use of any vending machine or permit the delivery of any food or beverage to the Premises except by such persons and in such manner as are approved in advance in writing by Landlord.

26. The Premises shall not be used as an employment agency, a public stenographer or typist, a labor union office, a physician's or dentist's office, a dance or music studio, a school, a beauty salon, or barber shop, the business of photographic, multilith or multigraph reproductions or offset printing (not precluding using any part of the Premises for photographic, multilith or multigraph reproductions solely in connection with Tenant's own business and/or activities), a restaurant or bar, an establishment for the sale of confectionery, soda, beverages,

sandwiches, ice cream or baked goods, an establishment for preparing, dispensing or consumption of food or beverages of any kind in any manner whatsoever, or news or cigar stand, or a radio, television or recording studio, theatre or exhibition hall, or manufacturing, or the storage or sale of merchandise, goods, services or property of any kind at wholesale, retail or auction, or for lodging, sleeping or for any immoral purposes.

27. Business machines and mechanical equipment shall be placed and maintained by Tenant at Tenant's expense in settings sufficient in Landlord's judgment to absorb and prevent vibration, noise and annoyance. Tenant shall not install any machine or equipment which causes noise, heat, cold or vibration to be transmitted to the structure of the building in which the Premises are located without Landlord's prior written consent, which consent may be conditioned on such terms as Landlord may require. Tenant shall not place a load upon any floor of the Premises exceeding the floor load per square foot that such floor was designed to carry and which is allowed by Law.

28. Tenant shall not bring any Hazardous Materials onto the Premises except for those that are in general commercial and laboratory use and are incidental to Tenant's business operations and only in quantities suitable for immediate use.

29. Tenant shall not store any vehicle within the parking area. Tenant's parking rights are limited to the use of parking spaces for short-term parking, of up to twenty-four (24) hours, of vehicles utilized in the normal and regular daily travel to and from the Property. Tenants who wish to park a vehicle for longer than a 24-hour period shall notify the Building Manager for the Property and consent to such long-term parking may be granted for periods up to two (2) weeks. Any motor vehicles parked without the prior written consent of the Building Manager for the Property for longer than a 24-hour period shall be deemed stored in violation of this rule and regulation and shall be towed away and stored at the owner's expense or disposed of as provided by Law.

30. Smoking is prohibited in the Building, including all lobbies, all hallways, all elevators and all lavatories.

31. In the event of any conflict between these Rules and Regulations and any other Lease provision, such other Lease provision shall control.

RIDER 1

COMMENCEMENT DATE AGREEMENT

2929 Seventh Street, L.L.C., a California limited liability company ("Landlord"), and Dynavax Technologies Corporation, a Delaware corporation ("Tenant"), have entered into a certain Lease dated as of December 12, 2012 (the "Lease").

WHEREAS, Landlord and Tenant wish to confirm and memorialize the Commencement Date and Expiration Date of the Lease as provided for in Section 2.2(b) of the Lease;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants contained herein and in the Lease, Landlord and Tenant agree as follows:

1. Unless otherwise defined herein, all capitalized terms shall have the same meaning ascribed to them in the Lease.

2. The Commencement Date of the Lease is _____.

3. The Expiration Date of the Lease is _____.

4. Tenant hereby confirms the following:

(a) That it has accepted possession of the Premises pursuant to the terms of the Lease; and

(b) That the Landlord Work is Substantially Complete; and

(c) That the Lease is in full force and effect.

6. Except as expressly modified hereby, all terms and provisions of the Lease are hereby ratified and confirmed and shall remain in full force and effect and binding on the parties hereto.

7. The Lease and this Commencement Date Agreement contain all of the terms, covenants, conditions and agreements between the Landlord and the Tenant relating to the subject matter herein. No prior other agreements or understandings pertaining to such matters are valid or of any force and effect.

TENANT:	LANDLORD:
DYNAVAX TECHNOLOGIES CORPORATION, a Delaware corporation	2929 SEVENTH STREET, L.L.C., a California limited liability company
By: _____ Print Name: _____ Its: _____	By: /s/ Richard K. Robbins Richard K. Robbins Managing Member

1856342.7

Exhibit 10.74

Friday 9th November, 2012

Stanley A. Plotkin, M. D.
Vaxconsult
4650 Wismer Road,
Doylestown, PA 18902
Tel: (215) 297-9321
Email: Stanley.plotkin@vaxconsult.com

Dear Dr. Plotkin,

Dynavax Technologies Corporation ("Dynavax") desires to obtain your services as a consultant. You agree to provide such services in accordance with the following terms and conditions.

1. Services.

At times agreeable to you and as requested by Dynavax, you will make available your services and undertake consulting for a period of 12 months, commencing on the date first listed above (the "Effective Date") and subject to renewal as provided in Section 4. No services shall be performed by you prior to the written request by Dynavax to perform such services.

2. Compensation and Expense Reimbursement.

As compensation for your services, Dynavax shall pay you $ 500.00 per hour, not to exceed $120,000.000 for services rendered.

In addition, you shall be reimbursed for air travel (Economy Class), and all reasonable living expenses, including but not limited to car rental, meals and lodging incurred by you when associated with the rendering of your services at locations away from your home area, subject to the prior written approval of Dynavax. You shall be solely responsible for all other expenses incurred in the performance of your services under this Agreement.

Dynavax shall make all payments to you hereunder within thirty (30) days of receipt of an invoice from you itemizing your hours spent providing services hereunder and permitted expenses, including receipts for incidental expenses in excess of $25.00.

