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As filed with the Securities and Exchange Commission on September 15, 2017.

Registration Statement No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

CARGURUS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**7389**	**04-3843478**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(IRS Employer Identification Number)

2 Canal Park
4th Floor
Cambridge, Massachusetts 02141
(617) 354-0068
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Langley Steinert
Chief Executive Officer, President, and Chairman
2 Canal Park
4th Floor
Cambridge, Massachusetts 02141
(617) 354-0068
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Michael A. Conza, Esq. **Gitte J. Blanchet, Esq.** **Morgan, Lewis & Bockius LLP** **One Federal Street** **Boston, Massachusetts 02110** **(617) 341-7700**	**Jason Trevisan** **Chief Financial Officer and Treasurer** **2 Canal Park, 4th Floor** **Cambridge, Massachusetts 02141** **(617) 354-0068**	**Mark G. Borden, Esq.** **Wilmer Cutler Pickering Hale and Dorr LLP** **60 State Street** **Boston, Massachusetts 02109** **(617) 526-6000**

Approximate date of commencement of proposed sale to the public:
As soon as practicable after this registration statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box. o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

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

Large accelerated filer o	Accelerated filer o	Non-accelerated filer ☒ (do not check if a smaller reporting company)	Smaller reporting company o Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to Be Registered	**Proposed Maximum Aggregate Offering Price(1)**	**Amount of Registration Fee(2)**
Class A common stock, par value $0.001 per share	$100,000,000	$11,590

(1) Includes offering price of shares that the underwriters have the option to purchase to cover over-allotments, if any. Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(o) of the Securities Act of 1933, as amended.

(2) Calculated pursuant to Rule 457(o) based on an estimate of the proposed maximum aggregate offering price.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion. Dated September 15, 2017.

Shares

Class A Common Stock

This is an initial public offering of shares of Class A common stock of CarGurus, Inc.

We are offering shares of Class A common stock. The selling stockholders identified in this prospectus are offering an additional shares of Class A common stock. We will not receive any of the proceeds from the sale of the shares being sold by the selling stockholders.

We have two classes of authorized common stock, Class A common stock and Class B common stock. The rights of the holders of Class A common stock and Class B common stock are identical, except with respect to voting and conversion rights. Each share of Class A common stock is entitled to one vote per share. Each share of Class B common stock is entitled to ten votes per share and is convertible into one share of Class A common stock. Outstanding shares of Class B common stock will represent approximately % of the voting power of our outstanding capital stock immediately following this offering.

Following this offering, our founder, Chief Executive Officer, President, and Chairman, Langley Steinert, will hold or have the ability to control approximately % of the voting power of our outstanding capital stock. As a result, we will be a "controlled company" within the meaning of the corporate governance rules for the NASDAQ Stock Market. See the section titled "Management — Controlled Company."

Prior to this offering, there has been no public market for our Class A common stock. It is currently estimated that the initial public offering price of our Class A common stock will be between $ and $ per share. We have applied to list our Class A common stock on the NASDAQ Global Select Market under the symbol "CARG."

We are an "emerging growth company" as defined under the federal securities laws, and as such, we may elect to comply with certain reduced reporting requirements for this prospectus and may elect to do so in future filings. See "Prospectus Summary — Implications of Being an Emerging Growth Company."

See "Risk Factors" on page 17 to read about factors you should consider before buying shares of our Class A common stock.

Neither the Securities and Exchange Commission nor any state securities commission or other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Initial public offering price	$	$
Underwriting discount[(1)]	$	$
Proceeds, before expenses, to CarGurus	$	$
Proceeds, before expenses, to the selling stockholders	$	$

(1) See the section titled "Underwriting (Conflicts of Interest)" for a description of the compensation payable to the underwriters.

To the extent that the underwriters sell more than shares of Class A common stock, the underwriters have the option to purchase up to an additional shares of Class A common stock from us and certain of the selling stockholders at the initial public offering price less the underwriting discount.

The underwriters expect to deliver the shares against payment in New York, New York on or about , 2017.

Goldman Sachs & Co. LLC

Allen & Company LLC

RBC Capital Markets

JMP Securities **Raymond James** **William Blair**

Prospectus dated , 2017

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Through and including , 2017 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

Neither we, the selling stockholders, nor the underwriters have authorized anyone to provide you with any information or to make any representations other than those contained in this prospectus or in any free writing prospectuses we have prepared. We, the selling stockholders, and the underwriters take no responsibility for, and provide no assurance about the reliability of, any other information that others may give you. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of the Class A common stock. Our business, financial condition, results of operations, and prospects may have changed since such date.

For investors outside the United States: Neither we, the selling stockholders, nor any of the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. You are required to inform yourselves about, and to observe any restrictions relating to, this offering and the distribution of this prospectus.

PROSPECTUS SUMMARY

This summary highlights information appearing elsewhere in this prospectus. This summary does not contain all the information you should consider before investing in our Class A common stock. You should read this entire prospectus carefully, including the sections titled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes included elsewhere in this prospectus, before making any investment decision. Unless the context otherwise requires, we use the terms "CarGurus," the "company," "we," "us," and "our" in this prospectus to refer to CarGurus, Inc. and, where appropriate, our consolidated subsidiaries.

Our Business

CarGurus is a global, online automotive marketplace connecting buyers and sellers of new and used cars. Using proprietary technology, search algorithms, and innovative data analytics, we believe we are building the world's most trusted and transparent automotive marketplace and creating a differentiated automotive search experience for consumers. Our trusted marketplace empowers users with unbiased third-party validation on pricing and dealer reputation as well as other information that aids them in finding "Great Deals from Great Dealers." As of June 30, 2017, we had an active dealer network of over 40,000 dealers, and our selection of over 5.4 million car listings is the largest number of car listings available on any of the major U.S. online automotive marketplaces. In addition to the United States, we operate online marketplaces in Canada, the United Kingdom, and Germany.

A core principle of our marketplace is unbiased transparency. For consumers considering used vehicles, we aggregate vehicle inventory from dealers and apply our proprietary analysis to generate a Deal Rating as either: Great Deal, Good Deal, Fair Deal, High Priced, or Overpriced. Deal Rating illustrates how competitive a listing is compared to similar cars sold in the same region in recent history. We determine Deal Rating principally on the basis of both our proprietary Instant Market Value, or IMV, algorithm, which determines the market value of any given vehicle in a local market, and Dealer Rating, a measure of a dealer's reputation as determined by reviews of that dealer from our user community. By sorting organic search results based on a used car's Deal Rating, we enable consumers to find the most relevant car for their needs. We also provide our users information historically not widely available, such as Price History, Time on Site, and Vehicle History. We believe this approach brings greater transparency, trust, and efficiency to a consumer's car research and buying process, leading to higher engagement and a more informed consumer who is better prepared to purchase at the dealership.

According to Google Analytics, in the second quarter of 2017, we had approximately 61 million average monthly sessions in the United States, up from approximately 45 million during the same period in 2016. According to comScore, we have become the most visited online automotive marketplace in the United States, and we have the largest mobile audience, with over 78% of our second quarter 2017 monthly unique visitors accessing our marketplace from mobile devices. Our focus on providing unbiased transparency for consumers has also created an engaged user community. According to comScore, during the second quarter of 2017, visitors returned to our site 2.4 times as often as any other major U.S. online automotive marketplace, up from 1.8 times as often in the second quarter of 2016.

Our large, engaged, and predominantly mobile user base presents an attractive audience of in-market consumers for our dealers. By connecting dealers with more informed consumers, we believe we provide dealers with an efficient customer acquisition channel and attractive returns on their marketing spend with us. Dealers can list their inventory in our marketplace for free with our Basic Listing product or with a paid subscription to our Enhanced or Featured Listing products.

Dealers with free listings receive anonymized email connections and access to a subset of the tools on our Dealer Dashboard at no cost. Dealers with a paid subscription receive connections to consumers that are not anonymous and can be made through a wider variety of methods, including phone calls, email, managed text and chat, links to the dealer's website, and map directions to dealerships. In addition, dealers subscribed to our Enhanced and Featured Listing products gain full access to our Dealer Dashboard and are also able to display their dealership information to gain brand recognition, which promotes walk-in traffic to the dealer. Our success with dealers is evidenced by the 66% growth in the number of paying dealers in our U.S. marketplace from 2015 to 2016.

Our scaled online marketplace model drives powerful network effects. The industry-leading inventory selection offered by our dealers attracts a large and engaged consumer audience. The value of robust connections to this audience incentivizes dealers to purchase our Enhanced or Featured Listing products. Having more paying dealers provides consumers with more dealer information and methods to contact them. More consumers and connections drives greater value to paying dealers on our platform. Driven by these network effects, we continue to amass more data, which we use to continuously improve our search algorithms, the accuracy of Deal Ratings, our user experience, and, ultimately, the quality of the connections between consumers and dealers.

We generate marketplace subscription revenue from dealers through listing and display advertising subscriptions and advertising revenue from auto manufacturers and other auto-related brand advertisers. Our rapid revenue growth and financial performance over the last several years exemplifies the strength of our marketplace. In 2016, we generated revenue of $198.1 million, a 101% increase from $98.6 million of revenue in 2015. Our revenue for the six months ended June 30, 2017 was $143.3 million, a 70% increase from $84.2 million of revenue in the six months ended June 30, 2016. In 2016, we generated net income of $6.5 million and our Adjusted EBITDA was $11.0 million, compared to a net loss of $1.6 million and Adjusted EBITDA of $(0.4) million in 2015. For the six months ended June 30, 2017, we generated net income of $8.6 million and Adjusted EBITDA of $14.1 million, compared to net income of $0.5 million and Adjusted EBITDA of $1.7 million for the six months ended June 30, 2016. See "Selected Consolidated Financial and Other Data — Adjusted EBITDA" for more information regarding our use of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to our net income (loss).

Industry Dynamics and Market Opportunity

Significant Purchasing Decision for Consumers. A car is often the second largest purchase a consumer will make, second only to his or her home. Traditionally, the process of finding the right car to buy, selecting the right dealer or seller to buy it from, and deciding how much to spend, has been complex and intimidating.

Massive U.S. Automotive Market. The automotive industry is one of the largest in the United States. Borrell Associates estimates that U.S. retail automotive sales reached $1.3 trillion in 2016, with dealers accounting for over 85% of all cars sold. According to these estimates, there are approximately 43,000 dealers in the United States, including over 16,000 franchise dealers affiliated with an automotive brand that often sell both new and used cars, and over 26,000 independent dealers that sell only used cars. These U.S. dealers sold approximately 17 million new cars and 44 million used cars in 2016, while peer-to-peer transactions by individuals accounted for approximately 11 million used cars sold. The same report estimates that the U.S. automotive industry spent over $37 billion on advertising in 2016, $23 billion of which was spent by dealers.

Shift from Offline to Online. Consumers are increasingly using the Internet to search for cars before entering a dealership. According to JD Power & Associates, the average car buyer spends 14 hours researching cars online prior to making a purchase. To respond to this trend, the

U.S. automotive industry has increasingly allocated more marketing spend to online channels. According to Borrell Associates estimates, 57% of the U.S. automotive marketing spend was on online channels in 2016, up from 32% in 2011, and it is expected to increase to 70% by 2021.

Increasing Importance of Mobile Devices. Consumers are increasingly using their mobile devices to search for vehicles. A 2017 Google study estimates that as much as 71% of a consumer's interactions with dealers, brands, and third-party sites during the car buying process occurred on mobile devices.

Highly Fragmented, Local Market. The market for new and used car sales is highly fragmented and local, making it competitive for dealers to find local buyers. A dealer's inventory may change daily and the speed at which a dealer turns its inventory is a key driver of its profitability. Additionally, unlike new cars, no two used cars are alike, making it challenging for dealers to find the right buyer for a specific vehicle in a cost-efficient manner.

Large International Automotive Markets with Similar Dynamics as the United States. Much like in the United States, dealers represent a critical part of international automotive markets. It is estimated that in 2016, there were approximately 5,800 dealers in Canada and 4.9 million new and used cars sold; 11,700 dealers in the United Kingdom and 10.9 million new and used cars sold; and 21,000 dealers in Germany and 10.8 million new and used cars sold.

Consumer and Dealer Challenges

Consumer Challenges. Historically, the lack of unbiased, transparent information has made it difficult for consumers to effectively compare vehicles and find the vehicle that best suits their needs. For consumers searching for used cars, every car is unique, and it is difficult to aggregate the relevant inventory of available used cars across dealers. Generally, dealers also have had more information about car prices than consumers do, as consumers have had limited resources to determine an appropriate price. Selecting the right dealer has also been challenging for consumers as dealer reputations have historically been based primarily on word-of-mouth.

Dealer Challenges. The economics of dealerships depend largely on sales volume, gross margin, and customer acquisition efficiency. To achieve a high return on their marketing investments, dealers must find in-market consumers. Traditional marketing channels, including television, radio, and newspaper, can effectively target locally but are inefficient in reaching the small percentage of consumers who are actively in the market to buy a car. In addition, dealers need to find ways to manage constantly changing inventory and adjust pricing strategies to adapt to frequently changing market conditions.

Our Approach

Why Consumers Choose Us

We believe that our marketplace offers the best online automotive marketplace experience for consumers, distinguished by the following:

- *Largest Inventory Selection.* As of June 30, 2017, we had an active dealer network of over 40,000 dealers, and our selection of over 5.4 million car listings is the largest number of car listings available on any of the major U.S. online automotive marketplaces. We define our active dealer network as consisting of all dealers to which we connected a user about a listing during the ninety-day period ending on the applicable measurement date.

- *Trust and Unbiased Transparency.* Used cars identified through searches in our marketplace are sorted by, and shown with, a Deal Rating, which is determined principally by our proprietary IMV and Dealer Rating. These features, coupled with information historically not

widely available, provide consumers with unbiased, transparent information with which to make their purchasing decision.

- *Intuitive Search Results.* For used car shoppers, our organic search function prioritizes results by a car's Deal Rating, which we believe is most relevant to a consumer's decision. In contrast, paid-inclusion automotive marketplaces award dealers preferential listing placement based on how much a dealer pays.

- *Robust, Mobile-Focused Experience.* We have designed our marketplace to appeal to mobile users by developing our products with a mobile-first mindset. This approach has resulted in over 78% of our monthly unique visitors accessing our marketplace from mobile devices in the second quarter of 2017, and a 43% growth in our average monthly mobile visits from 2015 to 2016, according to comScore.

Why Dealers Choose Us

We believe that dealers choose us for the following reasons:

- *Attractive Return on Investment.* We believe we offer dealers an efficient customer acquisition channel driven by the volume of connections to our users, the quality of those connections, and the brand exposure to our engaged audience in relation to our subscription cost.

- *Large and Engaged Audience.* We are the most visited online automotive marketplace in the United States; according to comScore, in the second quarter of 2017 we had 2.3 times as many visits to our U.S. website as any other major U.S. online automotive marketplace, up from 1.8 times as many during the same period in 2016. In addition, we believe our audience is more engaged than users of other major U.S. online automotive marketplaces; in the second quarter of 2017, our visitors returned to our site more than 2.4 times as often as any other major U.S. online automotive marketplace.

- *Volume of Connections.* Our marketplace enables consumers to easily connect with dealers through a variety of channels. In 2016, we provided over 42 million connections to our dealers in the United States.

- *Broad Suite of Products and Tools.* We offer products that help dealers acquire customers and build their brands. Additionally, we provide tools to help dealers market and sell their cars more efficiently.

Why Auto Manufacturers Choose Us

We believe that auto manufacturers choose to advertise in our marketplace for the following reasons:

- *Unique Non-Overlapping Audience of In-Market Consumers.* Based on comScore estimates, in the second quarter of 2017, 62% of our monthly unique visitors did not visit any of the other major U.S. online automotive marketplaces during the same period. This creates a compelling value proposition to auto manufacturers, as they would have difficulty reaching these users at scale elsewhere.

- *Clean, Uncluttered Pages.* We provide a clean and uncluttered user interface as part of our commitment to creating the best consumer experience. By limiting the number of advertisements on any given page, we help advertisers' messages better resonate when compared to other online automotive marketplaces that display significantly more ads.

Our Strengths

We believe that our competitive advantages are based on the following key strengths:

- ***Trusted Marketplace for Consumers.*** We believe that providing an unbiased and transparent consumer experience has instilled greater trust in us among our users, helping us become the most visited major U.S. online automotive marketplace. In the second quarter of 2017, we experienced over 61 million average monthly sessions. We define average monthly sessions as the number of distinct visits to our website that take place each month within a given time frame, as measured and defined by Google Analytics.

- ***Proprietary Search Algorithms and Data-Driven Approach.*** We have built an extensive repository of data that is the result of over seven years of data aggregation and regression modeling. We calculate IMV using complex algorithms and data analytics that apply more than 20 ranking signals and more than 100 normalization rules to millions of data points. Our proprietary search algorithms and data analytics allow us to use this data to bring greater transparency to our platform through Deal Rating, as well as build new products and launch marketplaces in new countries.

- ***Strong Value Proposition to Dealers.*** We believe that our marketplace offers an efficient customer acquisition channel for dealers, helping them achieve attractive returns on their marketing spend with us. Our strong value proposition to the dealer community is evidenced by the 66% growth in the number of our paying U.S. dealers, and 18% growth in average annual revenue per subscribing dealer, or AARSD, in the United States from 2015 to 2016.

- ***Network Effects Driven by Scale.*** Having reached the majority of dealers and built one of the largest consumer audiences in the United States, we believe that our scale creates powerful network effects that reinforce the competitive strength of our business model. Our large consumer audience incentivizes more dealers to convert to paid usage of our listing products, which in turn provides consumers with more dealer information and methods to contact them. More consumers and connections drive greater value to our paying dealers.

- ***Attractive Financial Model.*** We have a strong track record of revenue growth, profitability, and capital efficiency. Our subscription model results in revenue that is recurring among a diversified customer base.

- ***Founder-Led Management Team with Culture of Innovation.*** Building upon our founder's previous experience in using technology to provide transparent information to consumers, we have fostered a culture of data-driven innovation that we expect will drive continued growth.

Our Growth Strategies

We intend to continue to grow our business by pursuing the following strategies:

- ***Grow Our Paying U.S. Dealer Base.*** We plan to convert more dealers to paying dealers in the United States by demonstrating the value proposition of our marketplace and by introducing new features and services.

- ***Increase Our Share of Dealer Marketing Spend From Existing Products.*** We intend to continue to grow our AARSD by increasing the volume of connections we provide to dealers and demonstrating the value of our large, engaged, and predominantly mobile audience.

- ***Offer Additional Dealer Products.*** We plan to offer new products to help dealers acquire customers, build relationships with prospects, and better manage their inventories, websites, and dealerships.
- ***Grow the Size and Engagement of Our Consumer Audience.*** We intend to continue investing in, and improving the efficiency of, our algorithmic traffic acquisition. We also intend to add new features to assist consumers with more aspects of the car ownership lifecycle.
- ***Invest in Our Brand.*** We plan to further expand our marketing efforts to drive greater brand recognition, trust, and loyalty from consumers and dealers.
- ***Expand into International Markets.*** We plan to grow our marketplaces in Canada, the United Kingdom, and Germany and launch new marketplaces in other countries which have attractive industry dynamics.