All payments, including reimbursements for actual expenditures, shall be included in your gross income as compensation for services rendered and accordingly reported on your IRS Form 1099.

You shall be responsible for payment of all taxes, including Social Security taxes, on income earned under this Agreement as none will be withheld by Dynavax.

Your invoices shall be mailed to Dynavax Technologies Corporation, 2929 Seventh Street, Suite 100, Berkeley, CA 94710, Attn: Accounts Payable or emailed to accountspayable@dynavax.com.

3. Independent Contractor.

It is agreed that you are to have complete freedom of action as to the details, methods, and means of performing services hereunder. It is further understood that you are retained and have contracted with Dynavax only for the purposes and to the extent set forth in this Agreement, and your relation to Dynavax shall, during the period of your retainer and service, be that of an independent contractor, and you shall be free to dispose of such portion of your entire time, energy, and skill as you are not obligated to devote to Dynavax in such manner you see fit and to such persons, firms, or corporations as you deem

advisable, so long as same does not create a conflict of interest between Dynavax and such other persons, firms, or corporations.

You shall not be considered under the provisions of this Agreement or otherwise as having status as an employee of Dynavax, nor shall you be entitled hereafter to participate in any plans, arrangements, or distributions by Dynavax relating to any pension, deferred compensation, stock bonus, stock option, hospitalization, insurance, or other benefits extended to its employees since you are performing the services as an independent contractor.

4. Contract Period.

This Agreement becomes effective as of the Effective Date and will continue in effect for 12 months. It is provided, however, that either you or Dynavax may terminate this Agreement at any time during its term by giving at least one (1) month's written notice. At Dynavax's option, this Agreement shall be extendible for an additional 12 months under terms herein provided. Upon any notice of termination, you agree to discontinue any services performed for Dynavax under this agreement, unless otherwise agreed to between you and Dynavax.

Termination of this Agreement shall not affect (i) Dynavax's obligation to pay for services previously rendered by you or expenses reasonably incurred by you for which you are entitled to reimbursement under Section 3 of this Agreement, or (ii) your obligations to Dynavax under Sections 5, 6 and the first paragraph of Section 10 of this Agreement

5. Non-disclosure of Confidential Information.

a. By signing below, you recognize and acknowledge that certain technical and non-technical knowledge and information which you will acquire or develop relating to Dynavax's business, including, without limitation, patents, copyrights, trade secrets, and proprietary information, techniques, sketches, drawings, models, inventions, know-how, processes, apparatus, equipment, algorithms, software programs, software source documents, and formulae related to the current, future and proposed products and services of Dynavax and its suppliers and customers, and their respective information concerning research, experimental work, development, design details, clinical trials, and specifications, engineering, financial information, procurement requirements, purchasing, manufacturing, customer lists, business forecasts, sales and merchandising and marketing plans and information (collectively, "Confidential Information") are the valuable property of Dynavax.

b. You covenant and agree that, without the prior written consent of Dynavax, you will not use, disclose, divulge or publish any Confidential Information at any time during the term hereof or thereafter except as may be necessary to perform the services under this Agreement; *provided*, *however*, that you shall not be obligated to treat as confidential, any Confidential Information that you can prove through your own written documentation that (i) was publicly known at the time of disclosure to you, (ii) became publicly known or available thereafter other than by means in violation of this Agreement or any other duty owed to Dynavax by you, or (iii) was lawfully disclosed to you by a third party. In the event a court or governmental agency legally compels you to disclose Confidential Information, you shall promptly inform Dynavax of the compelled disclosure, so that Dynavax may seek a protective order or other remedy or waive compliance with this Agreement, or both. In any event, you shall limit any compelled disclosure of Confidential Information to that legally required.

c. You agree that any disclosure of Confidential Information will only be such as is reasonably necessary to the performance of the services under this Agreement and, if applicable, will only be to your employee's and assistants who are bound by written agreements with you to maintain the Confidential Information in confidence.

d. You also agree not to disclose to Dynavax, or use in connection with your efforts for Dynavax, any Confidential Information belonging to any third party, including your prior employers, or any prior inventions made by you and which Dynavax is not otherwise legally entitled to learn of or use.

e. Upon termination of your service hereunder you are to promptly deliver to Dynavax all Confidential Information in your possession that is in written or other tangible form (together with all copies or duplicates thereof including computer files), and all other property, materials or equipment that belong to Dynavax or its customers, prospects or suppliers.

6. Intellectual Property.

a. You agree to assist Dynavax in any reasonable manner to obtain and enforce for Dynavax's benefit any patents, copyrights and other property rights in any and all countries, with respect to any Intellectual Property (defined below), and you agree to execute, when requested, patent, copyright or similar applications and assignments to Dynavax and any other lawful documents deemed necessary by Dynavax to carry out the purposes of this Agreement with respect thereto. In the event that Dynavax is unable for any reason to secure your signature to any document required to apply for or execute any patent, copyright or other applications with respect to any Intellectual Property (including improvements, renewals, extensions, continuations, divisions or continuations in part thereof), after a written demand is made therefor upon you (which shall refer to the provisions of this paragraph), you hereby irrevocably designate and appoint Dynavax and its duly authorized officers and agents as your agents and attorneys-in-fact to act for and on your behalf and instead of you, to execute and file any such application and to do all other lawfully permitted acts to further the prosecution and issuance of patents, copyrights, mask works or other rights thereon with the same legal force and effect as if executed by you.

b. "Intellectual Property" includes any and all new or useful art, discovery, improvement, technical development, or invention, whether or not patentable and all related know-how, designs, trademarks, formulae, processes, manufacturing techniques, trade secrets, ideas, artworks, software or other copyrightable or patentable work, that you, solely or jointly with others, make, conceive or reduce to practice that result from your services for Dynavax under this Agreement. All right, title and interest of every kind and nature whatsoever in and to the Intellectual Property made, discussed, developed, secured, obtained or learned by you during the term of this Agreement, or the 60-day period immediately following termination of this Agreement, are hereby assigned to Dynavax, and shall be the sole and exclusive property of Dynavax for any purposes or uses whatsoever, and shall be disclosed promptly by you to Dynavax. All copyrightable material shall constitute works for hire.