Risks Affecting Our Business

You should consider carefully the risks described under the "Risk Factors" section beginning on page 17 and elsewhere in this prospectus. These risks, which include the following, could materially and adversely affect our business, financial condition, operating results, cash flow, and prospects, which could cause the trading price of our Class A common stock to decline and could result in a partial or total loss of your investment:

- Our business is substantially dependent on our relationships with dealers, and our subscription agreements with these dealers do not contain long-term contractual commitments. If a significant number of dealers terminate their subscription agreements with us, our business and financial results would be materially and adversely affected.
- If we fail to maintain or increase the number of dealers that pay subscription fees to us, or fail to maintain or increase the fees paid to us for subscriptions, our business and financial results would be harmed.
- If dealers or other advertisers reduce their advertising spend with us and we are unable to attract new advertisers, our business would be harmed.
- If we are unable to provide a compelling vehicle search experience to consumers through both our web and mobile platforms, the number of connections between consumers and dealers using our marketplace may decline and our business and financial results would be materially and adversely affected.
- We rely on Internet search engines to drive traffic to our website, and if we fail to appear prominently in the search results, our traffic would decline and our business would be adversely affected.
- Any inability by us to develop new products, or achieve widespread consumer adoption of those products, could negatively impact our business and financial results.
- We may be unable to maintain or grow relationships with data providers, or may experience interruptions in the data they provide, which may create a less valuable or less transparent shopping experience and negatively affect our business and operating results.
- The failure to build and maintain our brand would harm our ability to grow our audience and to expand the use of our marketplace by consumers and dealers.
- Our recent, rapid growth is not indicative of our future growth, and our revenue growth rate will decline in the future.

- If we fail to expand effectively into new markets, both domestically and abroad, our revenue, business, and financial results will be harmed.
- We participate in a highly competitive market, and pressure from existing and new companies may adversely affect our business and operating results.
- Following this offering, our founder and Chief Executive Officer will control a majority of the voting power of our outstanding capital stock, and, therefore, will have control over key decision-making and could control our actions in a manner that conflicts with the interests of other stockholders.

Our Status as a Controlled Company

Mr. Steinert, who after our initial public offering will control approximately % of the voting power of our outstanding capital stock, will have the ability to control the outcome of matters submitted to our stockholders for approval, including the election of our directors, as well as the overall management and direction of our company. Because Mr. Steinert controls a majority of our outstanding voting power, we will be a "controlled company" under the corporate governance rules for NASDAQ-listed companies. Because we will qualify as a "controlled company," we will not be required to have a majority of our board of directors be independent, nor will we be required to have a compensation committee consisting entirely of independent directors or having an independent nominating function. Following this offering, we intend to initially avail ourselves of certain of these exemptions and, for so long as we qualify as a "controlled company," we will maintain the option to utilize from time to time some or all of these exemptions. For example, upon the closing of this offering, our compensation committee will not consist entirely of independent directors and we will not have a nominating and corporate governance committee.

In the event of Mr. Steinert's death or voluntary termination of all employment and service on our board of directors, or if the sum of the number of shares of our capital stock held by Langley Steinert, by any Family Member of Langley Steinert, and by any Permitted Entity of Langley Steinert (as such terms are defined in our amended and restated certificate of incorporation), assuming the exercise and settlement in full of all outstanding options and convertible securities and calculated on an as-converted to Class A common stock basis, is less than , then each outstanding share of Class B common stock will convert into one share of Class A common stock. Upon any such conversion, we may no longer be a "controlled company."

Corporate Information

We were originally organized on November 10, 2005 as a Massachusetts limited liability company under the name "Nimalex LLC." Effective July 15, 2006, we changed our name to "CarGurus LLC." On June 26, 2015, we converted into a Delaware corporation and changed our name to "CarGurus, Inc."

Our principal executive offices are located at 2 Canal Park, 4th Floor, Cambridge, Massachusetts 02141, and our telephone number is (617) 354-0068. Our website is www.cargurus.com. Information contained on, or that can be accessed through, our website is not incorporated by reference into this prospectus, and you should not consider information on our website to be part of this prospectus.

CarGurus, the CarGurus logo, and other trademarks or service marks of CarGurus appearing in this prospectus are the property of CarGurus. Trade names, trademarks, and service marks of other companies appearing in this prospectus are the property of their respective holders. We have omitted the ® and ™ designations, as applicable, for the trademarks used in this prospectus.

Implications of Being an Emerging Growth Company

We are an emerging growth company as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, and are therefore subject to reduced public company reporting requirements. We will remain an emerging growth company until the earliest to occur of: the last day of the fiscal year in which we have more than $1.07 billion in annual revenue; the date we qualify as a "large accelerated filer," with at least $700 million of equity securities held by non-affiliates; the issuance, in any three-year period, by us of more than $1.0 billion in non-convertible debt securities; and the last day of the fiscal year ending after the fifth anniversary of our initial public offering.

As an emerging growth company, we may take advantage of specified reduced disclosure and other requirements that are otherwise applicable, in general, to public companies that are not emerging growth companies. These provisions include:

- reduced disclosure about our executive compensation arrangements;
- exemption from the requirements to hold non-binding shareholder advisory votes on executive compensation or golden parachute arrangements;
- exemption from the auditor attestation requirement in the assessment of our internal control over financial reporting; and
- reduced disclosure of financial information in this prospectus, such as being permitted to include only two years of audited financial information and two years of selected financial information in addition to any required unaudited interim financial statements, with correspondingly reduced "Management's Discussion and Analysis of Financial Condition and Results of Operations" disclosure.

We may choose to take advantage of some, or all, of the available exemptions. We have taken advantage of some reduced reporting burdens in this prospectus. Accordingly, the information contained herein may be different than the information you receive from other public companies in which you hold stock. The JOBS Act also permits an emerging growth company to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. We have elected to avail ourselves of this extended transition period and, as a result, while we are an emerging growth company we will not be subject to new or revised accounting standards at the same time that they become applicable to other public companies that are not emerging growth companies.

THE OFFERING

Class A common stock offered by us	shares
Class A common stock offered by the selling stockholders	shares
Class A common stock to be outstanding after this offering	shares (or shares if the underwriters option to purchase additional shares is exercised in full)
Class B common stock to be outstanding after this offering	shares
Total Class A common stock and Class B common stock to be outstanding after this offering	shares
Option to purchase additional shares of Class A common stock from us and certain of the selling stockholders	We and the selling stockholders have granted the underwriters an option, exercisable for 30 days after the date of this prospectus, to purchase up to additional shares of Class A common stock from us and up to shares of Class A common stock from the selling stockholders.
Use of proceeds	We estimate that our net proceeds from the sale of our Class A common stock that we are offering will be approximately $ million (or approximately $ million if the underwriters' option to purchase additional shares in this offering is exercised in full), based upon an assumed initial public offering price of $ per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

	The principal purposes of this offering are to increase our financial flexibility, improve our visibility in the marketplace, create a public market for our Class A common stock, and facilitate our future access to the public capital markets. We currently intend to use the net proceeds from this offering primarily for general corporate purposes, including working capital, operating expenses, and capital expenditures. We may also use a portion of the net proceeds to acquire or invest in complementary technologies, solutions, products, services, businesses, or other assets, although we have no present commitments or agreements to enter into any acquisitions or investments. We will not receive any of the proceeds from the sale of Class A common stock in this offering by the selling stockholders, including any proceeds from the sale of up to shares by the selling stockholders if the underwriters' option to purchase additional shares is exercised in full. See "Use of Proceeds" for additional information.
Voting rights	Following this offering, we will have two classes of authorized common stock, Class A common stock and Class B common stock. Each share of Class A common stock is entitled to one vote per share. Each share of Class B common stock is entitled to ten votes per share and is convertible into one share of Class A common stock. Holders of our Class A common stock and Class B common stock will generally vote together as a single class, unless otherwise required by Delaware law or our amended and restated certificate of incorporation that will become effective upon the closing of this offering. Following this offering, our founder, Chief Executive Officer, President, and Chairman, Langley Steinert, will hold or have the ability to control approximately % of the voting power of our outstanding capital stock. As a result, we will be a "controlled company" within the meaning of the corporate governance rules for the NASDAQ Stock Market and Mr. Steinert will have the ability to control the outcome of matters submitted to our stockholders for approval, including the election of our directors and the approval of any change in control transaction. See the sections titled "Principal and Selling Stockholders" and "Description of Capital Stock" for additional information.

Concentration of ownership	Upon the closing of this offering, the outstanding Class B common stock will represent % of our outstanding shares and approximately % of the voting power of our outstanding shares, and our executive officers, directors, and stockholders holding more than 5% of our outstanding shares, together with their affiliates, will beneficially own, in the aggregate, approximately % of our outstanding shares and % of the voting power of our outstanding shares. Our founder, Chief Executive Officer, President, and Chairman, Langley Steinert, will hold or have the ability to control approximately % of the voting power of our outstanding capital stock following this offering.
Conflicts of Interest	Allen & Company LLC, an underwriter in this offering, and its associated persons, including Ian Smith, a member of our board of directors, beneficially own 71,685 shares of our outstanding Series A preferred stock, 1,128,994 shares of our outstanding Series B preferred stock, and 163,331 shares of our outstanding Series C preferred stock, collectively representing 13.5% of our outstanding preferred stock, which shares of preferred stock will automatically convert into 8,184,061 shares of Class A common stock upon the closing of this offering. Because Allen & Company LLC is an underwriter in this offering and because Allen & Company LLC and its associated persons beneficially own more than 10% of our outstanding preferred stock, Allen & Company LLC is deemed to have a "conflict of interest" under Rule 5121, which we refer to herein as Rule 5121, of the Financial Industry Regulatory Authority, Inc., or FINRA. Accordingly, this offering will be conducted in accordance with the applicable provisions of Rule 5121, which requires, among other things, that a "qualified independent underwriter" as defined by Rule 5121 has participated in the preparation of, and has exercised the usual standards of "due diligence" with respect to, the registration statement and this prospectus. Goldman Sachs & Co. LLC has agreed to act as qualified independent underwriter within the meaning of Rule 5121 for this offering and to undertake the legal responsibilities and liabilities of an underwriter under the Securities Act of 1933, as amended, or the Securities Act, specifically including those inherent in Section 11 of the Securities Act. See "Underwriting (Conflicts of Interest)."
Risk factors	You should read the "Risk Factors" section beginning on page 17 and the other information included in this prospectus for a discussion of factors to consider before deciding to invest in shares of our Class A common stock.
Proposed NASDAQ Global Select Market trading symbol	"CARG"

The number of shares of our Class A common stock and Class B common stock that will be outstanding after this offering is based on 74,645,294 shares of our Class A common stock outstanding and 28,161,232 shares of our Class B common stock outstanding, in each case, as of June 30, 2017 (assuming the automatic conversion of all outstanding shares of our preferred stock into an aggregate of 60,564,678 shares of Class A common stock upon the closing of this offering), and excludes:

- 1,737,056 shares of Class A common stock issuable upon the exercise of options outstanding as of June 30, 2017 with a weighted-average exercise price of $1.65 per share and 3,474,112 shares of Class B common stock issuable upon the exercise of options outstanding as of June 30, 2017 with a weighted-average exercise price of $1.65 per share;
- 789,934 shares of Class A common stock and 1,579,868 shares of Class B common stock issuable upon the vesting and settlement of restricted stock units, or RSUs, outstanding as of June 30, 2017; and
- shares of Class A common stock reserved for future issuance under our equity compensation plans, consisting of (i) 657,912 shares of Class A common stock reserved for future issuance under our Amended and Restated 2015 Equity Incentive Plan, as amended, or the 2015 Plan, as of June 30, 2017, (ii) additional shares of Class A common stock reserved for future issuance under our 2017 Omnibus Incentive Compensation Plan, or our 2017 Plan, which will become effective upon the closing of this offering, and (iii) any shares of Class A common stock that become available subsequent to this offering under our 2017 Plan as a result of the expiration, termination or cancellation, forfeiture, exchange, or surrender without exercise of awards subject to outstanding grants under our 2015 Plan.

Immediately prior to the closing of this offering, any remaining shares available for issuance under our 2015 Plan will be added to the shares of our Class A common stock reserved for issuance under our 2017 Plan, and we will cease granting awards under the 2015 Plan. See the section titled "Executive Compensation — Employee Benefits and Stock Plans" for additional information.

In addition, unless otherwise noted, the information in this prospectus reflects and assumes the following:

- the filing and effectiveness of our amended and restated certificate of incorporation and the adoption of our amended and restated bylaws, each of which will occur upon the closing of this offering;
- no exercise of outstanding options or settlement of outstanding RSUs after June 30, 2017;
- the retroactive adjustment to all periods herein of all share and per share information to reflect the share recapitalization effected on June 21, 2017, pursuant to which (i) each share of common stock then issued and outstanding was recapitalized, reclassified, and reconstituted into two fully paid and non-assessable shares of outstanding Class A common stock and four fully paid and non-assessable shares of outstanding Class B common stock, (ii) each outstanding common stock option was adjusted such that (a) each share of common stock underlying such option became two shares of Class A common stock and four shares of Class B common stock and (b) the exercise price per share of common stock underlying such option was adjusted to be one-sixth of the exercise price per share in effect immediately prior to the recapitalization, and (iii) each outstanding RSU was adjusted such that (a) each share of common stock issuable upon settlement of such RSU became two shares of Class A common stock and four shares of Class B common stock and (b) the fair market value per share of common stock issuable upon settlement of such RSU was

adjusted to be one-sixth of the fair market value per share in effect immediately prior to the recapitalization;

- the automatic conversion of all shares of our convertible preferred stock outstanding as of June 30, 2017 into 20,188,226 shares of our Class A common stock and 40,376,452 shares of our Class B common stock, and the subsequent conversion of such shares of Class B common stock into 40,376,452 shares of our Class A common stock, which conversions will occur upon to the closing of this offering; and
- no exercise by the underwriters of their option to purchase up to an additional shares of Class A common stock from us and certain selling stockholders in this offering.

SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA

The following tables summarize our consolidated financial and other data. We derived the summary consolidated statements of operations data for the years ended December 31, 2015 and 2016 from our audited consolidated financial statements included elsewhere in this prospectus. We derived the summary consolidated statements of operations data for the six months ended June 30, 2016 and 2017 and our consolidated balance sheet data as of June 30, 2017 from our unaudited interim consolidated financial statements included elsewhere in this prospectus. The unaudited interim consolidated financial statements were prepared on a basis consistent with our annual financial statements and include, in the opinion of management, all adjustments, consisting only of normal recurring adjustments, necessary for the fair presentation of the financial information contained in those statements. Our historical results are not necessarily indicative of the results that may be expected in the future, and our interim results are not necessarily indicative of the results to be expected for the full year or any other period. You should read the summary consolidated financial data set forth below in conjunction with the sections titled "Selected Consolidated Financial and Other Data" and "Management's Discussion and Analysis of Financial Condition and

Results of Operations" and our consolidated financial statements, the accompanying notes, and other financial information included elsewhere in this prospectus.

	Year Ended December 31,		Six Months Ended June 30,	
	2015	2016	2016	2017
	(in thousands, except share and per share data)			
Consolidated Statements of Operations Data:				
Revenue:				
Marketplace subscription	$ 75,142	$ 171,302	$ 71,638	$ 127,952
Advertising and other	23,446	26,839	12,603	15,323
Total revenue	98,588	198,141	84,241	143,275
Cost of revenue[1]	4,234	9,575	3,819	7,647
Gross profit	94,354	188,566	80,422	135,628
Operating expenses:				
Sales and marketing	81,877	154,125	68,313	104,604
Product, technology, and development	8,235	11,453	5,150	8,357
General and administrative	5,801	12,783	5,618	9,092
Depreciation and amortization	969	1,634	633	1,196
Total operating expenses	96,882	179,995	79,714	123,249
(Loss) income from operations	(2,528)	8,571	708	12,379
Other (expense) income, net	(12)	374	153	217
(Loss) income before income taxes	(2,540)	8,945	861	12,596
(Benefit from) provision for income taxes	(904)	2,448	340	4,043
Net (loss) income	$ (1,636)	$ 6,497	$ 521	$ 8,553
Net (loss) income per share attributable to common stockholders:[2]				
Basic	$ (0.41)	$ (0.58)	$ 0.01	$ 0.08
Diluted	$ (0.41)	$ (0.58)	$ —	$ 0.08
Weighted-average number of shares of common stock used in computing net (loss) income per share attributable to common stockholders:				
Basic	43,141,236	44,138,922	44,651,235	42,122,339
Diluted	43,141,236	44,138,922	48,026,295	46,182,359
Pro forma net (loss) income per share attributable to common stockholders:[2]				
Basic		$ (0.24)		$ 0.08
Diluted		$ (0.24)		$ 0.08
Pro forma weighted-average number of shares of common stock used in computing pro forma net (loss) income per share attributable to common stockholders:				
Basic		104,703,600		102,687,017
Diluted		104,703,600		106,747,037

(1) Includes depreciation and amortization expense for the years ended December 31, 2015 and 2016 and for the six months ended June 30, 2016 and 2017 of $153, $438, $203, and $391, respectively.

(2) See Note 2 of the notes to our consolidated financial statements included elsewhere in this prospectus for an explanation of the calculations of our net (loss) income per share attributable to common stockholders, and pro forma net (loss) income per share attributable to common stockholders.

Other Financial Information:

	Year Ended December 31,		Six Months Ended June 30,	
	2015	2016	2016	2017
	(in thousands)			
Adjusted EBITDA[1]	$ (366)	$ 10,965	$ 1,692	$ 14,116

(1) See "Selected Consolidated Financial and Other Data — Adjusted EBITDA" for more information and for a reconciliation of Adjusted EBITDA to net (loss) income, the most directly comparable financial measure calculated and presented in accordance with U.S. generally accepted accounting principles, or GAAP.

	At June 30, 2017		
	Actual	Pro forma[1]	Pro forma as adjusted[2][3]
	(in thousands)		
Consolidated Balance Sheet Data:			
Cash, cash equivalents, and investments	$ 81,309	$ 81,309	
Property and equipment, net	15,897	15,897	
Working capital	61,534	61,534	
Total assets	115,606	115,606	
Total liabilities	41,852	41,852	
Convertible preferred stock	132,698	—	
Total stockholders' (deficit) equity	(58,944)	73,754	

(1) Pro forma amounts reflect (i) the automatic conversion of all of our outstanding shares of preferred stock into shares of Class A common stock upon the closing of our initial public offering and (ii) the stock-based compensation expense of $1.9 million associated with the vesting of restricted stock units upon closing of this offering.