7. Freedom of Action.

It is agreed that your rendering of services under this Agreement shall in no way conflict or interfere with your existing job responsibilities.

8. Injunctive Relief.

If you breach or threaten to commit a breach of any of the provisions of Sections 5 or 6 or the first paragraph of Section 10 below (collectively, the "Restrictive Covenants"), Dynavax shall have the right and remedy to have the Restrictive Covenants specifically enforced by any court of competent jurisdiction (without the need to post bond or other security), it being agreed that any breach or threatened breach of the Restrictive Covenants would cause irreparable injury to Dynavax and that money damages would not provide an adequate remedy to Dynavax. Dynavax shall also have any other rights and remedies available to Dynavax under law or in equity.

9. General Conditions.

You agree that for a period of one (1) year following termination of this Agreement, you will not (i) call upon, solicit, divert or take away or attempt to solicit, divert or take away any of the customers, business or patrons of Dynavax; or (ii) employ, solicit or attempt to solicit for employment any person who is then an employee of or consultant to Dynavax or who was an employee of or consultant to Dynavax.

If any provision of this Agreement shall be declared invalid, illegal or un-enforceable, such provision shall be severed and all remaining provisions shall continue in full force and effect.

The term, Dynavax, as used herein, shall include any subsidiary or affiliate of Dynavax Technologies Corporation.

This Agreement shall be binding upon you, your heirs, executors, assigns and administrators and shall inure to the benefit of Dynavax, its successors and assigns.

This Agreement shall be governed by and construed in accordance with the laws of the State of California. The parties agree that any dispute regarding the interpretation or validity of, or otherwise arising out of this Agreement, shall be subject to the exclusive jurisdiction of the California State Courts in and for Alameda County, California or, in the event of federal jurisdiction, the United States District Court for the Southern District of California sitting in Alameda County, California, and each party hereby agrees to submit to the personal and exclusive jurisdiction and venue of such courts and not to seek the transfer of any case or proceeding out of such courts

10. Prior Agreements.

This Agreement shall replace any prior agreement between you and Dynavax relative to your services as a consultant, and this Agreement contains the entire understanding of the parties. Further, it shall be amended only in writing agreed to by both parties and shall not be assignable by you.

Please indicate your acceptance of the foregoing by signing in the space provided below and returning one original letter to my attention.

Sincerely,

DYNAVAX TECHNOLOGIES CORPORATION

/s/ Dr. J. Tyler Martin
President and Chief Medical Officer

ACCEPTED AND AGREED TO THIS 14th DAY OF NOVEMBER, 2012

By: /s/ Stanley Plotkin

Tax Identification Number: _____

Exhibit 10.75

DYNAVAX TECHNOLOGIES CORPORATION

AMENDED AND RESTATED
MANAGEMENT CONTINUITY AND SEVERANCE AGREEMENT

This Amended and Restated Management Continuity and Severance Agreement (the "Agreement") is dated as of October 31, 2012 (the "New Effective Date"), by and between J. Tyler Martin ("Employee"), and Dynavax Technologies Corporation, a Delaware corporation (the "Company" or "Dynavax"). This Agreement supersedes and replaces in its entirety the Amended and Restated Management Continuity and Severance Agreement, dated as of November 12, 2010, between the Company and Employee.

RECITALS

A. The Company is currently in the process of identifying a new Chief Executive Officer and obtaining FDA review and approval of its BLA filing for the Company's lead product, and the Employee is an essential participant in the preparation and presentation to the FDA.

B. The Company's Board of Directors believes it is in the best interests of the Company and its stockholders to retain Employee and provide incentives to Employee to continue in the service of the Company.

C. The Board of Directors further believes that it is imperative to provide Employee with certain benefits upon a termination of Employee's employment or a Change of Control during this critical period for the Company, which benefits are intended to provide Employee with encouragement to Employee to remain with the Company.

Now therefore, in consideration of the mutual promises, covenants, and agreements contained herein, and in consideration of the continuing employment of Employee by the Company, the parties hereto agree as follows:

1. Employment.

(a) Employee is currently serving as the President and Chief Medical Officer of the Company, with such duties and responsibilities as the Company's Board of Directors may designate. The Employee shall perform services principally at the Company's headquarters located in Berkeley, California. In addition, Employee shall make such business trips to such places as may be necessary or advisable for the efficient operations of the Company. During his

employment with the Company, Employee will devote Employee's best efforts and substantially all of Employee's business time and attention to the business of the Company.