(2) Pro forma as adjusted amounts reflect the pro forma conversion adjustments described in footnote (1) above, as well as the sale by us of shares of our Class A common stock in this offering at an assumed initial public offering price of $ per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. Additionally, for purposes of the pro forma as adjusted amounts shown above, the net proceeds to be received by us from the sale of Class A common stock in this offering of $ has been increased by approximately $ to reflect the estimated offering expenses that had been paid by us as of June 30, 2017.

(3) Each $1.00 increase or decrease in the assumed initial public offering price of $ per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, each of cash, cash equivalents, and investments, total assets, and total stockholders' (deficit) equity on a pro forma as adjusted basis by $, assuming that the number of shares of Class A common stock offered by us, as set forth on the cover page of this prospectus, remains the same, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase or decrease of 1.0 million shares in the number of shares of Class A common stock offered by us would increase or decrease as applicable, each of cash, cash equivalents, and investments, total assets, and total stockholders' (deficit) equity on a pro forma as adjusted basis by $, assuming the assumed initial public offering price of $ per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

RISK FACTORS

Investing in our Class A common stock involves a high degree of risk. You should consider carefully the risks and uncertainties described below, together with all of the other information contained in this prospectus, including "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes, before deciding whether to purchase shares of our Class A common stock. Our business, financial condition, operating results, cash flow, and prospects could be materially and adversely affected by any of these risks or uncertainties. In that event, the trading price of our Class A common stock could decline and you could lose part or all of your investment. See "Special Note Regarding Forward-Looking Statements and Industry and Market Data."

Risks Related to Our Business and Industry

Our business is substantially dependent on our relationships with dealers, and our subscription agreements with these dealers do not contain long-term contractual commitments. If a significant number of dealers terminate their subscription agreements with us, our business and financial results would be materially and adversely affected.

Our primary source of revenue consists of subscription fees paid to us by dealers for access to enhanced features on our automotive marketplace. Our subscription agreements with dealers generally may be terminated by us with 30 days' notice and by dealers with 30 days' notice after the initial term. While the majority of our contracts with dealers currently include one-month initial terms, we are in the process of transitioning many of these dealers to contracts with one-year initial terms. The contracts do not contain contractual obligations requiring a dealer to maintain its relationship with us beyond the initial term. Accordingly, these dealers may cancel their subscriptions with us in accordance with the terms of their subscription agreements. If a significant number of our paying dealers terminate their subscriptions with us, our revenue would be materially and adversely affected.

If we fail to maintain or increase the number of dealers that pay subscription fees to us, or fail to maintain or increase the fees paid to us for subscriptions, our business and financial results would be harmed.

If paying dealers do not experience the volume of consumer connections that they expect during their monthly or annual subscription period, or do not experience the level of car sales they expect from those connections, they may terminate their subscriptions or may insist on renewing their subscriptions at a lower level of fees. Even if dealers do experience increased consumer connections or sales, they may not attribute such increases to our marketplace. If we fail to expand our base of paying dealers, or fail to maintain or increase the level of fees that we receive from them, our business and financial results would be materially and adversely affected.

We allow dealers to list their inventory in our marketplace for free; however dealer identity and contact information is not permitted in such free listings and these dealers do not receive access to the paid features of our marketplace. Many dealers start with us on a non-paying basis and then become paid customers in order to take advantage of the features of our Enhanced or Featured Listing products. If dealers using our site do not convert to our paid offerings at the rates we expect, or if a greater than expected number of our paying dealers elect to terminate their subscriptions, our business and financial results would be harmed.

If dealers or other advertisers reduce their advertising spend with us and we are unable to attract new advertisers, our business would be harmed.

A significant amount of our revenue is derived from advertising revenues generated primarily through advertising sales to dealers, auto manufacturers, and other auto-related brand advertisers. We compete for this advertising revenue with other online automotive marketplaces and with television, print media, and other traditional advertising channels. Our ability to attract and retain advertisers, and to generate advertising revenue, depends on a number of factors, including:

- our ability to increase the number of consumers using our marketplace;
- our ability to compete effectively for advertising spending with other online automobile marketplaces;
- our ability to continue to develop our advertising products in our marketplace;
- our ability to keep pace with changes in technology and the practices and offerings of our competitors; and
- our ability to offer an attractive return on investment, or ROI, to our advertisers for their advertising spend with us.

Our agreements with dealers for display advertising generally include initial terms ranging from one month to one year and may be terminated by us with 30 days' notice and by dealers with 30 days' notice after the initial term. The contracts do not contain contractual obligations requiring an advertiser to maintain its relationship with us beyond the initial term. Our other advertising contracts, including those with auto manufacturers, are typically for a defined period of time and do not have ongoing commitments to advertise on our site beyond the initial time period. We may not succeed in capturing a greater share of our advertisers' spending if we are unable to convince advertisers of the effectiveness or superiority of our marketplace as compared to alternative channels. If current advertisers reduce or end their advertising spending with us and we are unable to attract new advertisers, our advertising revenue and business and financial results would be harmed.

If we are unable to provide a compelling vehicle search experience to consumers through both our web and mobile platforms, the number of connections between consumers and dealers using our marketplace may decline and our business and financial results would be materially and adversely affected.

If we fail to continue to provide a compelling vehicle search experience to consumers, the number of connections between consumers and dealers facilitated through our marketplace could decline, which in turn could lead dealers to stop listing their inventory in our marketplace, cancel their subscriptions, or reduce their advertising spend with us. If dealers stop listing their inventory in our marketplace, we may not be able to maintain and grow our consumer traffic, which may cause other dealers to stop using our marketplace. This reduction in the number of dealers using our marketplace would likely adversely affect our marketplace and our business and financial results. As consumers increasingly use their mobile devices to access the Internet and our marketplace, our success will depend, in part, on our ability to provide consumers with a robust and user-friendly experience through their mobile devices. We believe that our ability to provide a compelling vehicle search experience, both on the web and through mobile devices, is subject to a number of factors, including:

- our ability to maintain an attractive marketplace for consumers and dealers, including on mobile platforms;

- our ability to continue to innovate and introduce products for our marketplace on mobile platforms;
- our ability to launch new products that are effective and have a high degree of consumer engagement;
- our ability to maintain the compatibility of our mobile application with operating systems, such as iOS and Android, and with popular mobile devices running such operating systems; and
- our ability to access a sufficient amount of data to enable us to provide relevant information to consumers, including pricing information and accurate vehicle details.

If use of our marketplace, particularly on mobile devices, does not continue to grow, our business and operating results would be harmed.

We rely on Internet search engines to drive traffic to our website, and if we fail to appear prominently in the search results, our traffic would decline and our business would be adversely affected.

We depend, in part, on Internet search engines such as Google, Bing, and Yahoo! to drive traffic to our website. The number of consumers we attract to our marketplace from search engines is due in part to how and where our websites rank in unpaid search results. These rankings can be affected by a number of factors, many of which are not under our direct control and may change frequently. For example, when a consumer searches for a vehicle in an Internet search engine, we rely on a high organic search ranking of our webpages to refer the consumer to our website. Our competitors' Internet search engine optimization efforts may result in their websites receiving higher search result rankings than ours, or Internet search engines could change their methodologies in a way that would adversely affect our search result rankings. If Internet search engines modify their search algorithms in ways that are detrimental to us, or if our competitors' efforts are more successful than ours, overall growth in our traffic could slow or our traffic could decline. In addition, Internet search engine providers could provide dealer and pricing information directly in search results, align with our competitors, or choose to develop competing products. Search engines may also adopt a more aggressive auction-pricing system for keywords that would cause us to incur higher advertising costs or reduce our market visibility to prospective users. Our website has experienced fluctuations in search result rankings in the past, and we anticipate similar fluctuations in the future. Any reduction in the number of consumers directed to our website through Internet search engines could harm our business and operating results.

Any inability by us to develop new products, or achieve widespread consumer adoption of those products, could negatively impact our business and financial results.

Our success depends on our continued innovation to provide products and services that make our marketplace, website, and mobile application useful for consumers. These new products must be widely adopted by consumers in order for us to continue to attract dealers to our subscription products and services. Accordingly, we must continually invest resources in product, technology, and development in order to improve the attractiveness and comprehensiveness of our marketplace and its related products and effectively incorporate new Internet and mobile technologies into them. These product, technology, and development expenses may include costs of hiring additional personnel and of engaging third-party service providers and other research and development costs. In addition, revenue relating to new products is typically unpredictable and our new products may have lower gross margins and higher marketing and sales costs than our existing products. We may also change our pricing models for both existing and new products so that our prices for our offerings reflect the value those offerings are providing to consumers and

dealers. Our pricing models may not effectively reflect the value of products to consumers and dealers, and, if we are unable to provide a marketplace and products that consumers and dealers want to use, they may become dissatisfied and instead use our competitors' websites and mobile applications. Without an innovative marketplace and related products, we may be unable to attract additional, unique consumers or retain current consumers, which could affect the number of dealers that become paying dealers and the number of advertisers who want to advertise in our marketplace, which could, in turn, harm our business and financial results.

We may be unable to maintain or grow relationships with data providers, or may experience interruptions in the data they provide, which may create a less valuable or transparent shopping experience and negatively affect our business and operating results.

We obtain data regarding available cars from many third-party data providers, including inventory management systems, automotive websites, customer relationship management systems, dealer management systems, and third-party data licensors. Our business relies on our ability to obtain data for the benefit of consumers and dealers using our marketplace. The large amount of inventory and vehicle information available in our marketplace is critical to the value we provide for consumers. The loss or interruption of such inventory data and other vehicle information, such as vehicle history, could decrease the number of consumers using our marketplace. We could experience interruptions in our data access for a number of reasons, including difficulties in renewing our agreements with data providers, changes to the software used by data providers, efforts by industry participants to restrict access to data, and increased fees we may be charged by data providers. While we believe we have identified other providers in the event any of our current providers terminate their relationships with us, or our service is interrupted, there may be a delay while we transition to new providers, which could disrupt our marketplace. If there is a material disruption in the data provided to us, the information that we provide to consumers and dealers using our marketplace may be limited. In addition, the quality, accuracy, and timeliness of this information may suffer, which may lead to a less valuable and less transparent shopping experience for consumers using our marketplace and could materially and adversely affect our business and financial results.

The failure to build and maintain our brand would harm our ability to grow our audience and to expand the use of our marketplace by consumers and dealers.

While we are focused on building our brand recognition, maintaining and enhancing our brand will depend largely on the success of our efforts to maintain the trust of consumers and dealers and to deliver value to each consumer and dealer using our marketplace. If consumers were to believe that we are not focused on providing them with a better automobile shopping experience, our reputation and the strength of our brand may be adversely affected.

Complaints or negative publicity about our business practices, our marketing and advertising campaigns, our compliance with applicable laws and regulations, the integrity of the data that we provide to consumers, data privacy and security issues, and other aspects of our business, irrespective of their validity, could diminish consumers' and dealers' confidence and participation in our marketplace and could adversely affect our brand. There can be no assurance that we will be able to maintain or enhance our brand, and failure to do so would harm our business growth prospects and operating results.

The "Questions" section of our website enables consumers and dealers using our site to communicate with one another and other persons seeking information or advice on the Internet. Although all such information or feedback is generated by users and not by us, claims of defamation or other injury could be made against us for content posted on our website. In addition, negative publicity and user sentiment generated as a result of fraudulent or deceptive conduct by

users of our marketplace could damage our reputation, reduce our ability to attract new users or retain our current users, and diminish the value of our brand.

While we have historically focused our marketing efforts on Internet and mobile channels, we are beginning brand-focused campaigns using television and radio and these efforts may not be successful.

As a consumer brand, it is important for us to increase the visibility of our brand with potential users of our marketplace. While we have historically focused our marketing efforts on Internet and mobile channels, we are beginning to advertise through television, radio, and other channels we have not used previously, with the goal of driving greater brand recognition, trust, and loyalty from a broader consumer audience. If our brand-focused campaigns are not successful and we are unable to recover our marketing costs through increases in user traffic and increased subscription and advertising revenue, or if we discontinue our brand marketing campaigns, it could have a material adverse effect on our business and financial results.

Our recent, rapid growth is not indicative of our future growth, and our revenue growth rate will decline in the future.

Our revenue grew from $98.6 million in 2015 to $198.1 million in 2016, representing a 101% increase between such periods, and grew from $84.2 million for the six months ended June 30, 2016 to $143.3 million for the six months ended June 30, 2017, representing a 70% increase between such periods. In the future, our revenue growth rates will inevitably decline as we achieve higher market penetration rates, as our revenue increases to higher levels, and as we experience increased competition. As our revenue growth rates decline, investors' perceptions of our business may be adversely affected and the market price of our Class A common stock could decline. In addition, we will not be able to grow as expected, or at all, if we do not accomplish the following:

- increase the number of consumers using our marketplace;
- maintain and expand the number of dealers that subscribe to our marketplace;
- attract and retain advertisers placing advertisements in our marketplace;
- further improve the quality of our marketplace, and introduce high quality new products; and
- increase the number of connections between consumers and dealers using our marketplace.

If we fail to expand effectively into new markets, both domestically and abroad, our revenue, business, and financial results will be harmed.

We intend to continue to expand our operations to target new markets, both domestically and abroad, and there can be no assurance our expansion into these new markets will be successful. Our expansion into new markets places us in unfamiliar competitive environments and involves various risks, including the need to invest significant resources and the likelihood that returns on such investments will not be achieved for several years, or possibly at all. In attempting to establish a presence in new markets, we expect, as we have in the past, to incur significant losses in those markets and face various other challenges, such as competition for consumers and dealers using our marketplace, monetizing dealers, new regulatory environments and laws, different consumer shopping habits than those we are familiar with in the United States, and our ability to expand our number of account managers to cover those new markets. Our current and any future expansion plans will require significant resources and management attention. Furthermore, expansion into international markets may not yield results similar to those we have achieved in the United States.

Our international operations involve risks that are different from, or in addition to, the risks we may experience as a result of our domestic operations, and our exposure to these risks will increase as we expand internationally.

We have started to expand our operations internationally. We recently launched marketplaces in Canada, the United Kingdom, and Germany and plan to enter additional markets in the next twelve months. We expect to expand our international operations significantly by continuing to enter new markets abroad and expanding our offerings in new languages. In most international markets, we would not be the first entrant, and our competitors may be more established or otherwise better positioned than we are to succeed. Our competitors may offer services to dealers that make dealers dependent on them, such as hosting dealers' webpages and providing inventory feeds for dealers, which would make it difficult to attract dealers to our marketplace. Dealers may also be parties to agreements with other dealers and syndicates that prevent them from being able to access our marketplace. In addition, we may also face litigation from competitors in new markets. Any of these barriers could impede our expansion into international markets, which could affect our business and potential growth.

Our platform is now available in English, French, German, and Spanish, and we will need to make our platform available in additional languages as we expand into new countries. We may have difficulty modifying our technology and content for use in non-English speaking markets or fostering new communities in non-English speaking markets. Our ability to manage our business and conduct our operations internationally requires considerable management attention and resources, and is subject to the particular challenges of supporting a rapidly growing business in an environment of multiple languages, cultures, customs, legal systems, alternative dispute resolution systems, regulatory systems, and commercial infrastructures. Expanding internationally may subject us to new risks or increase our exposure in connection with current risks, including risks associated with:

- recruiting and retaining qualified, multilingual employees, including sales personnel;
- increased competition from local websites and guides and potential preferences by local populations for local providers;
- compliance with applicable foreign laws and regulations, including different privacy, censorship, and liability standards and regulations, and different intellectual property laws;
- providing solutions in different languages for different cultures, which may require that we modify our solutions and features so they are culturally relevant in different countries;
- the enforceability of our intellectual property rights;
- credit risk and higher levels of payment fraud;
- compliance with anti-bribery laws, including compliance with the Foreign Corrupt Practices Act and the U.K. Bribery Act;
- currency exchange rate fluctuations;
- foreign exchange controls that might prevent us from repatriating cash earned outside the United States;
- political and economic instability in some countries;
- double taxation of our international earnings and potentially adverse tax consequences due to changes in the tax laws of the United States or the foreign jurisdictions in which we operate; and
- higher costs of doing business internationally.

We participate in a highly competitive market, and pressure from existing and new companies may adversely affect our business and operating results.

We face significant competition from companies that provide listings, information, lead generation, and car-buying services designed to help consumers shop for cars and to enable dealers to reach these consumers. Our competitors offer various marketplaces, products, and services that compete with us. Some of these competitors include:

- major U.S. online automotive marketplaces: AutoTrader.com, Cars.com, and TrueCar.com;
- U.S. online automotive content publishers, such as Edmunds.com and KBB.com;
- Internet search engines;
- peer to peer marketplaces; and
- sites operated by individual automobile dealers.

We compete with these and other companies for a share of dealers' overall marketing budget for online and offline media marketing spend. To the extent that dealers view alternative marketing and media strategies to be superior to our marketplace, we may not be able to maintain or grow the number of dealers subscribing to, and advertising on, our marketplace, and our business and financial results may be harmed.

We also expect that new competitors will continue to enter the online automotive retail industry with competing marketplaces, products, and services, which could have an adverse effect on our business and financial results.

Our competitors could significantly impede our ability to expand the number of dealers using our marketplace. Our competitors may also develop and market new technologies that render our existing or future marketplace and associated products less competitive, unmarketable, or obsolete. In addition, if our competitors develop marketplaces with similar or superior functionality to ours, and our web traffic declines, we may need to decrease our subscription and advertising fees. If we are unable to maintain our current pricing structure due to competitive pressures, our revenue would likely be reduced and our financial results would be negatively affected.

Our existing and potential competitors may have significantly more financial, technical, marketing, and other resources than we have, and the ability to devote greater resources to the development, promotion, and support of their marketplaces, products, and services. Additionally, they may have more extensive automotive industry relationships than we have, longer operating histories, and greater name recognition. As a result, these competitors may be able to respond more quickly with new technologies and to undertake more extensive marketing or promotional campaigns than we can. In addition, to the extent that any of our competitors have existing relationships with dealers or auto manufacturers for marketing or data analytics solutions, those dealers and auto manufacturers may be unwilling to partner with us. If we are unable to compete with these competitors, the demand for our marketplace and related products and services could substantially decline.

In addition, if one or more of our competitors were to merge or partner with another of our competitors, the change in the competitive landscape could adversely affect our ability to compete effectively. Our competitors may also establish or strengthen cooperative relationships with our existing or future data providers, technology partners, or other parties with whom we have relationships, thereby limiting our ability to develop, improve, and promote our solutions. We may not be able to compete successfully against current or future competitors, and competitive pressures may harm our business and financial results.

Our business could be adversely affected if dealer associations or auto manufacturers were to discourage or otherwise deter dealers from subscribing to our marketplace.

Although the dealership industry is highly fragmented, a small number of interested parties have significant influence over the industry. These parties include state and national dealership associations, state regulators, car manufacturers, consumer groups, independent dealers, and consolidated dealer groups. If and to the extent these parties believe that dealerships should not enter into or maintain subscription agreements with us, this belief could become shared by dealerships and we may lose a number of our paying dealers.