(b) Employee shall be paid a base salary (the "Base Salary") at the annual rate of $412,000 (effective as of January 1, 2012), payable in bi-weekly installments, consistent with the Company's payroll practices. Employee shall also be eligible to earn an annual bonus (the "Bonus") of up to 55% of such amount (that is, $226,600), with the actual Bonus earned determined in the sole discretion of the Company's Board of Directors based upon achievement of such milestones as to which the Company's Board of Directors and Employee shall mutually agree.

(c) Employee has or will receive certain equity awards that will be governed by the terms of such awards; provided that Employee is eligible to earn and have fully vested certain payment amounts and is eligible for acceleration of vesting in full of all of his time-based vesting equity awards granted as of the New Effective Date as set forth in more detail in Section 2(d) (the "Acceleration Bonus"). To earn the Acceleration Bonus, Employee must remain in continued employment in good standing through the later of March 1, 2013 or the actual PDUFA action date for Heplisav (such later date, the "Acceleration Date"), which Acceleration Date shall in any event occur not later than June 1, 2013. If Employee does not remain in continued employment with the Company through the Acceleration Date, no amount of the Acceleration Bonus will be earned or vested, except that, if applicable, amounts payable in accordance with Section 2(c) shall be unaffected. For clarity, Section 2(d) of this Agreement shall not apply to any equity awards granted after the New Effective Date.

(d) Upon submission of itemized expense statements in the manner specified by the Company, Employee shall be entitled to prompt reimbursement for reasonable business travel and other reasonable business expenses duly incurred by Employee in the performance of his duties.

(e) Employee shall be eligible to participate in the Company's medical and dental insurance plans, life and disability insurance plans, and retirement plans, if any, as in effect from time to time and made available to other officers of the Company, in each case pursuant to the terms and conditions of such plans.

(f) The Company and Employee acknowledge that Employee's employment is and shall continue to be at-will, as defined under applicable law, and that Employee's employment with the Company may be terminated by either party at any time for any or no reason. If Employee's employment terminates prior to the Acceleration Date for any reason other than termination by the Company without Cause (in which event his compensation shall be

payable in accordance with Section 2(c) below), Employee shall not be entitled to any payments, benefits, damages, award, or compensation other than as provided in this Agreement, and as may otherwise be available in accordance with the terms of the Company's established employee plans and written policies at the time of termination. The terms of this Agreement shall terminate upon the date that all obligations of the parties hereunder have been satisfied.

2. Benefits upon Termination of Employment.

(a) Termination for Cause. If Employee's employment is terminated for Cause at any time, then Employee shall not be entitled to receive payment of any severance benefits; provided that if such termination for Cause occurs after the Acceleration Date, Employee's Vested Separation Benefits (as defined in Section 2(d)) shall be unaffected by and immediately due and owing upon such termination. Employee will receive payment for all accrued but unpaid salary and vacation as of the date of Employee's termination of employment, and Employee's benefits will continue under the Company's then-existing benefit plans and policies in accordance with such plans and policies in effect on the date of termination and applicable law. If the Company proposes to terminate the Employee's employment for Cause, the Company shall provide written notice to the Employee setting forth the reasons for such termination and giving the Employee an opportunity to respond and to cure (to the extent such reason is capable of cure) prior to the effective date of termination, which shall be not less than thirty (30) calendar days after the Employee's receipt of such notice.

(b) Other Terminations. If Employee's employment ends as a result of death or disability, or due to Employee's resignation that is not a Qualifying Separation (as defined in Section 2(d)), then Employee shall not be entitled to receive payment of any severance benefits; provided that if such termination occurs after the Acceleration Date, Employee's Vested Separation Benefits (as defined in Section 2(d)) shall be unaffected by and immediately due and owing upon such termination. Employee will receive payment for accrued but unpaid salary and vacation as of the date of Employee's termination of employment, and Employee's benefits will be continued under the Company's then-existing benefit plans and policies in accordance with such plans and policies in effect on the date of termination and applicable law.

(c) Termination Without Cause. In the event the Company terminates Employee's employment without Cause at any time prior to the Acceleration Date, then subject to Employee executing a general release in favor of the Company, in a form acceptable to the Company (the "Release"), and allowing such Release to become effective not later than 60 days following Employee's Separation from Service, Employee shall be entitled to receive the following severance benefits (the "Severance Benefits"):

(i) a lump-sum cash severance payment equal to 24 months of Employee's then-current Base Salary, subject to applicable tax withholdings, paid on the 60th day following Employee's Separation from Service, except as provided in Section 9(l) below;

(ii) a lump-sum cash severance payment equal to 200% of Employee's target Bonus for the year of termination, subject to applicable tax withholdings, paid on the 60th day following Employee's Separation from Service, except as provided in Section 9(l) below;

(iii) all of Employee's then-outstanding time-based vesting stock option awards shall automatically accelerate and fully vest as of immediately prior to the effective time Employee's termination and Employee shall, with respect to such stock options, have until the earlier of (A) the third anniversary of the termination of Employee's continuous service (as defined under the applicable stock option award agreement) and (B) the original term of each such option (subject to any earlier termination in the event of a Corporate Transaction as provided under the applicable stock plan) in which to exercise his vested options, but in no event will Employee's options be exercisable beyond their original full term; and

(iv) if Employee is participating in the Company's employee group health insurance plans on the effective date of termination, and timely elects and remains eligible for continued coverage under COBRA, or, if applicable, state or local insurance laws, the Company shall pay to Employee, on the first day of each month, a cash payment equal to the applicable COBRA premiums for that month (including premiums for Employee and his eligible dependents who have elected and remain enrolled in such COBRA coverage), subject to applicable tax withholdings (such amount, the "Special Cash Payment"), for a number of months equal to the lesser of (A) the duration of the period in which Employee and his eligible dependents are eligible for and enrolled in such COBRA coverage (and not otherwise covered by another employer's group health plan) and (B) 24 months. Employee may, but is not obligated to, use such Special Cash Payment toward the cost of COBRA premiums. On the 60th day following Employee's Separation From Service, the Company will make the first payment to Employee under this Section 2(c)(iv), in a lump sum, equal to the aggregate Special Cash Payments that the Company would have paid to Employee through such date had the Special Cash Payments commenced on the first day of the first month following the effective date of termination through such 60th day, with the balance of the Special Cash Payments paid thereafter on the schedule described above. In the event Employee becomes covered under another employer's group health plan or otherwise ceases to be eligible for COBRA during the period provided in this Section 2(c)(iv), Employee must immediately notify the Company of such event and the Company shall cease payment of the Special Cash Payments and shall have no further obligations under this Section 2(c)(iv).

(v) For clarity, if Employee is terminated without Cause after the Acceleration Date, no Severance Benefits shall be payable, but Employee shall be entitled to the Vested Separation Benefits to the extent not previously paid or vested.

(d) Qualifying Separation. If Employee resigns for any reason prior to the Acceleration Date, Employee will not be entitled to any Severance Benefits or Vested Separation Benefits from the Company. If Employee is terminated or resigns for any reason following the Acceleration Date, and provided Employee has not, prior to the resignation or termination date, accepted the position as Chief Executive Officer of the Company (such a termination or resignation, a "Qualifying Separation"), then subject to Employee executing a Release, and allowing such Release to become effective not later than 60 days following Employee's Separation from Service, Employee shall be entitled to receive the following severance benefits (the "Vested Separation Benefits"):

(i) a lump-sum cash severance payment equal to 24 months of Employee's then-current Base Salary, subject to applicable tax withholdings, paid on the 60th day following Employee's Separation from Service, except as provided in Section 9(l) below;

(ii) a lump-sum cash severance payment equal to 200% of Employee's target Bonus for the year of termination, subject to applicable tax withholdings, paid on the 60th day following Employee's Separation from Service, except as provided in Section 9(l) below;

(iii) to the extent not previously amended, amendment of any time-based vesting equity awards granted as of the New Effective Date to provide for full acceleration of vesting and, with respect to any vested stock options granted as of the New Effective Date, extension of the Employee's exercise period to the earlier of (A) the third anniversary of the termination of Employee's continuous service (as defined under the applicable option award agreement) and (B) the original term of each such option (subject to any earlier termination in the event of a Corporate Transaction as provided under the applicable stock plan), but in no event will Employee's options be exercisable beyond their original full term; and

(iv) if Employee is participating in the Company's employee group health insurance plans on the effective date of termination, and timely elects and remains eligible for continued coverage under COBRA, or, if applicable, state or local insurance laws, the Company shall pay to Employee, on the first day of each month, a cash payment equal to the applicable COBRA premiums for that month (including premiums for Employee and his eligible dependents who have elected and remain enrolled in such COBRA coverage), subject to applicable tax withholdings (such amount, the "Special Cash Payment"), for a number of months equal to the lesser of (A) the duration of the period in which Employee and his eligible

dependents are eligible for and enrolled in such COBRA coverage (and not otherwise covered by another employer's group health plan) and (B) 24 months. Employee may, but is not obligated to, use such Special Cash Payment toward the cost of COBRA premiums. On the 60th day following Employee's Separation From Service, the Company will make the first payment to Employee under this Section 2(d)(iv), in a lump sum, equal to the aggregate Special Cash Payments that the Company would have paid to Employee through such date had the Special Cash Payments commenced on the first day of the first month following the effective date of termination through such 60th day, with the balance of the Special Cash Payments paid thereafter on the schedule described above. In the event Employee becomes covered under another employer's group health plan or otherwise ceases to be eligible for COBRA during the period provided in this Section 2(d)(iv), Employee must immediately notify the Company of such event and the Company shall cease payment of the Special Cash Payments and shall have no further obligations under this Section 2(d)(iv).

(e) For clarity, following vesting and payment of Severance Benefits under Section 2(c) or vesting of the Vested Separation Benefits (it being understood that the Company stands prepared to make payment of the Vested Separation Benefits from and after the time of vesting) as set forth in Section 2(d), in each case if applicable, the Company shall have no further obligation to make any payments or to provide any additional benefits to Employee under this Agreement, including any severance benefits, except for any salary and/or bonus that may be due to Employee in connection with his regular employment under Section 1(b).

3. <u>Benefits upon a Change of Control</u>.

(a) In the event of a Change of Control prior to the Acceleration Date, and subject to Employee's continued service with the Company through the time immediately prior to the closing of such Change of Control and termination of employment by the Company or successor entity without Cause resulting in a Separation from Service, and subject to Employee executing a Release, and allowing such Release to become effective not later than the effective date of the Change of Control, the Severance Benefits pursuant to Section 2(c) will not be forfeited on the Change of Control, and shall be payable, and all of Employee's then-outstanding time-based vesting equity awards shall automatically accelerate and fully vest, as and when provided in Section 2(c) subject to the conditions set forth in Section 2(c).