Furthermore, auto manufacturers may provide their franchise dealers with financial or other marketing support conditioned upon such dealers adhering to certain marketing guidelines. Auto manufacturers may determine that the manner in which certain of their franchise dealers use our marketplace is inconsistent with the terms of such marketing guidelines, which determination could result in potential or actual loss of the manufacturers' financial or other marketing support to the dealers whose use of our marketplace is deemed objectionable. The potential or actual loss of such marketing support may cause such dealers to cease paying for our paid features, which may adversely affect our ability to maintain or grow the number of our paying dealers.

Dealer closures or consolidations could reduce demand for our products, which may decrease our revenue.

In the past, the number of U.S. dealers has declined due to dealership closures and consolidations as a result of factors such as global economic downturns. When dealers consolidate, the services they previously purchased separately are often purchased by the combined entity in a lesser quantity or for a lower aggregate price than before, leading to volume compression and loss of revenue. Further dealership consolidations or closures could reduce the aggregate demand for our products and services. If dealership closures and consolidations occur in the future, our business, financial position and results of operations could be materially and adversely affected.

We rely on third-party service providers for many aspects of our business, and any failure to maintain these relationships could harm our business.

Our success will depend upon our relationships with third parties, including those with our payment processor and data center host, our security providers, our data providers for dealer inventory and vehicle information, our human resources information system provider, our billing subscription software provider, our customer relationship manager software provider, and our general ledger provider. If these third parties experience difficulty meeting our requirements or standards, or if the license agreements we have entered into with such third parties are terminated or not renewed, it could make it difficult for us to operate some aspects of our business, which could damage our business and reputation. In addition, if such third-party service providers were to cease operations, temporarily or permanently, face financial distress or other business disruptions, increase their fees, or if our relationships with these providers deteriorate, we could suffer increased costs and delays in our ability to provide consumers with content or provide similar services until an equivalent provider could be found or we could develop replacement technology or operations. In addition, if we are unsuccessful in identifying or finding high-quality partners, if we fail to negotiate cost-effective relationships with them, or if we ineffectively manage these relationships, it could have an adverse impact on our business and financial results.

If we continue to grow rapidly, we may not be able to manage our growth effectively.

We have experienced rapid growth in our headcount and operations, which places substantial demand on management and our operational infrastructure. As we continue to grow, we must effectively integrate, develop, and motivate a large number of new employees, while maintaining the beneficial aspects of our company culture. If we do not manage the growth of our business and operations effectively, the quality of our services and efficiency of our operations could suffer, which could harm our brand, results of operations, and overall business.

We depend on key personnel to operate our business, and if we are unable to retain, attract and integrate qualified personnel, our ability to develop and successfully grow our business could be harmed.

We believe our success has depended, and continues to depend, on the efforts and talents of our executives and employees. Our future success depends on our continuing ability to attract, develop, motivate, and retain highly qualified and skilled employees. Qualified individuals are in high demand, and we may incur significant costs to attract and retain them. In addition, the loss of any of our executive officers or key employees could materially adversely affect our ability to execute our business plan and strategy, and we may not be able to find adequate replacements on a timely basis, or at all. Our executive officers and other employees are at-will employees, which means they may terminate their employment relationships with us at any time, and their knowledge of our business and industry would be extremely difficult to replace. We cannot ensure that we will be able to retain the services of any members of our senior management or other key employees. If we do not succeed in attracting well-qualified employees or retaining and motivating existing employees, our business could be materially and adversely affected.

If we are unable to successfully respond to changes in the market, our business could be harmed.

While our business has grown rapidly as consumers and dealers have increasingly accessed our marketplace, we expect that our business will evolve in ways which may be difficult to predict. For example, we anticipate that over time we may reach a point when investments in new user traffic are less productive and the continued growth of our revenue will require more focus on developing new products for consumers and dealers, expanding our marketplaces into new international markets to attract new consumers and dealers, and increasing our fees for our products. It is also possible that consumers and dealers could broadly determine that they no longer believe in the value of our marketplace. Our continued success will depend on our ability to successfully adjust our strategy to meet the changing market dynamics. If we are unable to do so, our business could be harmed and our results of operations and financial condition could be materially and adversely affected.

We may in the future be subject to disputes regarding the accuracy of Instant Market Value, Deal Rating, Dealer Rating, and other features of our marketplace.

We provide consumers using our marketplace with our proprietary Instant Market Value, or IMV, Deal Rating, Dealer Rating, and other features to help them evaluate vehicle listings. Revisions to our automated valuation models, or the algorithms that underlie them, may cause the IMV, Deal Rating, or other features to vary from our expectations regarding the accuracy of these tools. In addition, from time to time, consumers and regulators question or disagree with our IMV, Deal Rating, or Dealer Ratings. Any such questions or disagreements could result in distraction from our business or potentially harm our reputation and could result in a decline in consumers' use of our marketplace or could result in legal disputes.

We are subject to a complex framework of federal, state, and foreign laws and regulations, many of which are unsettled, still developing and contradictory, which have in the past, and could in the future, subject us to claims, challenge our business model, or otherwise harm our business.

Various aspects of our business are, may become, or may be viewed by regulators from time to time as subject, directly or indirectly, to United States federal and state laws and regulations, and to foreign laws and regulations. Failure to comply with such laws or regulations may result in the suspension or termination of our ability to do business in affected jurisdictions, the imposition of significant civil and criminal penalties, including fines or the award of significant damages against us and dealers in class action or other civil litigation, or orders requiring us to make adjustments to our marketplace and related products and services.

State Motor Vehicle Sales, Advertising and Brokering, and Consumer Protection Laws

The advertising and sale of new or used motor vehicles is highly regulated by the states in which we do business. Although we do not sell motor vehicles, and although we believe that vehicle listings on our site are not themselves advertisements, state regulatory authorities or third parties could take the position that some of the laws or regulations applicable to dealers or to the manner in which motor vehicles are advertised and sold generally are directly applicable to our business. These state advertising laws and regulations are frequently subject to multiple interpretations and are not uniform from state to state, sometimes imposing inconsistent requirements with respect to new or used motor vehicles. If our marketplace and related products are determined to not comply with relevant regulatory requirements, we or dealers could be subject to significant civil and criminal penalties, including fines, or the award of significant damages in class actions or other civil litigation, as well as orders interfering with our ability to continue providing our marketplace and related products and services in certain states. In addition, even absent such a determination, to the extent dealers are uncertain about the applicability of such laws and regulations to our business, we may lose, or have difficulty increasing the number of paying dealers, which would affect our future growth. For example, in April 2015 the Texas Department of Motor Vehicles, or the TX DMV, notified us that it believed the Price History and IMV information on our website violated the prohibition on advertising savings clauses on used vehicles. The TX DMV gave us 30 days to rectify the issue before it would potentially subject dealers it considered to be advertising on our website to fines. After discussions with the TX DMV, we modified our website to remove the Price History and certain references and comparisons to IMV for used vehicles listed on our website that are for sale in Texas.

If state regulators or other third parties take the position in the future that our marketplace or related products violate applicable brokering, bird-dog, consumer protection, or advertising laws or regulations, responding to such allegations could be costly, could require us to pay significant sums in settlements, could require us to pay civil and criminal penalties, including fines, could interfere with our ability to continue providing our marketplace and related products in certain states, or could require us to make adjustments to our marketplace and related products or the manner in which we derive revenue from dealers using our marketplace, any or all of which could result in substantial adverse publicity, termination of subscriptions by dealers, decreased revenues, distraction for our employees, increased expenses, and decreased profitability.

Federal Laws and Regulations

The Federal Trade Commission, or the FTC, has the authority to take actions to remedy or prevent acts or practices that it considers to be unfair or deceptive and that affect commerce in the United States. If the FTC takes the position in the future that any aspect of our business, including our advertising and privacy practices, constitutes an unfair or deceptive act or practice, responding

to such allegations could require us to defend our practices and pay significant damages, settlements, and civil penalties, or could require us to make adjustments to our marketplace and related products and services, any or all of which could result in substantial adverse publicity, distraction for our employees, loss of participating dealers, lost revenues, increased expenses, and decreased profitability.

Our website and mobile application enable us, dealers, and users to send and receive text messages and other mobile phone communications in certain circumstances. The Telephone Consumer Protection Act, or the TCPA, as interpreted and implemented by the Federal Communications Commission, or the FCC, and federal and state courts, imposes significant restrictions on utilization of telephone calls and text messages to residential and mobile telephone numbers as a means of communication, particularly when the prior express consent of the person being contacted has not been obtained. Violations of the TCPA may be enforced by the FCC, by state attorneys general, or by others through litigation, including class actions. Statutory penalties for TCPA violations range from $500 to $1,500 per violation, which is often interpreted to mean per phone call or text message. Furthermore, several provisions of the TCPA, as well as applicable rules and orders, are open to multiple interpretations, and compliance involves fact-specific analyses.

Any failure by us, or the third parties on which we rely, to adhere to, or successfully implement, appropriate processes and procedures in response to existing or future laws and regulations could result in legal and monetary liability, fines and penalties, or damage to our reputation in the marketplace, any of which could have a material adverse effect on our business, financial condition, and results of operations. Even if the claims are meritless, we may be required to expend resources and pay costs to defend against regulatory actions or third-party claims. Additionally, any changes to the TCPA or its interpretation that further restrict the way users and dealers interact through our website and mobile application, or any governmental or private enforcement actions related thereto, could adversely affect our ability to attract customers and could harm our business, financial condition, results of operations, and cash flows.

Federal Antitrust Laws

The antitrust laws prohibit, among other things, any joint conduct among competitors that would lessen competition in the marketplace. We believe that we are in compliance with the legal requirements imposed by the antitrust laws. However, a governmental or private civil action alleging the improper exchange of information, or unlawful participation in price maintenance or other unlawful or anticompetitive activity, even if unfounded, could be costly to defend and could harm our business, results of operations, financial condition, or cash flows.

Other

Claims could be made against us under both United States and foreign laws, including claims for defamation, libel, invasion of privacy, copyright or trademark infringement, or claims based on other theories related to the nature and content of the materials disseminated by users of our marketplace and the "Questions" section of our website. In addition, domestic and foreign legislation has been proposed that could prohibit or impose liability for the transmission over the Internet of certain types of information. Our defense against any of these actions could be costly and involve significant time and attention of our management and other resources. If we become liable for information provided by our users and transmitted in our marketplace in any jurisdiction in which we operate, we could be directly harmed and we may be forced to implement new measures to reduce our exposure to this liability.

The foregoing description of laws and regulations to which we are or may be subject is not exhaustive, and the regulatory framework governing our operations is subject to continuous change. As we expand our operations internationally, we are and will continue to be exposed to legal and regulatory risks including with respect to privacy, tax, law enforcement, content, intellectual property, and other matters. The enactment of new laws and regulations or the interpretation of existing laws and regulations, both domestically and internationally, in an unfavorable way may affect the operation of our business, directly or indirectly, which could result in substantial regulatory compliance costs, civil or criminal penalties, including fines, adverse publicity, loss of participating dealers, lost revenues, increased expenses, and decreased profitability. Further, investigations by governmental agencies, including the FTC, into allegedly anticompetitive, unfair, deceptive or other business practices by us or dealers using our marketplace, could cause us to incur additional expenses and, if adversely concluded, could result in substantial civil or criminal penalties and significant legal liability, or orders requiring us to make adjustments to our marketplace and related products and services.

Our business is subject to risks related to the larger automotive industry ecosystem, including consumer demand, global supply chain challenges, and other macroeconomic issues.

Decreases in consumer demand could adversely affect the market for automobile purchases and, as a result, reduce the number of consumers using our platform. Consumer purchases of new and used automobiles generally decline during recessionary periods and other periods in which disposable income is adversely affected. Purchases of new and used automobiles are typically discretionary for consumers and have been, and may continue to be, affected by negative trends in the economy, including the cost of energy and gasoline, the availability and cost of credit, reductions in business and consumer confidence, stock market volatility, and increased unemployment. Further, in recent years the market for motor vehicles has experienced rapid changes in technology and consumer demands. Self-driving technology, ride sharing, transportation networks, and other fundamental changes in transportation could impact consumer demand for the purchase of automobiles. A reduction in the number of automobiles purchased by consumers could adversely affect dealers and car manufacturers and lead to a reduction in other spending by these constituents, including targeted incentive programs. In addition, our business may be negatively affected by challenges to the larger automotive industry ecosystem, including global supply chain challenges and other macroeconomic issues. The foregoing could have a material adverse effect on our business, results of operations, and financial condition.

Our dedication to making decisions based primarily on the best interests of our marketplace may cause us to forgo short-term gains in pursuit of potential but uncertain long-term growth.

Our guiding principle is to build our business by making decisions based primarily upon the best interests of our entire marketplace, including consumers, dealers, and other constituents, which we believe has been essential to our success in increasing our user growth rate and engagement and has served the long-term interests of our company and our stockholders. In the past, we have forgone, and we will in the future continue to forgo, certain expansion or short term revenue opportunities that we do not believe are in the best interests of our marketplace and its users, even if such decisions negatively impact our results of operations in the short term. For example, we have begun to manage the text-chat feature of our website where consumers can message paying dealers. Our management of this feature has helped improve dealer response times to consumers, which in turn improves the consumer experience. While our management of this feature provides value to both consumers and paying dealers and could be a potential source of short-term revenue for us, we are not charging for this feature and are instead focusing on the potential long-term value of this feature to our marketplace and its users. However, this strategy

may not result in the long-term benefits that we expect, in which case our user traffic and engagement, business, and financial results could be harmed.

A significant disruption in service on our website or our mobile application could damage our reputation and result in a loss of consumers, which could harm our business, brand, operating results, and financial condition.

Our brand, reputation, and ability to attract consumers, dealers, and advertisers depend on the reliable performance of our technology infrastructure and content delivery. We may experience significant interruptions with our systems in the future. Interruptions in these systems, whether due to system failures, computer viruses, ransomware, or physical or electronic break-ins, could affect the security or availability of our marketplace on our website and mobile application, and prevent or inhibit the ability of consumers to access our marketplace. For example, past disruptions have impacted our ability to activate customer accounts and manage our billing activities in a timely manner. Such interruptions could also result in third parties accessing our confidential and proprietary information, including our intellectual property. Problems with the reliability or security of our systems could harm our reputation, our ability to protect our confidential and proprietary information, result in a loss of consumers and dealers, and result in additional costs.

Substantially all of the communications, network, and computer hardware used to operate our website and mobile application is located in the United States in Boston, Massachusetts and Dallas, Texas, and in Europe in London, United Kingdom. Although we have two locations in the United States and we believe our systems are fully redundant, there may be exceptions for certain hardware. In addition, we do not own or control the operation of these facilities. We also use Amazon Web Services and Google Cloud Storage to back up our data. Our systems and operations are vulnerable to damage or interruption from fire, flood, power loss, telecommunications failure, terrorist attacks, acts of war, electronic and physical break-ins, computer viruses, earthquakes, and similar events. The occurrence of any of these events could result in damage to our systems and hardware or could cause them to fail. In addition, we may not have sufficient protection or recovery plans in certain circumstances.

Problems faced by our third-party web hosting providers could adversely affect the experience of consumers using our marketplace. Our third-party web hosting providers could close their facilities without adequate notice. Any financial difficulties, up to and including bankruptcy, faced by our third-party web hosting providers or any of the service providers with whom they contract may have negative effects on our business, the nature and extent of which are difficult to predict. If our third-party web hosting providers are unable to keep up with our growing capacity needs, our business could be harmed.

Any errors, defects, disruptions, or other performance or reliability problems with our network operations could cause interruptions in access to our marketplace as well as delays and additional expense in arranging new facilities and services and could harm our reputation, business, operating results, and financial condition.

Although we carry business interruption insurance, it may not be sufficient to compensate us for the potentially significant losses, including the potential harm to the future growth of our business that may result from interruptions in our service as a result of system failures.

We collect, process, store, share, disclose, and use consumer information and other data, and our actual or perceived failure to protect such information and data or respect users' privacy could damage our reputation and brand and harm our business and operating results.

Use of some functions of our marketplace involves the storage and transmission of consumers' information, some of which may be private, and security breaches could expose us to a

risk of loss or exposure of this information, which could result in potential liability, litigation, and remediation costs. For example, hackers could steal our users' profile passwords, names, email addresses, phone numbers, and zip codes. We also rely on encryption and authentication technology licensed from third parties to effect secure transmission of such information. Like all information systems and technology, our website, mobile application, and information systems may be subject to computer viruses, break-ins, phishing attacks, attempts to overload our servers with denial-of-service or other attacks, ransomware, and similar incidents or disruptions from unauthorized use of our computer systems, any of which could lead to interruptions, delays, or website shutdowns, or could cause loss of critical data or the unauthorized disclosure, access, acquisition, alteration, or use of personal or other confidential information. If we experience compromises to our security that result in website or mobile application performance or availability problems, the complete shutdown of our website or mobile application, or the loss or unauthorized disclosure, access, acquisition, alteration, or use of confidential information, consumers and advertisers may lose trust and confidence in us, and consumers may decrease the use of our website or stop using our website entirely, and advertisers may decrease or stop advertising on our website. Further, outside parties may attempt to fraudulently induce employees, consumers, or advertisers to disclose sensitive information in order to gain access to our information or our consumers' or advertisers' information. Because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently, often are not recognized until launched against a target, and may originate from less regulated and remote areas around the world, we may be unable to proactively address these techniques or to implement adequate preventative measures.

Any or all of the issues above could negatively impact our ability to attract new consumers and increase engagement by existing consumers, cause existing consumers to curtail or stop use of our marketplace or close their accounts, cause existing advertisers to cancel their contracts, or subject us to governmental or third-party lawsuits, investigations, regulatory fines or other actions or liability, thereby harming our business, results of operations, and financial condition.

There are numerous federal, state, and local laws in the United States and around the world regarding privacy and the collection, processing, storing, sharing, disclosing, using, cross-border transfer, and protecting of personal information and other data, the scope of which are changing, subject to differing interpretations, and which may be costly to comply with, may result in regulatory fines or penalties, and may be inconsistent between countries and jurisdictions or conflict with other rules.

We seek to comply with industry standards and are subject to the terms of our privacy policies and privacy-related obligations to third parties. We strive to comply with all applicable laws, policies, legal obligations, and industry codes of conduct relating to privacy and data protection, to the extent possible. However, it is possible that these obligations may be interpreted and applied in new ways or in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or our practices or that new regulations could be enacted. Any failure or perceived failure by us to comply with our privacy policies, our privacy-related obligations to consumers or other third parties, or our privacy-related legal obligations, or any compromise of security that results in the unauthorized release or transfer of sensitive information, which could include personally identifiable information or other user data, may result in governmental investigations, enforcement actions, regulatory fines, litigation or public statements against us by consumer advocacy groups or others, and could cause consumers and dealers to lose trust in us, which could have an adverse effect on our business. Additionally, if third parties that we work with violate applicable laws or our policies, such violations may also put consumer or dealer information at risk and could in turn harm our reputation, business, and operating results.