(b) In the event of a Change of Control on or after the Acceleration Date, to the extent not previously triggered, the Vested Separation Benefits will not be forfeited on the Change of Control, but shall become payable and vested as and when provided in Section 2(d),, subject to the conditions set forth in Section 2(d), including Employee's continued service with the Company through the time immediately prior to the closing of such Change of Control and

subsequent Qualifying Termination, and subject to Employee executing a Release, and allowing such Release to become effective not later than the effective date of the Change of Control.

4. **Definition of Terms**. The following terms referred to in this Agreement shall have the following meanings:

(a) **Change of Control.** "Change of Control" shall mean the occurrence of any of the following events, provided such transaction is also a "change in the ownership or effective control of" the Company or "a change in the ownership of a substantial portion of the assets of" the Company as determined under Treasury Regulations Section 1.409A-3(i)(5) (without regard to any alternative definition thereunder):

(i) **Change of Ownership**. Any "Person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) is or becomes the "Beneficial Owner" (as defined in Rule 13d-3 under said Act), directly or indirectly, of securities of the Company representing 50% or more of the total voting power represented by the Company's then-outstanding voting securities; or

(ii) **Merger/Sale of Assets**. In the event of (x) a merger, acquisition or consolidation of the Company, whether or not approved by the Board, other than a merger, acquisition or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least 50% of the total voting power represented by the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; (y) the stockholders of the Company approve a plan of complete liquidation, dissolution or similar extraordinary transaction of the Company; or (z) the sale or disposition by the Company of all or substantially all of the Company's assets.

(b) **Cause**. "Cause" shall mean: (i) gross negligence or willful misconduct in the performance of Employee's duties to the Company, where such gross negligence or willful misconduct has resulted or is reasonably likely to result in substantial and material damage to the Company or its subsidiaries taken as a whole; (ii) repeated unexplained or unjustified absence from the Company; (iii) a material and willful violation of any federal or state law (other than misdemeanor traffic violations) that has resulted or is reasonably likely to result in substantial and material damage to the Company or its subsidiaries taken as a whole; (iv) commission of any act of fraud with respect to the Company that is material and significant; or (v) conviction of a felony or a crime involving moral turpitude causing material harm to the standing and reputation of the Company, in each case as determined in good faith by the Board.

(c) **Separation from Service** shall mean Employee's "separation from service" within the meaning of Treasury Regulation Section 1.409A-1(h) without regard to any permissible alternative definition thereunder.

5. **Conflicts.** Employee represents that his performance of all the terms of this Agreement will not breach any other agreement to which Employee is a party. Employee has not entered, and will not during the term of this Agreement enter, into any oral or written agreement in conflict with any of the provisions of this Agreement. Employee further represents that he is entering into or has entered into an employment relationship with the Company of his own free will and that he has not been solicited as an employee in any way by the Company.

6. **Successors**. Any successor to the Company (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation, or otherwise) to all or substantially all of the Company's business and/or assets shall assume the obligations under this Agreement and agree expressly to perform the obligations under this Agreement in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. The terms of this Agreement and all of Employee's rights hereunder and thereunder shall inure to the benefit of, and be enforceable by, Employee's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees, and legatees.

7. **Notice**. Notices and all other communications contemplated by this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid. Mailed notices to Employee shall be addressed to Employee at the home address that Employee most recently communicated to the Company in writing. In the case of the Company, mailed notices shall be addressed to its corporate headquarters, and all notices shall be directed to the attention of its Secretary.

8. **Parachute Payments**.

(a) If any payment or benefit Employee would receive from the Company or otherwise in connection with a Change of Control or other similar transaction ("Payment") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Internal Revenue Code of 1988, as amended (the "Code"), and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then such Payment shall be equal to the Reduced Amount. The "Reduced Amount" shall be either (x) the largest portion of the Payment that would result in no portion of the Payment being subject to the Excise Tax, or (y) the largest portion, up to and including the total, of the Payment, whichever amount ((x) or (y)), after taking into account all applicable federal, state and local employment taxes, income taxes,

and the Excise Tax (all computed at the highest applicable marginal rate), results in Employee's receipt of the greatest economic benefit notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a Reduced Amount will give rise to the greater after tax benefit, the reduction in the Payments shall occur in the following order: (a) reduction of cash payments; (b) cancellation of accelerated vesting of equity awards other than stock options; (c) cancellation of accelerated vesting of stock options; and (d) reduction of other benefits paid to Employee. Within any such category of payments and benefits (that is, (a), (b), (c) or (d)), a reduction shall occur first with respect to amounts that are not "deferred compensation" within the meaning of Section 409A and then with respect to amounts that are. In the event that acceleration of compensation from Employee's equity awards is to be reduced, such acceleration of vesting shall be canceled, subject to the immediately preceding sentence, in the reverse order of the date of grant.

(b) The independent registered public accounting firm engaged by the Company for general audit purposes as of the day prior to the effective date of the event described in Section 280G(b)(2)(A)(i) of the Code shall perform the foregoing calculations. If the independent registered public accounting firm so engaged by the Company is serving as accountant or auditor for the individual, entity or group effecting such event, the Company shall appoint a nationally recognized independent registered public accounting firm to make the determinations required hereunder. The Company shall bear all expenses with respect to the determinations by such independent registered public accounting firm required to be made hereunder. The independent registered public accounting firm engaged to make the determinations hereunder shall provide its calculations, together with detailed supporting documentation, to the Company and Employee within thirty (30) calendar days after the date on which Employee's right to a Payment is triggered (if requested at that time by the Company or Employee) or such other time as reasonably requested by the Company or Employee. Any good faith determinations of the independent registered public accounting firm made hereunder shall be final, binding and conclusive upon the Company and Employee.