We may in the future be subject to intellectual property disputes, which are costly to defend and could harm our business and operating results.

We may from time to time face allegations that we have infringed the trademarks, copyrights, patents, and other intellectual property rights of third parties, including from our competitors or non-practicing entities, or may learn of possible infringement to our trademarks, copyrights, patents, and other intellectual property. We could also be subject to lawsuits where consumers and dealers posting content on the "Questions" section of our website disseminate materials that infringe the intellectual property rights of third parties. We have encountered lawsuits in the past containing allegations of intellectual property infringement. For example, in December 2015, Trader Corporation, or Trader, alleged that we infringed its copyright in 196,740 photos of cars that were uploaded onto our Canadian website. Trader sought statutory and punitive damages of approximately CAD$ 99 million along with a permanent injunction prohibiting us from reproducing any other photos in which Trader owns copyright without Trader's consent. On April 6, 2017, the Commercial List of the Ontario Superior Court, or the Commercial List, granted an order declaring that we infringed Trader's copyright in 152,532 photos and awarded Trader statutory damages of CAD$ 305,064 in the aggregate, but dismissed Trader's claim for punitive damages and a permanent injunction. Following release of the decision, the parties agreed that there would be no legal fees or interest payable. In addition, the parties agreed that neither would appeal the decision of the Commercial List.

Patent and other intellectual property litigation may be protracted and expensive, and the results are difficult to predict and may require us to stop offering some features, purchase licenses, or modify our marketplace and features while we develop non-infringing substitutes or may result in significant settlement costs.

In addition, we use open source software in our marketplace platform and will use open source software in the future. From time to time, we may face claims from companies that incorporate open source software into their products, claiming ownership of, or demanding release of, the source code, the open source software, or derivative works that were developed using such software, or otherwise seeking to enforce the terms of the applicable open source license. These claims could also result in litigation, require us to purchase a costly license or require us to devote additional product, technology, and development resources to change our platform or services, any of which would have a negative effect on our business and operating results.

Even if these matters do not result in litigation or are resolved in our favor or without significant cash settlements, these matters, and the time and resources necessary to litigate or resolve them, could harm our business, our operating results, and our reputation.

Failure to adequately protect our intellectual property could harm our business and operating results.

Our business depends on our intellectual property, the protection of which is crucial to the success of our business. We rely on a combination of patent, trademark, trade secret, and copyright law and contractual restrictions to protect our intellectual property. In addition, we attempt to protect our intellectual property, technology, and confidential information by requiring our employees and consultants to enter into confidentiality and assignment of inventions agreements and third parties to enter into nondisclosure agreements as we deem appropriate. Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy aspects of our website features, software, and functionality or obtain and use information that we consider proprietary.

Competitors may adopt service names similar to ours, thereby harming our ability to build brand identity and possibly lead to user confusion. In addition, there could be potential trade name

or trademark infringement claims brought by owners of other registered trademarks, or trademarks that incorporate variations of the term "CarGurus." If we are restricted in any way in registering our CARGURUS mark in the United Kingdom or elsewhere in the European Union, it would impact our ability to establish and grow our business in Europe. For example, O2 Holdings Limited (now O2 Worldwide Limited, which we refer to as O2 Worldwide), based in the United Kingdom, previously opposed our UK application to register the mark CARGURUS based on its prior registered rights for the mark GURU in the United Kingdom. We have reached an agreement with O2 Worldwide that provides that we are permitted to continue to use our CARGURUS mark in the United Kingdom and the European Union for our services in the automotive field in the manner we have to date, and to register such mark in the United Kingdom and the European Union for such services.

We currently hold the "CarGurus.com" Internet domain name and various other related domain names. The regulation of domain names is subject to change. Regulatory bodies could establish additional top-level domains, appoint additional domain name registrars, or modify the requirements for holding domain names. As a result, we may not be able to acquire or maintain all domain names that use the name CarGurus.

We may acquire other companies or technologies, which could divert our management's attention, result in additional dilution to our stockholders, and otherwise disrupt our operations and harm our operating results.

Our success will depend, in part, on our ability to grow our business in response to the demands of consumers, dealers, and other constituents within the automotive industry as well as competitive pressures. In some circumstances, we may determine to do so through the acquisition of complementary businesses and technologies rather than through internal development. The identification of suitable acquisition candidates can be difficult, time-consuming, and costly, and we may not be able to successfully complete identified acquisitions. The risks we face in connection with acquisitions include:

- diversion of management time and focus from operating our business to addressing acquisition integration challenges;
- coordination of technology, research, and development, and sales and marketing functions;
- transition of the acquired company's consumers and data to our marketplace and products;
- retention of employees from the acquired company;
- cultural challenges associated with integrating employees from the acquired company into our organization;
- integration of the acquired company's accounting, management information, human resources, and other administrative systems;
- the need to implement or improve controls, procedures, and policies at a business that prior to the acquisition may have lacked effective controls, procedures, and policies;
- potential write-offs of intangibles or other assets acquired in such transactions that may have an adverse effect on our operating results in a given period;
- potential liabilities for activities of the acquired company before the acquisition, including patent and trademark infringement claims, violations of laws, commercial disputes, tax liabilities, and other known and unknown liabilities; and
- litigation or other claims in connection with the acquired company, including claims from terminated employees, consumers, former stockholders, or other third parties.

Our failure to address these risks or other problems encountered in connection with future acquisitions and investments could cause us to fail to realize the anticipated benefits of these acquisitions or investments, cause us to incur unanticipated liabilities, and harm our business generally. Future acquisitions could also result in dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities, amortization expense, or impairment charges associated with acquired intangible assets or goodwill, any of which could harm our financial condition. Also, the anticipated benefits of any acquisitions may not materialize.

Confidentiality agreements with employees and others may not adequately prevent disclosure of trade secrets and other proprietary information.

In order to protect our technologies and processes, we rely in part on confidentiality agreements with our employees, independent contractors, and other advisors. These agreements may not effectively prevent disclosure of confidential information, including trade secrets, and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. In addition, others may independently discover our trade secrets and proprietary information, and in such cases we may not be able to assert our trade secret rights against such parties. To the extent that our employees, contractors, or other third parties with whom we do business use intellectual property owned by others in their work for us, disputes may arise as to the rights to related or resulting know-how and inventions. The loss of confidential information or intellectual property rights, including trade secret protection, could make it easier for third parties to compete with our products. In addition, any changes in, or unexpected interpretations of, intellectual property laws may compromise our ability to enforce our trade secret and intellectual property rights. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain protection of our trade secrets or other proprietary information could harm our business, results of operations, reputation, and competitive position.

We may be unable to halt the operations of websites that aggregate or misappropriate our data.

From time to time, third parties may misappropriate our data through website scraping, robots, or other means and aggregate this data on their websites with data from other companies. In addition, copycat websites may misappropriate data in our marketplace and attempt to imitate our brand or the functionality of our website. If we become aware of such websites, we intend to employ technological or legal measures in an attempt to halt their operations. However, we may be unable to detect all such websites in a timely manner and, even if we could, technological and legal measures may be insufficient to halt their operations. In some cases, particularly in the case of websites operating outside of the United States, our available remedies may not be adequate to protect us against the impact of the operation of such websites. Regardless of whether we can successfully enforce our rights against the operators of these websites, any measures that we may take could require us to expend significant financial or other resources, which could harm our business, results of operations, or financial condition. In addition, to the extent that such activity creates confusion among consumers or advertisers, our brand and business could be harmed.

We have incurred operating losses in the past and we may generate losses in the future.

We have incurred net operating losses in the past. Although we did not experience such losses in 2016 and have experienced significant growth in revenue, our revenue growth rate may decline in the future as a result of a variety of factors. Our international expansion may cause our costs to increase in future periods as we continue to expend substantial financial resources to enter into those markets. Our costs may also increase due to our continued new product development and general administrative expenses, such as legal and accounting expenses related to being a

public company. If we fail to increase our revenue or manage these additional costs, we may incur losses in the future.

Complying with the laws and regulations affecting public companies has increased and will continue to increase our costs and the demands on management and could harm our operating results.

Throughout the process of becoming a public company, and then operating as a public company, we expect to incur significant legal, accounting, and other expenses that we did not incur as a private company and these expenses will increase after we cease to be an "emerging growth company." In addition, the Sarbanes-Oxley Act and rules subsequently implemented by the Securities and Exchange Commission, or the SEC, and NASDAQ impose various requirements on public companies, including requiring changes in corporate governance practices. Our management and other personnel expect to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations have increased and will continue to increase our legal, accounting, and financial compliance costs and have made and will continue to make some activities more time consuming and costly. For example, these rules and regulations make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or to incur substantial costs to maintain the same or similar coverage. These rules and regulations could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors or our board committees or as executive officers.

In addition, the Sarbanes-Oxley Act requires, among other things, that we assess the effectiveness of our internal control over financial reporting annually and the effectiveness of our disclosure controls and procedures quarterly. In particular, beginning with the year ending December 31, 2018, we will need to perform system and process evaluation and testing of our internal control over financial reporting to allow management to report on, and our independent registered public accounting firm potentially to attest to, the effectiveness of our internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act, or Section 404. As an "emerging growth company" we may elect to avail ourselves of the exemption from the requirement that our independent registered public accounting firm attest to the effectiveness of our internal control over financial reporting under Section 404. However, we may no longer avail ourselves of this exemption when we cease to be an "emerging growth company" and, when our independent registered public accounting firm is required to undertake an assessment of our internal control over financial reporting, the cost of our compliance with Section 404 will correspondingly increase. Our compliance with applicable provisions of Section 404 will require that we incur substantial accounting expense and expend significant management time on compliance-related issues as we implement additional corporate governance practices and comply with reporting requirements.

Any failure of our internal control over financial reporting could have a material adverse effect on our stated operating results and harm our reputation.

If we are not able to comply with the requirements of Section 404 applicable to us in a timely manner, or if we or our independent registered public accounting firm identifies deficiencies in our internal control over financial reporting that are deemed to be material weaknesses, the market price of our stock could decline and we could be subject to sanctions or investigations by the SEC, or other regulatory authorities, which would require additional financial and management resources. Furthermore, investor perceptions of our company may suffer if, in the future, material weaknesses are found, and this could cause a decline in the market price of our stock.

Irrespective of compliance with Section 404, any failure of our internal control over financial reporting could have a material adverse effect on our stated operating results and harm our reputation. If we are unable to implement these changes effectively or efficiently, it could harm our operations, financial reporting, or financial results and could result in an adverse opinion on internal control from our independent registered public accounting firm.

Seasonality may cause fluctuations in our operating results.

Across the retail automotive industry, consumer purchases typically increase through the first three quarters of each year, due in part to the introduction of new vehicle models from manufacturers, and our consumer marketing spend grows accordingly. As consumer purchases slow in the fourth quarter, our marketing spend growth also slows. This seasonality has not been immediately apparent historically due to the overall growth of other operating expenses. As our growth rates begin to moderate, the impact of these seasonality trends on our results of operations could become more pronounced.

We expect our results of operations to fluctuate on a quarterly and annual basis.

Our revenue and results of operations could vary significantly from period to period and may fail to match expectations as a result of a variety of factors, some of which are outside of our control. Our results may vary as a result of fluctuations in the number of dealers subscribing to our marketplace and the size and seasonal variability of our advertisers' marketing budgets. As a result of the potential variations in our revenue and results of operations, period-to-period comparisons may not be meaningful and the results of any one period should not be relied on as an indication of future performance. In addition, our results of operations may not meet the expectations of investors or public market analysts who follow us, which may adversely affect our stock price.

We may require additional capital to pursue our business objectives and respond to business opportunities, challenges, or unforeseen circumstances. If capital is not available to us, our business, operating results, and financial condition may be harmed.

Although we have not needed to raise substantial equity in the past to support the growth of our business, we intend to continue to make investments to support our growth and may require additional capital to pursue our business objectives and respond to business opportunities, challenges, or unforeseen circumstances, including to increase our marketing expenditures to improve our brand awareness, develop new products, or further improve our marketplace and existing products, enhance our operating infrastructure, and acquire complementary businesses and technologies. Accordingly, we may need to engage in equity or debt financings to secure additional funds. However, additional funds may not be available when we need them, on terms that are acceptable to us, or at all. Volatility in the credit markets may also have an adverse effect on our ability to obtain debt financing.

If we raise additional funds through further issuances of equity or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences, and privileges superior to those of holders of our Class A common stock. If we are unable to obtain adequate financing or financing on terms satisfactory to us, when we require it, our ability to continue to pursue our business objectives and to respond to business opportunities, challenges, or unforeseen circumstances could be significantly limited, and our business, operating results, financial condition, and prospects could be adversely affected.

Risks Related to this Offering and Our Class A Common Stock

Following this offering, our founder will control a majority of the voting power of our outstanding capital stock, and, therefore, will have control over key decision-making and could control our actions in a manner that conflicts with the interests of other stockholders.

Langley Steinert, our founder, Chief Executive Officer, President, and Chairman, is able to exercise voting rights with respect to a majority of the voting power of our outstanding capital stock and therefore has the ability to control the outcome of matters submitted to our stockholders for approval, including the election of directors and any merger, consolidation, or sale of all or substantially all of our assets. This concentrated control could delay, defer, or prevent a change of control, merger, consolidation, or sale of all or substantially all of our assets that our other stockholders support, or conversely this concentrated control could result in the consummation of such a transaction that our other stockholders do not support. This concentrated control could also discourage a potential investor from acquiring our Class A common stock, which has limited voting power relative to the Class B common stock, and might harm the trading price of our Class A common stock. In addition, Mr. Steinert has the ability to control the management and major strategic investments of our company as a result of his positions as our Chief Executive Officer, President, and Chairman, and his ability to control the election or replacement of our directors. As a board member and officer, Mr. Steinert owes a fiduciary duty to our stockholders and must act in good faith in a manner he reasonably believes to be in the best interests of our stockholders. As a stockholder, even a controlling stockholder, Mr. Steinert is entitled to vote his shares in his own interests, which may not always be aligned with the interests of our other stockholders.

We believe that Mr. Steinert's continued control of a majority of the voting power of our outstanding capital stock is beneficial to us and is in the best interests of our stockholders. In the event that Mr. Steinert no longer controls a majority of the voting power, whether as a result of the disposition of some or all his shares of Class A or Class B common stock, the conversion of the Class B common stock into Class A common stock in accordance with its terms, or otherwise, our business or the trading price of our Class A common stock may be adversely affected.

The multiple class structure of our common stock has the effect of concentrating voting control with our founder and certain other holders of our Class B common stock, which will limit or preclude your ability to influence corporate matters.

Our Class B common stock has ten votes per share and our Class A common stock has one vote per share. Stockholders who hold shares of Class B common stock, including certain of our executive officers, employees, and directors and their affiliates, together hold a substantial majority of the voting power of our outstanding capital stock. Because of the ten-to-one voting ratio between our Class B and Class A common stock, the holders of our Class B common stock collectively control a majority of the combined voting power of our common stock and therefore are able to control all matters submitted to our stockholders for approval so long as the shares of Class B common stock represent at least 9.1% of all outstanding shares of our Class A and Class B common stock. This concentrated control will limit or preclude your ability to influence corporate matters for the foreseeable future.

Transfers by holders of Class B common stock will generally result in those shares converting into Class A common stock, subject to limited exceptions, such as certain transfers effected for estate planning or charitable purposes. The conversion of Class B common stock into Class A common stock will have the effect, over time, of increasing the relative voting power of those holders of Class B common stock who retain their shares in the long term. If, for example, Mr. Steinert retains a significant portion of his holdings of Class B common stock for an extended

period of time, he could, in the future, continue to control a majority of the combined voting power of our outstanding capital stock.

An active trading market for our Class A common stock may not develop, and you may not be able to resell your shares at or above the initial public offering price.

Prior to this offering, there has been no public market for shares of our Class A common stock. Although we anticipate that our Class A common stock will be approved for listing on the NASDAQ Global Select Market, an active trading market for our shares may never develop or be sustained following this offering. The initial public offering price of our Class A common stock will be determined through negotiations between us and the underwriters. This initial public offering price may not be indicative of the market price of our Class A common stock after this offering. In the absence of an active trading market for our Class A common stock, investors may not be able to sell their Class A common stock at or above the initial public offering price or at the time that they would like to sell.

The price of our Class A common stock may be volatile and the value of your investment could decline.

The trading price of our Class A common stock may be volatile and fluctuate substantially. The trading price of our Class A common stock depends on a number of factors, including those described in this "Risk Factors" section, many of which are beyond our control and may not be related to our operating performance. These fluctuations could cause you to lose all or part of your investment in our Class A common stock since you might be unable to sell your shares at or above the price you paid in this offering. Factors that could cause fluctuations in the trading price of our Class A common stock include the following:

- price and volume fluctuations in the overall stock market from time to time;
- changes in operating performance and stock market valuations of other technology companies generally, or those in our industry in particular;
- sales of shares of our Class A common stock by us or our stockholders;
- failure of securities analysts to maintain coverage of us, changes in financial estimates by any securities analysts who follow our company, or our failure to meet these estimates or the expectations of investors;
- announcements by us or our competitors of new products;
- the public's reaction to our press releases, other public announcements, and filings with the SEC;
- rumors and market speculation involving us or other companies in our industry;
- actual or anticipated changes in our operating results or fluctuations in our operating results;
- actual or anticipated developments in our business, our competitors' businesses, or the competitive landscape generally;
- litigation involving us, our industry or both, or investigations by regulators into our operations or those of our competitors;
- developments or disputes concerning our intellectual property or other proprietary rights;
- announced or completed acquisitions of businesses or technologies by us or our competitors;

- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- changes in accounting standards, policies, guidelines, interpretations, or principles;
- any significant change in our management;
- conditions in the automobile industry; and
- general economic conditions and slow or negative growth of our markets.

The effect of such factors on the trading market for our Class A common stock may be enhanced by the lack of a large and established trading market for our Class A common stock. In addition, the stock market in general, and the market for technology companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies. Broad market and industry factors may seriously affect the market price of our Class A common stock, regardless of our actual operating performance. In addition, in the past, following periods of volatility in the overall market and the market prices of a particular company's securities, securities class action litigations have often been instituted against these companies. Litigation of this type, if instituted against us, could result in substantial costs and a diversion of our management's attention and resources.

Allen & Company LLC, one of the underwriters in this offering, has an interest in this offering beyond customary underwriting discounts and commissions due to its ownership interests, and the ownership interests of its associated persons, in our capital stock.

Allen & Company LLC, one of the underwriters in this offering, and its associated persons, own, in the aggregate, in excess of 10% of our outstanding preferred stock. Allen & Company LLC therefore is deemed to have a "conflict of interest" under Rule 5121 of the Financial Industry Regulatory Authority, Inc., or FINRA, which could expose us to certain risks in connection with this offering.

Rule 5121 requires that no sale be made to discretionary accounts by underwriters having a conflict of interest without the prior written approval of the account holder, and that a "qualified independent underwriter," as defined in Rule 5121, participate in the preparation of the registration statement and the prospectus for the offering and exercise the usual standard of due diligence with respect thereto, in addition to pricing this offering. Goldman Sachs & Co. LLC is serving as the qualified independent underwriter in this offering.

Although Goldman Sachs & Co. LLC has, in its capacity as qualified independent underwriter, participated in due diligence and reviewed and participated in the preparation of the registration statement of which this prospectus forms a part, and, although Allen & Company LLC will not confirm sales of the shares to any account over which it exercises discretionary authority without the prior written approval of the account holder, we cannot assure you that these measures will adequately address any potential conflicts of interest. See "Underwriting (Conflicts of Interest)."

Because the initial public offering price of our Class A common stock will be substantially higher than the pro forma net tangible book value per share of our outstanding Class A and Class B common stock following this offering, new investors will experience immediate and substantial dilution.

The initial public offering price of our Class A common stock will be substantially higher than the pro forma net tangible book value per share of our Class A and Class B common stock immediately following this offering based on the total value of our tangible assets less our total liabilities. Therefore, if you purchase shares of our Class A common stock in this offering, you will

experience immediate dilution of $ per share, the difference between the price per share you pay for our Class A common stock and its pro forma net tangible book value per share as of June 30, 2017, after giving effect to the issuance of shares of our Class A common stock in this offering. See "Dilution" for more information. Furthermore, investors purchasing shares of our Class A common stock in this offering will only own approximately % of our outstanding shares of Class A and Class B common stock (and have approximately % of the combined voting power of the outstanding shares of our Class A and Class B common stock), after the offering even though their aggregate investment will represent approximately % of the total consideration received by us in connection with all initial sales of shares of our capital stock outstanding as of June 30, 2017, after giving effect to the issuance of shares of our Class A common stock in this offering and shares of our Class A common stock to be sold by certain selling stockholders. To the extent outstanding options to purchase our Class A common stock or Class B common stock are exercised or additional restricted stock units for our Class A common stock or Class B common stock are settled, investors purchasing our Class A common stock in this offering will experience further dilution.

Sales of substantial amounts of our Class A common stock in the public markets, or the perception that such sales might occur, could depress the market price of our Class A common stock.

The market price for our Class A common stock could decline as a result of the sale of substantial amounts of our Class A common stock, particularly sales by our directors, executive officers, and significant stockholders, a large number of shares of our Class A common stock becoming available for sale, or the perception in the market that holders of a large number of shares intend to sell their shares. Based on shares outstanding at June 30, 2017, upon the closing of this offering we will have outstanding approximately shares of Class A common stock, including the shares of Class A common stock that we are selling in this offering, which may be resold in the public market immediately. The remaining shares, or % of our outstanding shares after this offering, are currently, and will be following the closing of this offering, restricted as a result of securities laws or lock-up agreements but will be able to be sold, subject to any applicable volume limitations, under federal securities laws with respect to affiliate sales. Our executive officers, directors, and the holders of substantially all of our capital stock and securities convertible into or exchangeable for our capital stock have entered into market standoff agreements with us or have entered into lock-up agreements with the underwriters under which they have agreed, subject to specific exceptions, not to sell, directly or indirectly, any shares of common stock without the permission of Goldman Sachs & Co. LLC for a period of 180 days following the date of this prospectus. We refer to such period as the lock-up period. When the lock-up period expires, we and our security holders subject to a lock-up agreement or market stand-off agreement will be able to sell our shares in the public market. In addition, Goldman Sachs & Co. LLC may, in its sole discretion, release all or some portion of the shares subject to lock-up agreements at any time and for any reason. See "Shares Eligible for Future Sale" for more information. Sales of a substantial number of such shares upon expiration of the lock-up and market stand-off agreements, the perception that such sales may occur, or early release of these agreements, could cause our market price to fall or make it more difficult for you to sell your Class A common stock at a time and price that you deem appropriate.

One hundred eighty days after the effective date of the registration statement of which this prospectus forms a part, the holders of 60,564,678 shares of our common stock will have rights, subject to some conditions, to require us to file registration statements covering their shares of Class A common stock or to include their shares in registration statements that we may file for ourselves or our stockholders.

In addition, the shares of Class A common stock subject to outstanding options and restricted stock units for Class A common stock under our equity incentive plans and the shares reserved for future issuance under our equity incentive plans will become eligible for sale in the public market in the future, subject to certain legal and contractual limitations. See "Shares Eligible for Future Sale" for a more detailed description of sales that may occur in the future.

If a substantial number of shares are sold, or if it is perceived that they will be sold, in the public market, before or after the expiration of the contractual lock-up period, the trading price of our Class A common stock could decline substantially.

Anti-takeover provisions contained in our certificate of incorporation and bylaws, as well as provisions of Delaware law, could impair a takeover attempt.

The provisions of our amended and restated certificate of incorporation and amended and restated bylaws to be effective on the closing of this offering, and provisions of Delaware law, may have the effect of rendering more difficult, delaying, or preventing an acquisition deemed undesirable by our board of directors. Our corporate governance documents to be effective on the closing of this offering will include provisions:

- creating a classified board of directors whose members serve staggered three year terms;
- authorizing "blank check" preferred stock, which may contain voting, liquidation, dividend, and other rights superior to our Class A common stock and which, from and after the date, referred to as the threshold date, on which the votes applicable to the Class A common stock and Class B common stock controlled by our founder, Chief Executive Officer, President, and Chairman, Langley Steinert, represent less than a majority of the aggregate votes applicable to all shares of the outstanding Class A common stock and Class B common stock, could be issued by our board of directors without stockholder approval;
- limiting the liability of, and providing indemnification to, our directors and officers;
- limiting the ability of our stockholders to call and bring business before special meetings;
- requiring advance notice of stockholder proposals for business to be conducted at meetings of our stockholders and for nominations of candidates for election to our board of directors;
- limiting the ability, from and after the threshold date, of stockholders to amend our amended and restated certificate of incorporation;
- limiting the ability, from and after the threshold date, of stockholders to fill vacant directorships and remove directors; and
- prohibiting cumulative voting by stockholders.

These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in our management.

As a Delaware corporation, we are also subject to provisions of Delaware law, including Section 203 of the Delaware General Corporation law, which prevents some stockholders holding more than 15% of our outstanding common stock from engaging in certain business combinations without approval of the holders of substantially all of our outstanding common stock.

Any provision of our amended and restated certificate of incorporation, amended and restated bylaws, or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our Class A common stock, and could also affect the price that some investors are willing to pay for our Class A common stock.

Our amended and restated certificate of incorporation that will become effective upon the closing of this offering will include a forum selection clause, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us.

Our amended and restated certificate of incorporation that will become effective upon the closing of this offering will provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will, to the fullest extent permitted by law, be the sole and exclusive forum for any stockholder to bring: (i) any derivative action or proceeding brought on behalf of us; (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees or agents to us or to our stockholders; (iii) any action asserting a claim against us arising pursuant to any provision of the Delaware General Corporation Law or our amended and restated certificate of incorporation or amended and restated bylaws; (iv) any action to interpret, apply, enforce or determine the validity of our amended and restated certificate of incorporation or our amended and restated bylaws; or (v) any action asserting a claim against us or any of our directors, officers, or other employees or agents governed by the internal affairs doctrine. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock is deemed to have notice of and consented to the foregoing provisions. This forum selection provision in our amended and restated certificate of incorporation may limit our stockholders' ability to obtain a favorable judicial forum for disputes with us. It is also possible that, notwithstanding the forum selection clause included in our certificate of incorporation, a court could rule that such a provision is inapplicable or unenforceable.

We may invest or spend the proceeds of this offering in ways with which you may not agree or in ways which may not yield a return.

The net proceeds from the sale of our shares of Class A common stock by us in this offering may be used for general corporate purposes, including working capital. We may also use a portion of the net proceeds to acquire complementary businesses, products, services, or technologies. However, we do not have any agreements or commitments for any acquisitions at this time. Our management will have considerable discretion in the application of the net proceeds, and you will not have the opportunity, as part of your investment decision, to assess whether the proceeds are being used appropriately. The net proceeds may be invested with a view towards long-term benefits for our stockholders and this may not increase our operating results or market value. Until the net proceeds are used, they may be placed in investments that do not produce significant income or that may lose value.

If securities or industry analysts do not publish, or cease publishing, research or reports about us, our business or our market, or if they change their recommendations regarding our stock adversely, our stock price and trading volume could decline.

The trading market for our Class A common stock is influenced by the research and reports that industry or securities analysts may publish about us, our business, our market, or our competitors. If any of the analysts who may cover us change their recommendation regarding our stock adversely, or provide more favorable relative recommendations about our competitors, our stock price would likely decline. If any analyst who may cover us were to cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline.

We do not intend to pay cash dividends for the foreseeable future.

We have never declared or paid cash dividends on our capital stock. We currently intend to retain any future earnings to finance the operation and expansion of our business, and we do not expect to declare or pay any cash dividends in the foreseeable future. As a result, you may only

receive a return on your investment in our Class A common stock if the trading price of your shares increases.

Our status as a "controlled company" could make our Class A common stock less attractive to some investors or otherwise harm our stock price.

Upon the closing of this offering, more than 50% of our voting power will be held by Langley Steinert. As a result, we will be a "controlled company" under the corporate governance rules for NASDAQ-listed companies. Under these rules, a company of which more than 50% of the voting power is held by an individual, a group or another company is a "controlled company" and may elect not to comply with certain NASDAQ corporate governance requirements, including

- the requirement that a majority of our board of directors consist of "independent directors" as defined under the rules of NASDAQ;
- the requirement that we have a compensation committee that is composed entirely of directors meeting NASDAQ independence standards applicable to compensation committee members with a written charter addressing the committee's purpose and responsibilities;
- the requirement that our compensation committee be responsible for the hiring and overseeing of persons acting as compensation consultants and be required to consider certain independence factors when engaging such persons; and
- the requirement that director nominees either be selected, or recommended for board of directors' selection, either by "independent directors" as defined under the rules of NASDAQ constituting a majority of the board of director's "independent directors" in a vote in which only "independent directors" participate, or by a nominations committee comprised solely of "independent directors."

Following the closing of this offering, we may rely on certain of these exemptions. Accordingly, should the interests of our controlling stockholder differ from those of other stockholders, the other stockholders may not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance rules for NASDAQ-listed companies. Our status as a controlled company could make our Class A common stock less attractive to some investors or otherwise harm our stock price.

We are an "emerging growth company," and the reduced disclosure requirements applicable to emerging growth companies may make our Class A common stock less attractive to investors.

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, and may remain an emerging growth company for up to five years. For so long as we remain an emerging growth company, we are permitted and intend to rely on exemptions from some disclosure requirements that are applicable to other public companies that are not emerging growth companies. These exemptions include:

- being permitted to provide only two years of audited financial statements, in addition to any required unaudited interim financial statements, with correspondingly reduced "Management's Discussion and Analysis of Financial Condition and Results of Operations" disclosure;
- not being required to comply with the auditor attestation requirements in the assessment of our internal control over financial reporting;
- not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a

supplement to the auditor's report providing additional information about the audit and the financial statements;

- reduced disclosure obligations regarding executive compensation; and
- exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

We have taken advantage of reduced reporting burdens in this prospectus. In particular, in this prospectus we have provided only two years of audited financial statements and have not included all of the executive compensation-related information that would be required if we were not an emerging growth company. We cannot predict whether investors will find our Class A common stock less attractive if we rely on these exemptions. If some investors find our Class A common stock less attractive as a result, there may be a less active trading market for our Class A common stock and our stock price may be more volatile. In addition, the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. This allows an emerging growth company to delay the adoption of these accounting standards until they would otherwise apply to private companies. We have elected to avail ourselves of this exemption and, therefore, while we are an emerging growth company we will not be subject to new or revised accounting standards at the same time that they become applicable to other public companies that are not emerging growth companies.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS AND INDUSTRY AND MARKET DATA

This prospectus contains forward-looking statements within the meaning of the federal securities laws, which statements involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases you can identify forward-looking statements because they contain words such as "anticipates," "believes," "could," "estimates," "expects," "intends," "may," "might," "likely," "plans," "potential," "predicts," "projects," "seeks," "should," "target," "will," "would," or similar expressions and the negatives of those terms. Forward-looking statements contained in this prospectus include, but are not limited to, statements about:

- our future financial performance, including our expectations regarding our revenue, cost of revenue, gross profit or gross margin, operating expenses, ability to generate cash flow, and ability to achieve, and maintain, future profitability;
- our ability to attract and retain consumers and dealers using our marketplace;
- our ability to develop new and enhanced products and services to attract and retain consumers and dealers, and our ability to successfully monetize them;
- our anticipated growth and growth strategies and our ability to effectively manage that growth;
- our ability to maintain and build our brand;
- our reliance on our third-party data providers;
- our ability to expand internationally;
- the impact of competition in our industry and innovation by our competitors;
- our ability to hire and retain necessary qualified employees to expand our operations;
- our ability to adequately protect our intellectual property;
- our ability to stay abreast of new or modified laws and regulations that currently apply or become applicable to our business;
- the increased expenses and administrative workload associated with being a public company;
- failure to maintain an effective system of internal controls necessary to accurately report our financial results and prevent fraud; and
- the future trading prices of our Class A common stock.

We caution you that the foregoing list may not contain all of the forward-looking statements made in this prospectus.

You should not rely upon forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this prospectus primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, operating results, and growth prospects. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties, and other factors described in the section titled "Risk Factors" and elsewhere in this prospectus. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this prospectus. Further, our

forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, or investments we may make. We cannot assure you that the results, events, and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results, events, or circumstances could differ materially from those described in the forward-looking statements.

The forward-looking statements made in this prospectus relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this prospectus to reflect events or circumstances after the date of this prospectus or to reflect new information or the occurrence of unanticipated events, except as required by law.

This prospectus also contains estimates and other statistical data, including those relating to our industry and the market in which we operate, that we have obtained or derived from industry publications and reports, including reports from comScore, Borrell Associates, and publicly available information. We rely on Google Analytics for data relating to our own key business metrics and, for consistency, we rely on comScore for all data relating to comparisons with our competitors. Google Analytics and comScore use different methodologies to derive their data and therefore their data for similar statistics is not comparable. These industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but do not guarantee the accuracy and completeness of their information. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to these estimates, as there is no assurance that any of them will be reached. Based on our industry experience, we believe that the publications and reports are reliable and that the conclusions contained in the publications and reports are reasonable. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the section titled "Risk Factors." These and other factors could cause our actual results to differ materially from those expressed in the industry publications and reports.

USE OF PROCEEDS

We estimate that the net proceeds from the sale of shares of our Class A common stock in this offering will be approximately $ million, based on an assumed initial public offering price of $ per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. If the underwriters' option to purchase additional shares of Class A common stock from us is exercised in full, we estimate that our net proceeds would be approximately $ million, after deducting estimated underwriting discounts and commissions, and estimated offering expenses payable by us. We will not receive any proceeds from the sale of shares by the selling stockholders, although we will bear the costs, other than underwriting discounts and commissions, associated with the sale of these shares.

Each $1.00 increase or decrease in the assumed initial public offering price of $ per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase or decrease the net proceeds that we receive from this offering by approximately $ million, assuming that the number of shares of Class A common stock offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase or decrease of 1.0 million shares in the number of shares of Class A common stock offered by us would increase or decrease the net proceeds that we receive from this offering by approximately $ million, assuming the assumed initial public offering price of $ per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We do not expect that a change in the offering price or the number of shares of Class A common stock by these amounts would have a material effect on our use of the proceeds from this offering.

The principal purposes of this offering are to increase our financial flexibility, improve our visibility in the marketplace, create a public market for our Class A common stock, and facilitate our future access to the public capital markets. We currently intend to use the net proceeds from this offering primarily for general corporate purposes, including working capital, operating expenses, and capital expenditures. We may also use a portion of the net proceeds to acquire or invest in complementary technologies, solutions, products, services, businesses, or other assets, although we have no present commitments or agreements to enter into any acquisitions or investments.

As of the date of this prospectus, we cannot specify with certainty all of the particular uses of the net proceeds from this offering. The amount and timing of our actual expenditures will depend on numerous factors, including the cash used in or generated by our operations, sales and marketing efforts, competition, the pace of our expansion plans, our investments, and acquisitions. Accordingly, we will have broad discretion in using these proceeds. Pending these uses, we intend to invest the net proceeds from this offering in short-term and intermediate-term investment-grade interest-bearing securities and obligations, such as money market accounts, certificates of deposit, commercial paper, and guaranteed obligations of the U.S. government. We cannot predict whether the invested proceeds will yield a favorable return.

DIVIDEND POLICY

We have never declared or paid cash dividends on our Class A common stock. We currently intend to retain all available funds and any future earnings for use in the development, operation, and expansion of our business and do not anticipate declaring or paying any dividends on our Class A common stock in the foreseeable future. Any future determination to declare dividends on our Class A common stock will be made at the discretion of our board of directors and will depend on our financial condition, operating results, capital requirements, general business conditions, any restrictions on paying dividends, and other factors that our board of directors may deem relevant. As a result, we anticipate that only appreciation of the price of our Class A common stock, if any, will provide a return to investors in this offering for at least the foreseeable future.

CAPITALIZATION

The following table sets forth our consolidated cash, cash equivalents, and investments and capitalization as of June 30, 2017 on:

- an actual basis;
- on a pro forma basis to reflect (i) the automatic conversion of all shares of our convertible preferred stock outstanding as of June 30, 2017 into 20,188,226 shares of our Class A common stock and 40,376,452 shares of our Class B common stock, which Class B common stock will subsequently convert into 40,376,452 shares of our Class A common stock, which conversions will occur upon the closing of this offering and (ii) the stock-based compensation expense of $1.9 million associated with vesting of restricted stock units upon the closing of this offering; and
- on a pro forma as adjusted basis giving effect to the pro forma adjustments set forth above and to further reflect (i) the filing and effectiveness of our amended and restated certificate of incorporation, which will occur in connection with the closing of this offering and (ii) our receipt of the net proceeds from the sale by us of shares of Class A common stock in this offering at an assumed initial public offering price of $ per share, the midpoint of the estimated offering price range set forth on the front cover of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The information below is illustrative only and our capitalization following the closing of this offering will be adjusted based on the actual public offering price and other terms of this offering determined at pricing. You should read this table together with the section titled "Management's

Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes appearing elsewhere in this prospectus.