9. Miscellaneous Provisions.

(a) No Duty to Mitigate. Employee shall not be required to mitigate the amount of any payment contemplated by this Agreement (whether by seeking new employment or in any other manner), nor shall any such payment be reduced by any earnings that Employee may receive from any other source (except as expressly provided in Section 2(c)(ii) and Section 3(b)(ii)).

(b) Waiver. No provision of this Agreement shall be modified, waived, or discharged unless the modification, waiver, or discharge is agreed to in writing and signed by

Employee and by an authorized officer of the Company (other than Employee). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) **Whole Agreement**. No agreements, representations, or understandings (whether oral or written and whether expressed or implied) which are not expressly set forth in this Agreement have been made or entered into by either party with respect to the subject matter hereof. This Agreement supersedes any agreement of the same or similar title and concerning similar subject matter dated prior to the date of this Agreement, and by execution of this Agreement both parties agree that any such predecessor agreement shall be deemed null and void; provided, that all of Employee's stock options issued prior to or after the date hereof shall remain in effect in accordance with their terms, except to the extent specifically modified hereby. The Agreement may not be modified or amended in any way except by a written agreement executed by Employee and a duly authorized member of the board of directors. For the avoidance of doubt, nothing in this Agreement supersedes or replaces the terms of the Proprietary Information and Inventions Assignment Agreement between the Company and Employee, the terms of which remain in full force and effect.

(d) **Choice of Law**. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of California without reference to conflict of laws provisions.

(e) **Severability**. If any term or provision of this Agreement or the application thereof to any circumstance shall, in any jurisdiction and to any extent, be invalid or unenforceable, such term or provision shall be ineffective as to such jurisdiction to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable the remaining terms and provisions of this Agreement or the application of such terms and provisions to circumstances other than those as to which it is held invalid or unenforceable, and a suitable and equitable term or provision shall be substituted therefore to carry out, insofar as may be valid and enforceable, the intent and purpose of the invalid or unenforceable term or provision.

(f) **Arbitration**. To ensure the timely and economical resolution of disputes that may arise in connection with Employee's employment with the Company, Employee and the Company agree that any and all disputes, claims, or causes of action arising from or relating to the enforcement, breach, performance, negotiation, execution, or interpretation of this Agreement, Employee's employment, or the termination of Employee's employment, including but not limited to statutory claims, shall be resolved to the fullest extent permitted by law by final, binding and confidential arbitration, by a single arbitrator, in San Jose, California,

conducted by JAMS, Inc. ("JAMS") under the then applicable JAMS rules. By agreeing to this arbitration procedure, both Employee and the Company waive the right to resolve any such dispute through a trial by jury or judge or administrative proceeding. The Company acknowledges that Employee will have the right to be represented by legal counsel at any arbitration proceeding. The arbitrator shall: (a) have the authority to compel adequate discovery for the resolution of the dispute and to award such relief as would otherwise be permitted by law; and (b) issue a written arbitration decision, to include the arbitrator's essential findings and conclusions and a statement of the award. The arbitrator shall be authorized to award any or all remedies that Employee or the Company would be entitled to seek in a court of law. The Company shall pay all JAMS' arbitration fees in excess of the amount of court fees that would be required of the Employee if the dispute were decided in a court of law. Nothing in this Agreement is intended to prevent either Employee or the Company from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration. Any awards or orders in such arbitrations may be entered and enforced as judgments in the federal and state courts of any competent jurisdiction.

(g) Legal Fees and Expenses. The parties shall each bear their own expenses, legal fees, and other fees incurred in connection with this Agreement. This means the Company pays its own legal fees in connection with this Agreement and the Employee is responsible for his own legal fees in connection with this Agreement.

(h) No Assignment of Benefits. The rights of any person to payments or benefits under this Agreement shall not be made subject to option or assignment, either by voluntary or involuntary assignment or by operation of law, including (without limitation) bankruptcy, garnishment, attachment, or other creditor's process, and any action in violation of this Section 9(h) shall be void.

(i) Employment Taxes. All payments made pursuant to this Agreement will be subject to withholding of applicable income and employment taxes.

(j) Assignment by Company. The Company may assign its rights under this Agreement to an affiliate, and an affiliate may assign its rights under this Agreement to another affiliate of the Company or to the Company; provided, however, that such assignee is the employer of the Employee. In the case of any such assignment, the term "Company" when used in a section of this Agreement shall mean the corporation that actually employs the Employee except that the term "Company" shall continue to mean Dynavax Technologies Corporation with regard to the definition of a Change of Control.

(k) **Counterparts**. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument.