	At June 30, 2017		
	Actual	Pro forma	Pro forma as adjusted[1]
	(in thousands, except share and per share data)		
Cash, cash equivalents, and investments	$ 81,309	$ 81,309	$
Convertible preferred stock, $0.001 par value per share; 11,091,782 shares authorized, 10,094,108 issued or outstanding, actual; 11,091,782 shares authorized, no shares issued or outstanding, pro forma; 10,000,000 shares authorized, no shares issued or outstanding, pro forma as adjusted	$ 132,698	$ —	$
Stockholders' (deficit) equity:			
Class A common stock, $0.001 par value per share, 120,020,700 shares authorized, 14,080,616 shares issued and outstanding, actual; 120,020,700 shares authorized, 74,645,294 shares issued and outstanding pro forma; and 500,000,000 shares authorized, shares issued and outstanding pro forma as adjusted	14	75	
Class B common stock, $0.001 par value per share, 80,013,800 shares authorized, 28,161,232 shares issued and outstanding, actual; 80,013,800 shares authorized, 28,161,232 shares issued and outstanding pro forma; and 100,000,000 shares authorized, shares issued and outstanding pro forma as adjusted	28	28	
Additional paid-in capital	4,032	138,566	
Accumulated deficit	(63,145)	(65,042)	
Accumulated other comprehensive loss	127	127	
Total stockholders' (deficit) equity	(58,944)	73,754	
Total capitalization	$ 73,754	$ 73,754	$

(1) Each $1.00 increase or decrease in the assumed initial public offering price of $ per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, each of cash, cash equivalents, and investments, additional paid-in capital, total stockholders' (deficit) equity, and total capitalization on a pro forma as adjusted basis by $, assuming that the number of shares of Class A common stock offered by us, as set forth on the cover page of this prospectus, remains the same, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase or decrease of 1.0 million shares in the number of shares of Class A common stock offered by us would increase or decrease as applicable, each of cash, cash equivalents, and investments, additional paid-in capital, total stockholders' (deficit) equity, and total capitalization on a pro forma as adjusted basis by $, assuming the assumed initial public offering price of $ per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

If the underwriters' option to purchase additional shares of our Class A common stock from us were exercised in full, pro forma as adjusted cash, cash equivalents, and investments, total stockholders' (deficit) equity, total capitalization, and shares outstanding as of June 30, 2017 would be $ million, $ million, $ million, and , respectively.

The number of shares of our Class A common stock and Class B common stock that will be outstanding after this offering is based on 74,645,294 shares of our Class A common stock outstanding and 28,161,232 shares of our Class B common stock outstanding, in each case, as of June 30, 2017 (assuming the automatic conversion of all outstanding shares of our preferred stock into an aggregate of 60,564,678 shares of Class A common stock upon the closing of this offering), and excludes:

- 1,737,056 shares of Class A common stock issuable upon the exercise of options outstanding as of June 30, 2017 with a weighted-average exercise price of $1.65 per share and 3,474,112 shares of Class B common stock issuable upon the exercise of options outstanding as of June 30, 2017 with a weighted-average exercise price of $1.65 per share;
- 789,934 shares of Class A common stock and 1,579,868 shares of Class B common stock issuable upon the vesting and settlement of restricted stock units, or RSUs, outstanding as of June 30, 2017; and
- shares of Class A common stock reserved for future issuance under our equity compensation plans, consisting of (i) 657,912 shares of Class A common stock reserved for future issuance under our Amended and Restated 2015 Equity Incentive Plan, as amended, or the 2015 Plan, as of June 30, 2017, (ii) additional shares of Class A common stock reserved for future issuance under our 2017 Omnibus Incentive Compensation Plan, or our 2017 Plan, which will become effective upon the closing of this offering, and (iii) any shares of Class A common stock that become available subsequent to this offering under our 2017 Plan as a result of the expiration, termination or cancellation, forfeiture, exchange, or surrender without exercise of awards subject to outstanding grants under our 2015 Plan.

Upon the closing of this offering, any remaining shares available for issuance under our 2015 Plan will be added to the shares of our Class A common stock reserved for issuance under our 2017 Plan, and we will cease granting awards under the 2015 Plan. See the section titled "Executive Compensation — Employee Benefits and Stock Plans" for additional information.

DILUTION

If you invest in our Class A common stock in this offering, your ownership interest will be diluted to the extent of the difference between the initial public offering price per share of our Class A common stock and the pro forma as adjusted net tangible book value per share of our Class A common stock immediately after this offering. Net tangible book value dilution per share to new investors represents the difference between the amount per share paid by purchasers of shares of Class A common stock in this offering and the pro forma as adjusted net tangible book value per share of Class A common stock immediately after closing of this offering.

Our historical net tangible book value per share is determined by dividing our total tangible assets less our total liabilities by the number of shares of common stock outstanding as of June 30, 2017. Our historical net tangible book value as of June 30, 2017 was $73.8 million, or $1.75 per share. Our pro forma net tangible book value was $73.8 million, or $0.72 per share, and is determined by dividing our total tangible assets less our total liabilities by the number of shares of common stock outstanding as of June 30, 2017, after giving effect to the automatic conversion of all shares of our convertible preferred stock outstanding as of June 30, 2017 into 20,188,226 shares of our Class A common stock and 40,376,452 shares of our Class B common stock, which Class B common stock will subsequently convert into 40,376,452 shares of our Class A common stock, which conversions will occur upon the closing of this offering.

After giving effect to the sale by us of shares of our Class A common stock in this offering at the assumed initial public offering price of $ per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and the receipt of the net proceeds therefrom after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of June 30, 2017 would have been approximately $ million, or $ per share. This represents an immediate increase in pro forma net tangible book value of $ per share to our existing stockholders and an immediate dilution of $ per share to investors purchasing shares of Class A common stock in this offering at the assumed initial public offering price.

The following table illustrates this dilution:

Assumed initial public offering price per share		$
Pro forma net tangible book value per share as of June 30, 2017	$ 0.72	
Increase in pro forma net tangible book value per share attributable to new investors in this offering		
Pro forma as adjusted net tangible book value per share as of June 30, 2017		$
Dilution in pro forma as adjusted net tangible book value per share to new investors in this offering		$

Each $1.00 increase or decrease in the assumed initial public offering price of $ per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, our pro forma as adjusted net tangible book value per share to new investors by $, and would increase or decrease, as applicable, dilution in pro forma as adjusted net tangible book value per share to new investors in this offering by $, assuming that the number of shares of Class A common stock offered by us, as set forth on the cover page of this prospectus, remains the same, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase or decrease of 1.0 million shares in the number of shares of Class A common stock

offered by us would increase or decrease our pro forma as adjusted net tangible book value per share after this offering by $ per share and would increase or decrease dilution in pro forma as adjusted net tangible book value per share to investors in this offering by $ per share, assuming the assumed initial public offering price of $ per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. In addition, to the extent that any outstanding options to purchase common stock are exercised or restricted stock units, or RSUs, are settled, new investors will experience further dilution.

If the underwriters exercise their option to purchase additional shares of Class A common stock from us in full, the pro forma as adjusted net tangible book value per share of our Class A common stock immediately after this offering would be $ per share, and the dilution in pro forma as adjusted net tangible book value per share to new investors in this offering would be $ per share.

The following table summarizes, on a pro forma as adjusted basis at June 30, 2017, the total number of shares of Class A common stock purchased from us, the total consideration paid to us, and the average price per share paid to us by existing stockholders and by new investors purchasing shares in this offering at the assumed initial public offering price of $ per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, before deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us:

	Shares Purchased		Total Consideration		Average Price
	Number	Percent	Amount	Percent	Per Share
Existing stockholders		%	$	%	$
New investors					
Total		100.0%	$	100.0%	

Each $1.00 increase or decrease in the assumed initial public offering price of $ per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase or decrease the total consideration paid by new investors and total consideration paid by all stockholders by approximately $, assuming that the number of shares of Class A common stock offered by us, as set forth on the cover page of this prospectus, remains the same, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Sales of shares of Class A common stock by the selling stockholders in our initial public offering will reduce the number of shares of common stock held by existing stockholders to , or approximately % of the total shares of Class A common stock outstanding after our initial public offering, and will increase the number of shares held by new investors to , or approximately % of the total shares of common stock outstanding after our initial public offering. In addition, to the extent that any outstanding options to purchase common stock are exercised or RSUs are settled, new investors will experience further dilution.

After giving effect to the sale of shares in this offering by us and the selling stockholders, if the underwriters exercise their option to purchase additional shares of Class A common stock from us and the selling stockholders in full, our existing stockholders would own % and our new investors would own % of the total number of shares of our Class A common stock outstanding upon the closing of this offering.

The number of shares of our Class A common stock and Class B common stock that will be outstanding after this offering is based on 74,645,294 shares of our Class A common stock outstanding and 28,161,232 shares of our Class B common stock outstanding, in each case, as of June 30, 2017 (assuming the automatic conversion of all outstanding shares of our preferred stock into an aggregate of 60,564,678 shares of Class A common stock upon the closing of this offering), and excludes:

- 1,737,056 shares of Class A common stock issuable upon the exercise of options outstanding as of June 30, 2017 with a weighted-average exercise price of $1.65 per share and 3,474,112 shares of Class B common stock issuable upon the exercise of options outstanding as of June 30, 2017 with a weighted-average exercise price of $1.65 per share;
- 789,934 shares of Class A common stock and 1,579,868 shares of Class B common stock issuable upon the vesting and settlement of RSUs outstanding as of June 30, 2017; and
- shares of Class A common stock reserved for future issuance under our equity compensation plans, consisting of (i) 657,912 shares of Class A common stock reserved for future issuance under our Amended and Restated 2015 Equity Incentive Plan, as amended, or the 2015 Plan, as of June 30, 2017, (ii) additional shares of Class A common stock reserved for future issuance under our 2017 Omnibus Incentive Compensation Plan, or our 2017 Plan, which will become effective upon the closing of this offering, and (iii) any shares of Class A common stock that become available subsequent to this offering under our 2017 Plan as a result of the expiration, termination or cancellation, forfeiture, exchange, or surrender without exercise of awards subject to outstanding grants under our 2015 Plan.

Upon the closing of this offering, any remaining shares available for issuance under our 2015 Plan will be added to the shares of our Class A common stock reserved for issuance under our 2017 Plan, and we will cease granting awards under the 2015 Plan. See the section titled "Executive Compensation — Employee Benefits and Stock Plans" for additional information.

SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA

We derived the summary consolidated statements of operations data for the years ended December 31, 2015 and 2016 and the consolidated balance sheet data as of December 31, 2015 and 2016 from our audited consolidated financial statements included elsewhere in this prospectus. We derived the summary consolidated statements of operations data for the six months ended June 30, 2016 and 2017 and the consolidated balance sheet data as of June 30, 2017 from our unaudited interim consolidated financial statements included elsewhere in this prospectus. The unaudited interim consolidated financial statements were prepared on a basis consistent with our annual financial statements and include, in the opinion of management, all adjustments, consisting only of normal recurring adjustments, necessary for the fair presentation of the financial information contained in those statements. Our historical results are not necessarily indicative of the results that may be expected in the future, and our interim results are not necessarily indicative of the results to be expected for the full year or any other period. You should read the summary consolidated financial data set forth below in conjunction with the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements, the accompanying notes, and other financial information included elsewhere in this prospectus.

	Year Ended December 31,		Six Months Ended June 30,	
	2015	2016	2016	2017
	(in thousands, except share and per share data)			
Consolidated Statements of Operations Data:				
Revenue:				
Marketplace subscription	$ 75,142	$ 171,302	$ 71,638	$ 127,952
Advertising and other	23,446	26,839	12,603	15,323
Total revenue	98,588	198,141	84,241	143,275
Cost of revenue[(1)]	4,234	9,575	3,819	7,647
Gross profit	94,354	188,566	80,422	135,628
Operating expenses:				
Sales and marketing	81,877	154,125	68,313	104,604
Product, technology, and development	8,235	11,453	5,150	8,357
General and administrative	5,801	12,783	5,618	9,092
Depreciation and amortization	969	1,634	633	1,196
Total operating expenses	96,882	179,995	79,714	123,249
(Loss) income from operations	(2,528)	8,571	708	12,379
Other (expense) income, net	(12)	374	153	217
(Loss) income before income taxes	(2,540)	8,945	861	12,596
(Benefit from) provision for income taxes	(904)	2,448	340	4,043
Net (loss) income	$ (1,636)	$ 6,497	$ 521	$ 8,553

Net (loss) income per share attributable to common stockholders, basic and diluted:[2]				
Basic	$ (0.41)	$ (0.58)	$ 0.01	$ 0.08
Diluted	$ (0.41)	$ (0.58)	$ —	$ 0.08
Weighted-average shares used to compute net (loss) income per share attributable to common stockholders:[2]				
Basic	43,141,236	44,138,922	44,651,235	42,122,339
Diluted	43,141,236	44,138,922	48,026,295	46,182,359
Pro forma net (loss) income per share attributable to common stockholders:[2]				
Basic		$ (0.24)		$ 0.08
Diluted		$ (0.24)		$ 0.08
Pro forma weighted-average shares used to compute pro forma net (loss) income per share attributable to common stockholders:[2]				
Basic		104,703,600		102,687,017
Diluted		104,703,600		106,747,037
Other Financial Information:				
Adjusted EBITDA[3]	$ (366)	$ 10,965	$ 1,692	$ 14,116

(1) Includes depreciation and amortization expense for the years ended December 31, 2015 and 2016 and for the six months ended June 30, 2016 and 2017 of $153, $438, $203, and $391, respectively.

(2) See Note 2 of the notes to our consolidated financial statements included elsewhere in this prospectus for an explanation of the calculations of our net (loss) income per share attributable to common stockholders and pro forma net (loss) income per share attributable to common stockholders.

(3) See "— Adjusted EBITDA" below for more information and for a reconciliation of Adjusted EBITDA to net (loss) income, the most directly comparable financial measure calculated and presented in accordance with GAAP.

	December 31,		June 30,
	2015	2016	2017
	(in thousands)		
Consolidated Balance Sheet Data:			
Cash, cash equivalents, and investments	$ 61,363	$ 74,250	$ 81,309
Property and equipment, net	7,147	12,780	15,897
Working capital	52,751	56,457	61,534
Total assets	77,781	100,331	115,606
Total liabilities	20,534	35,605	41,852
Convertible preferred stock	73,378	132,698	132,698
Total stockholders' deficit	(16,131)	(67,972)	(58,944)

Adjusted EBITDA

To provide investors with additional information regarding our financial results, we monitor and have presented within this prospectus Adjusted EBITDA, which is a non-GAAP financial measure. This non-GAAP financial measure is not based on any standardized methodology prescribed by U.S. generally accepted accounting principles, or GAAP, and is not necessarily comparable to similarly titled measures presented by other companies.

We define Adjusted EBITDA as net income (loss), adjusted to exclude: depreciation and amortization, stock-based compensation expense, other expense (income), net, the (benefit from) provision for income taxes, and other one-time, non-recurring items, when applicable. We have presented Adjusted EBITDA in this prospectus because it is a key measure used by our management and board of directors to understand and evaluate our operating performance, generate future operating plans, and make strategic decisions regarding the allocation of capital. In particular, we believe that the exclusion of certain items in calculating Adjusted EBITDA can produce a useful measure for period-to-period comparisons of our business.

We use Adjusted EBITDA to evaluate our operating performance and trends and make planning decisions. We believe Adjusted EBITDA helps identify underlying trends in our business that could otherwise be masked by the effect of the expenses that we exclude. Accordingly, we believe that Adjusted EBITDA provides useful information to investors and others in understanding and evaluating our operating results, enhancing the overall understanding of our past performance and future prospects, and allowing for greater transparency with respect to key financial metrics used by our management in its financial and operational decision-making. In addition, we evaluate our Adjusted EBITDA in relation to our revenue. We refer to this as Adjusted EBITDA margin and define it as Adjusted EBITDA divided by total revenue.

Our Adjusted EBITDA is not prepared in accordance with GAAP, and should not be considered in isolation of, or as an alternative to, measures prepared in accordance with GAAP. There are a number of limitations related to the use of Adjusted EBITDA rather than net income (loss), which is the most directly comparable GAAP equivalent. Some of these limitations are:

- Adjusted EBITDA excludes stock-based compensation expense, which will be, for the foreseeable future, a significant recurring expense for our business and an important part of our compensation strategy;
- Adjusted EBITDA excludes depreciation and amortization expense and, although these are non-cash expenses, the assets being depreciated may have to be replaced in the future;
- Adjusted EBITDA does not reflect interest expense, or the cash requirements necessary to service interest, which reduces cash available to us;
- Adjusted EBITDA does not reflect income tax payments that reduce cash available to us; and
- other companies, including companies in our industry, may calculate Adjusted EBITDA differently, which reduces its usefulness as a comparative measure.

Because of these limitations, we consider, and you should consider, Adjusted EBITDA together with other operating and financial performance measures presented in accordance with GAAP.

The following table presents a reconciliation of Adjusted EBITDA to net income (loss), the most directly comparable measure calculated in accordance with GAAP, for each of the periods presented.

	Year Ended December 31,		Six Months Ended June 30,	
	2015	2016	2016	2017
	(in thousands)			
Reconciliation of Adjusted EBITDA:				
Net (loss) income	$ (1,636)	$ 6,497	$ 521	$ 8,553
Depreciation and amortization	1,122	2,072	836	1,587
Stock-based compensation expense	1,040	322	148	150
Other expense (income), net	12	(374)	(153)	(217)
(Benefit from) provision for income taxes	(904)	2,448	340	4,043
Adjusted EBITDA	$ (366)	$ 10,965	$ 1,692	$ 14,116

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our consolidated financial statements and the related notes and other financial information included elsewhere in this prospectus. Some of the information contained in this discussion and analysis or elsewhere in this prospectus, including information with respect to our plans and strategy for our business and our performance and future success, includes forward-looking statements that involve risks and uncertainties. You should review the "Risk Factors" section of this prospectus for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis. In this discussion, we use financial measures that are considered non-GAAP financial measures under Securities and Exchange Commission rules. These rules require supplemental explanation and reconciliation, which is included elsewhere in this prospectus. Investors should not consider non-GAAP financial measures in isolation from or in substitution for, financial information presented in compliance with U.S. generally accepted accounting principles, or GAAP.

Company Overview

CarGurus is a global, online automotive marketplace connecting buyers and sellers of new and used cars. Using proprietary technology, search algorithms, and innovative data analytics, we provide information and analysis that create a differentiated automotive search experience for consumers. Our trusted marketplace empowers users with unbiased third-party validation on pricing and dealer reputation as well as other information that aids them in finding "Great Deals from Great Dealers." As of June 30, 2017, we had an active dealer network of over 40,000 dealers, and our selection of over 5.4 million car listings is the largest number of car listings available on any of the major U.S. online automotive marketplaces. In addition to the United States, we operate online marketplaces in Canada, the United Kingdom, and Germany.

Since our founding in 2006, a core principle of our marketplace has been unbiased transparency. In pursuing this principle, we have continually innovated our product offerings to bring greater transparency, trust, and efficiency to a consumer's car research and buying process, leading to higher engagement and a more informed consumer who is better prepared to purchase at the dealership. Highlights of our history of innovation and commitment to unbiased transparency include:

- In 2007, we launched the www.cargurus.com marketplace in the United States.
- In 2010, we introduced Instant Market Value, or IMV, Deal Ratings, Price History, and Time on Site.
- In 2011, we launched Dealer Reviews and deployed the first version of our mobile-optimized website.
- In 2012, we established a direct-to-dealer sales model for our marketplace listing subscription products.
- In 2013, we launched Sell My Car, a free platform which enables consumers to sell their cars in our marketplace, and new car price analysis features that provide price guidance on new cars.
- In 2014, we launched our first international marketplace in Canada at ca.cargurus.com.
- In 2015, we launched our second international marketplace in the United Kingdom at www.cargurus.co.uk.