(l) **Application of Section 409A**. It is intended that each installment of payments and benefits provided for in this Agreement is a separate "payment" for purposes of Treasury Regulation Section 1.409A-2(b)(2)(i). To the extent permissible, the payments and benefits set forth in this Agreement will be administered in a manner that is consistent with the exceptions from the application of Section 409A of the Code and the regulations and other guidance thereunder and any state law of similar effect (collectively, "***Section 409A***"), including but not limited to the exceptions under Treasury Regulation Sections 1.409A-1(b)(4), 1.409A-1(b)(5), and 1.409A-1(b)(9), and this Agreement will be construed in accordance therewith to the maximum extent permitted by law. To the extent any payments and benefits provided under this Agreement are not so exempt and constitute "deferred compensation" within the meaning of Section 409A, this Agreement will be construed in a manner that is compliant with Section 409A to the maximum extent permitted by law. If Employee is, on his Separation from Service, a "specified employee" of the Company or any successor entity thereto, as such term is defined in Section 409A(a)(2)(B)(i) of the Code, then, solely to the extent necessary to avoid the incurrence of the adverse personal tax consequences under Section 409A, the timing of the payments and delivery of the benefits that become due on such a Separation from Service shall be delayed until the earliest to occur of: (a) the date that is six months and one day after Employee's Separation from Service, (b) the date of Employee's death or (c) such earlier date as is permitted under Section 409A (such applicable date, the "***Specified Employee Initial Payment Date***"). On the Specified Employee Initial Payment Date, the Company (or the successor entity thereto, as applicable) shall (i) pay to Employee a lump sum amount equal to the sum of the payments and benefits that Employee would otherwise have received through the Specified Employee Initial Payment Date if the commencement of the payment of such amounts had not been so delayed for compliance with Section 409A and (ii) commence paying the balance of the payments and benefits thereafter in accordance with the applicable payment schedules set forth in this Agreement.

[SIGNATURE PAGE FOLLOWS]

The parties have executed this Agreement on November 1, 2012.

DYNAVAX TECHNOLOGIES CORPORATION

By: /s/ Peggy Phillips

Title: Chair, Compensation Committee

Address: 2929 Seventh Street
Suite #100
Berkeley, CA 94710

J. TYLER MARTIN

Signature: /s/ J. Tyler Martin

Address: 349 Riesling Court
Fremont, CA 9453

Exhibit 21.1

List of Subsidiaries

Rhein Biotech GmbH
Dynavax International, B.V.

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statements (Form S-3 Nos. 333-165663, 333-169576 and 333-175645) of Dynavax Technologies Corporation and in the related Prospectuses,

(2) Registration Statement (Form S-3/A No. 333-164254) of Dynavax Technologies Corporation and in the related Prospectus, and

(3) Registration Statements (Form S-8 Nos. 333-113220, 333-136345, 333-145094, 333-152819, 333-157741, 333-164255 and 333-171552) pertaining to the 1997 Equity Incentive Plan, the 2004 Stock Incentive Plan, the 2004 Employee Stock Purchase Plan, the 2010 Employment Inducement Award Plan and/or the 2011 Equity Incentive Plan of Dynavax Technologies Corporation; of our reports dated March 8, 2013, with respect to the consolidated financial statements of Dynavax Technologies Corporation and the effectiveness of internal control over financial reporting of Dynavax Technologies Corporation included in this Annual Report (Form 10-K) of Dynavax Technologies Corporation for the year ended December 31, 2012.

/s/ Ernst & Young LLP

Redwood City, California
March 8, 2013

Exhibit 31.1

Rule 13a-14(a) Certification of Chief Executive Officer

CERTIFICATIONS

I, Dino Dina, M.D., certify that:

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

By: /S/ DINO DINA, M.D.

Dino Dina, M.D.
Chief Executive Officer
(Principal Executive Officer)

Date: March 8, 2013

Exhibit 31.2

Rule 13a-14(a) Certification of Principal Financial Officer

CERTIFICATIONS

I, Jennifer Lew, certify that:

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

By: /S/ JENNIFER LEW

Jennifer Lew
Vice President, Finance
(Principal Accounting and Financial Officer)

Date: March 8, 2013

Exhibit 32.1

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

I, Dino Dina, M.D., hereby certify, pursuant to 18 U.S.C § 1350, as adopted pursuant to Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and to § 906 of the Sarbanes-Oxley Act of 2002, in my capacity as an officer of Dynavax Technologies Corporation (the "Company"), that, to the best of my knowledge:

(i) The Annual Report of the Company on Form 10-K for the period ended December 31, 2012 as filed with the Securities and Exchange Commission on the date hereof and to which this Certificate is attached as Exhibit 32.1 (the "Report"), fully complies with the requirements of section 13(a) or 15(d) of the Exchange Act; and

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

In Witness Whereof, the undersigned have set their hands hereto as of the 8th day of March, 2013.

By: /S/ DINO DINA, M.D.

Dino Dina, M.D.
Chief Executive Officer
(Principal Executive Officer)

This certification accompanies the Form 10-K to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Dynavax Technologies Corporation under the Securities Act of 1933, as amended, or the Exchange Act (whether made before or after the date of the Form 10-K), irrespective of any general incorporation language contained in such filing.

Exhibit 32.2

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

I, Jennifer Lew, hereby certify, pursuant to 18 U.S.C § 1350, as adopted pursuant to Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and to § 906 of the Sarbanes-Oxley Act of 2002, in my capacity as an officer of Dynavax Technologies Corporation (the "Company"), that, to the best of my knowledge:

(i) The Annual Report of the Company on Form 10-K for the period ended December 31, 2012 as filed with the Securities and Exchange Commission on the date hereof and to which this Certificate is attached as Exhibit 32.2 (the "Report"), fully complies with the requirements of section 13(a) or 15(d) of the Exchange Act; and

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

In Witness Whereof, the undersigned have set their hands hereto as of the 8th day of March, 2013.

By: /S/ JENNIFER LEW

Jennifer Lew
Vice President, Finance
(Principal Accounting and Financial Officer)

This certification accompanies the Form 10-K to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Dynavax Technologies Corporation under the Securities Act of 1933, as amended, or the Exchange Act (whether made before or after the date of the Form 10-K), irrespective of any general incorporation language contained in such filing.