- In 2016, we launched our Deal Rating Badges, which allow dealers to add Deal Rating icons on their own websites, user-generated car comparison pages to provide users side-by-side comparisons of vehicles, and a managed text and chat offering to complement our existing communication channels between consumers and dealers.

- In 2017, we launched our third international marketplace in Germany at cargurus.de and we launched dealer search engine marketing, a product that helps dealers more effectively acquire prospects through paid search marketing, social media, and retargeting.

We generate marketplace subscription revenue from dealers through Listing and Dealer Display subscriptions, and advertising revenue from automobile manufacturers and other auto-related brand advertisers. Our rapid revenue growth and financial performance over the last several years exemplifies the strength of our marketplace. In 2016, we generated revenue of $198.1 million, a 101% increase from $98.6 million of revenue in 2015. Our revenue for the six months ended June 30, 2017 was $143.3 million, a 70% increase from $84.2 million of revenue in the six months ended June 30, 2016.

In 2016, we generated net income of $6.5 million and our Adjusted EBITDA was $11.0 million, compared to a net loss of $1.6 million and Adjusted EBITDA of $(0.4) million in 2015. For the six months ended June 30, 2017, we generated net income of $8.6 million and our Adjusted EBITDA was $14.1 million, compared to net income of $0.5 million and Adjusted EBITDA of $1.7 million for the six months ended June 30, 2016. See "Selected Consolidated Financial and Other Data — Adjusted EBITDA" for more information regarding our use of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to our net income (loss).

We have two reportable segments, United States and International. See Note 8 of our consolidated financial statements included elsewhere in this prospectus for more information.

Key Business Metrics

We regularly review a number of metrics, including the key metrics listed below, to evaluate our business, measure our performance, identify trends affecting our business, formulate financial projections, and make operating and strategic decisions. We believe it is important to evaluate these metrics for the United States and International segments. International is defined as all non-U.S. markets in which we operate. International markets will likely perform differently than the U.S. market due to a variety of factors, including our operating history in the market, our rate of investment, market size, market maturity, and other dynamics unique to each country.

Monthly Unique Users

We define a monthly unique user as an individual who has visited our website within a calendar month, based on data as measured by Google Analytics. We calculate average monthly unique users as the sum of the monthly unique users in a given period, divided by the number of months in that period. We count a unique user the first time a computer or mobile device with a unique IP address accesses our website during a calendar month. If an individual accesses our website using different IP addresses within a given month, the first access by each such IP address is counted as a separate unique user. We view our average monthly unique users as a key indicator of the quality of our user experience, the effectiveness of our advertising and traffic acquisition, and the strength of our brand awareness. Measuring unique users is important to us because our marketplace subscription revenue depends, in part, on our ability to provide dealers with connections to our users and exposure to our marketplace audience. We define connections as interactions between consumers and dealers on our marketplace through phone calls, email,

managed text and chat, and clicks to access the dealer's website and map directions to the dealership.

Average Monthly Unique Users	Year Ended December 31, 2015	Year Ended December 31, 2016	Six Months Ended June 30, 2016	Six Months Ended June 30, 2017
	(in thousands)			
United States	14,986	20,120	19,510	23,089
International	198	1,396	1,034	2,183

Monthly Sessions

We define monthly sessions as the number of distinct visits to our website that take place each month within a given time frame, as measured and defined by Google Analytics. We calculate average monthly sessions as the sum of the monthly sessions in a given period, divided by the number of months in that period. A session is defined as beginning with the first page view from a user IP address and ending at the earliest of when a user closes their browser window, after 30 minutes of inactivity, or at midnight each night. A session can be made up of multiple page views and visitor actions, such as performing a search, visiting vehicle detail pages, and connecting with a dealer. We believe the volume of sessions in a time period, when considered in conjunction with the number of unique users in that time period, is an indicator of consumer satisfaction and engagement with our marketplace.

Average Monthly Sessions	Year Ended December 31, 2015	Year Ended December 31, 2016	Six Months Ended June 30, 2016	Six Months Ended June 30, 2017
	(in thousands)			
United States	31,531	46,706	44,953	61,593
International	342	2,627	1,833	4,871

Number of Paying Dealers

Paying dealers are the number of dealers subscribing to one of our Enhanced or Featured Listing products at the end of a defined period. We believe that the number of paying dealers is indicative of the value proposition of our Listing products, and our sales and marketing success, including our ability to retain paying dealers and develop new dealer relationships.

Number of Paying Dealers	As of December 31, 2015	As of December 31, 2016	As of June 30, 2016	As of June 30, 2017
United States	12,276	20,349	16,944	23,347
International	53	952	306	1,694

Average Annual Revenue per Subscribing Dealer (AARSD)

We measure the average annual revenue we receive from each paying dealer. We define AARSD, as measured at the end of a defined period, as the total marketplace subscription revenue during the trailing 12 months divided by the average number of paying dealers during the same trailing 12-month period. Our ability to grow the AARSD is an indicator of the value proposition of our products and the return on investment, or ROI, our paying dealers realize from our products.

Increases in AARSD are driven by our ability to grow the volume of connections to our users and the quality of those connections, effectively illustrate the value of brand exposure to our engaged audience in relation to subscription cost, upsell package levels, and cross-sell additional products to our paying dealers.

Average Annual Revenue per Subscribing Dealer (AARSD)	As of December 31, 2015	As of December 31, 2016	As of June 30, 2016	As of June 30, 2017
United States	$ 8,835	$ 10,383	$ 9,510	$ 11,048
International	n/a*	$ 3,830	n/a*	$ 4,944

* International revenues were not generated before October 2015 and, therefore, annual data for the trailing 12-month calculation is not available.

Adjusted EBITDA

We define Adjusted EBITDA as net income (loss), adjusted to exclude: depreciation and amortization, stock-based compensation expense, other expense (income), net, the (benefit from) provision for income taxes, and other one-time, non-recurring items, when applicable. We monitor and have presented in this prospectus Adjusted EBITDA as a non-GAAP financial measure to supplement the financial information we present on a GAAP basis to provide investors with additional information regarding our financial results. Adjusted EBITDA, as a non-GAAP financial measure, should not be considered in isolation from, or as an alternative to, measures prepared in accordance with GAAP. We consider, and you should consider, Adjusted EBITDA together with other operating and financial performance measures presented in accordance with GAAP. Also, our non-GAAP measure may not necessarily be comparable to similarly titled measures presented by other companies.

We believe that Adjusted EBITDA is a key indicator of our operating results. For further explanation of the uses and limitations of this measure and a reconciliation of our Adjusted EBITDA to the most directly comparable GAAP measure, net income (loss), please see "Selected Consolidated Financial and Other Data — Adjusted EBITDA."

Factors Affecting Our Performance

We believe that our performance and future growth depends on a number of factors that present significant opportunities for us but also pose risks and challenges, including those discussed below and in the section titled "Risk Factors."

Grow Our Paying Dealer Base

Our success depends in part on the retention and growth of our paying dealer base. We allow any dealer to list its inventory in our marketplace, receive anonymized email connections and access a subset of the tools on our Dealer Dashboard for free through our Basic Listing product. Through our sales and marketing efforts, we aim to convert those non-paying dealers to Enhanced or Featured Listing subscribers. Dealers with a paid subscription to our Enhanced and Featured Listing products receive connections to consumers that are not anonymous and can be made through a wider variety of methods, including phone calls, email, and managed text and chat. Our platform allows paying dealers to provide a link to their websites, dealership information such as name, address, and hours of operation, and map directions to their dealerships, helping consumers easily contact or visit them, which we believe results in increased local brand awareness and walk-in traffic. Paying dealers also gain access to our Pricing Tool and Market Analysis tool.

As of June 30, 2017, we had over 40,000 dealers in our active dealer network. Based on estimates by Borrell Associates, there are approximately 43,000 dealers in the United States, and therefore our ability to expand our total U.S. dealer count is limited by the diminishing number of dealers that do not actively list their inventory in our marketplace. However, as of June 30, 2017, only 23,347 of the more than 40,000 U.S. dealers in our active dealer network were paying dealers, and we believe that our ability to convert non-paying dealers to paying dealers will be the biggest driver of our future U.S. paying dealer growth. Bringing new non-paying dealers onto our platform and ultimately seeking to convert them to paying dealers will be an additional, but smaller, driver of such growth.

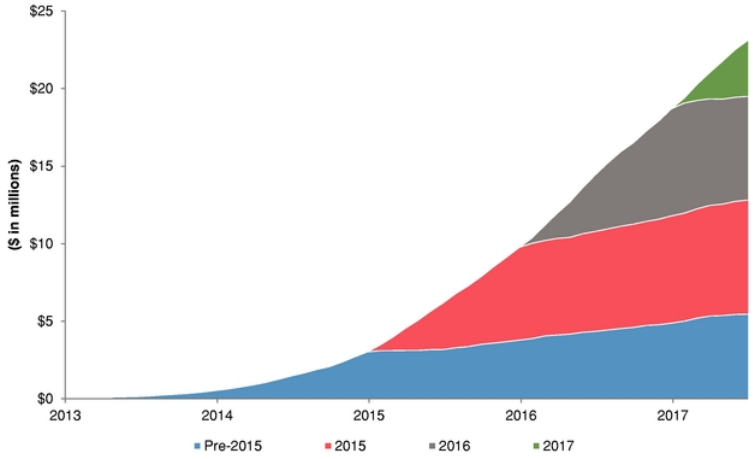
Our marketplace subscription revenue is a product of the number of paying dealers and their average subscription fees, and therefore, increasing the number of paying dealers is a key growth driver. In 2016, marketplace subscription revenue totaled $171.3 million, accounting for 86% of total revenue. We have made a substantial investment in our sales organization, which focuses on converting dealers from Basic Listing to Enhanced or Featured Listing subscribers. Having more paying dealers provides consumers with more dealer information and methods to contact those dealers. More consumers and connections drives greater value to paying dealers on our platform.

Increase Average Annual Revenue per Subscribing Dealer (AARSD)

AARSD is a key driver of our marketplace subscription revenue. AARSD is driven by the volume and quality of connections we deliver to dealers, the perceived value of their brand exposure in our marketplace, and our ability to upsell package levels and cross-sell additional products to our paying dealers. In 2016, we provided our U.S. dealer base with over 42 million connections to prospective car buyers. Historically, our growing user traffic has led to an increase in the volume of connections that we provide our U.S. paying dealers, from 10.3 million connections during the second quarter of 2016 to 12.4 million connections during the same period of 2017. This growth has been a primary contributor to the increase in U.S. AARSD, which grew from $9,510 as of June 30, 2016 to $11,048 as of June 30, 2017, or 16%. In the future, we expect new products to play a more important role in helping us grow AARSD.

We have a history of attracting new paying dealers and increasing their annual spend with us over time primarily due to the value they receive from increased connections provided to them from our marketplace. Additionally, paying dealers increase their spend with us by adding products such as display advertising to their listings subscription. As of June 30, 2017, 15% of our U.S. paying dealers subscribed to our dealer display advertising product, up from 5% as of June 30, 2016. The chart below illustrates the total monthly marketplace subscription revenue from each of several cohorts over the fiscal years presented. Each cohort represents dealers that made their initial purchase from us in a given fiscal year. For example, the fiscal year 2015 cohort represents all dealers that made their initial purchase from us between January 1, 2015 and December 31, 2015. The fiscal year 2015 cohort increased its monthly subscription revenue from $6.0 million as of December 31, 2015 to $6.9 million as of December 31, 2016, an increase of 16%. The cohorts prior to January 1, 2015 had monthly subscription revenue of $3.0 million on December 31, 2014, which increased two years later to $4.9 million on December 31, 2016, representing a compound annual growth rate of 27%.

U.S. Monthly Marketplace Subscription Revenue by Cohort



Note: Data through June 30, 2017.

Launch of New Dealer Products and Services

We intend to introduce additional products and services to help dealers better acquire customers in our marketplace and other digital channels, build relationships with prospects, and better manage their inventories, websites, and dealerships. For example, in 2017, we began offering our dealer search engine marketing product, which helps dealers more effectively acquire customers through paid search, social media, and retargeted advertising. Our revenue growth in the future will be dependent, in part, on our ability to successfully innovate, develop, launch, and gain market acceptance of these new products and services. We believe that new products should not only increase our AARSD, but also make our platform more appealing to a broader pool of dealers.

Grow Our Consumer Audience

Our revenue growth depends, in part, on our ability to grow our consumer audience, a critical driver of the number of connections that we provide to our dealers. Increasing our volume of unique users and their engagement is critical to our success as it incentivizes more dealers to purchase our Enhanced or Featured Listing products to benefit from improved access to and engagement with that audience as well as the additional features those subscription products provide. We intend to continue investing in our proprietary algorithmic traffic acquisition and building our brand awareness. We also plan to add new consumer-facing features, tools, and services to assist consumers with more aspects of the car ownership lifecycle, from researching and buying a car through maintaining and eventually selling the car, which we believe will help us grow our consumer audience.

Increase Our Brand Awareness

We believe that stronger brand awareness among consumers and dealers will contribute to our future growth. Historically, our marketing efforts have been focused on algorithmic traffic acquisition rather than brand marketing. We plan to further expand our marketing on television, radio, and social media to drive greater brand recognition, trust, and loyalty from a broader consumer audience. The timing and magnitude of our advertising activities will impact our sales and marketing expense and overall profitability in each period, and the effectiveness of such activities in attracting consumers and dealers to our platform could impact our revenue in future periods.

Drive Growth and Profitability in International Markets

We believe that our opportunity in international markets is significant. To capitalize on this opportunity, we have launched marketplaces in Canada, the United Kingdom, and Germany, and will continue to invest in growing our presence in these and other countries. We have experienced losses in these countries and it is likely we will experience losses in other countries in which we launch marketplaces. Our ability to successfully grow these markets and drive profitability comparable to our performance in the United States will depend on our ability to acquire a critical mass of dealer inventory, grow consumer traffic, provide high quality connections between consumers and dealers, and increase the number of paying dealers in these markets.

Components of Consolidated Statements of Operations

Revenue

Our revenue is derived from two primary sources: marketplace subscription revenue, which consists of listing and display advertising subscriptions from dealers, and advertising and other revenue, which consists primarily of display advertising revenue from auto manufacturers and other auto-related brand advertisers.

Marketplace Subscription Revenue

We offer three types of marketplace Listing products to our dealers: Basic Listing, which is free; and Enhanced or Featured Listing, which require a paid subscription under a monthly, quarterly, semiannual, or annual subscription basis. As of June 30, 2017, 17% of our U.S. paying dealers were on an annual subscription, compared to fewer than 1% of U.S. paying dealers as of June 30, 2016. Subscription pricing is determined based on a dealer's inventory size, region, and our assessment of the connections and ROI our platform will provide them. We also offer dealers access to our Dealer Dashboard, which includes a performance summary, Dealer Insights tool, user review management platform, Pricing Tool, and Market Analysis tool. The Pricing Tool and Market Analysis tool are available only to paying dealers.

In addition to listing their inventory in our marketplace and gaining access to our Dealer Dashboard, we offer Enhanced and Featured Listing dealers other subscription advertising and customer acquisition products, including display advertising that appears in our marketplace and on other sites on the Internet, which can be targeted by geography, search history, and a number of other factors, and dealer search engine marketing, which helps dealers more effectively acquire customers through paid search, social media, and retargeted advertising.

Marketplace subscription revenue is recognized on a monthly basis as the service is delivered to the dealer.

Advertising and Other Revenue

Advertising and other revenue consists primarily of non-dealer display advertising revenue from auto manufacturers and other auto-related brand advertisers sold on a cost per thousand impressions, or CPM, basis. An impression is an advertisement loaded on a web page. Auto manufacturers and other brand advertisers can execute advertising campaigns that are targeted across a wide variety of parameters, including demographic groups, behavioral characteristics, specific auto brands, categories such as Certified Pre-Owned, and segments such as hybrid vehicles.

For a description of our revenue accounting policies, see "— Critical Accounting Policies and Significant Estimates."

Cost of Revenue

Cost of revenue primarily consists of costs related to supporting and hosting our product offerings. These costs include salaries, benefits, incentive compensation, and stock-based compensation expense related to the customer support team and third-party service provider costs such as data center and networking expenses, allocated overhead, depreciation and amortization expense associated with our property and equipment, and amortization of capitalized website development costs. We allocate overhead costs, such as rent and facility costs, information technology costs, and employee benefit costs, to all departments based on headcount. As such, general overhead expenses are reflected in cost of revenue and each operating expense category. We expect these expenses to increase as we continue to scale our business and introduce new products.

Operating Expenses

Sales and Marketing

Sales and marketing expenses consist primarily of personnel and related expenses for our sales and marketing staff, including salaries, benefits, incentive compensation, commissions, stock-based compensation, and travel costs; costs associated with consumer marketing, such as traffic acquisition, brand building, and public relations activities; costs associated with dealer marketing, such as content marketing, customer and promotional events, and industry events; and allocated overhead. We expect sales and marketing expenses to increase as we grow our audience and attempt to strengthen our brand awareness and, as informed by trends in our business and the competitive landscape of our market, fluctuate from quarter to quarter, which will impact our quarterly results of operations.

Product, Technology, and Development

Product, technology, and development expenses, which include research and development costs, consist primarily of personnel costs of our development team, including payroll, benefits, stock-based compensation expense and allocated overhead costs. Other than website development costs that qualify for capitalization, research and development costs are expensed as incurred. We expect product, technology, and development expenses to increase as we develop new solutions and make improvements to our existing platform.

General and Administrative

General and administrative expenses consist of personnel costs and related expenses for executive, finance, legal, human resources, and administrative personnel, including salaries, benefits, incentive compensation, and stock-based compensation expenses, in addition to the costs associated with professional fees for external legal, accounting and other consulting services, insurance premiums, payment processing and billing costs, and allocated overhead costs. We expect general and administrative expenses to increase as we incur the costs of compliance associated with being a publicly traded company, including legal, audit, and consulting fees.

Depreciation and Amortization

Depreciation and amortization expenses consist of depreciation on property and equipment and leasehold improvements.

Other (Expense) Income

Other (expense) income consists primarily of interest income earned on our cash, cash equivalents, and investments, interest expense on lease obligations, and net foreign exchange gains and losses.

(Benefit from) Provision for Income Taxes

We are subject to federal and state income taxes in the United States and taxes in foreign jurisdictions in which we operate. We have recorded a provision for income taxes for the period ended December 31, 2016 as a result of our consolidated taxable income position. We have recognized a benefit from income taxes for the period ended December 31, 2015 due to our taxable loss position for that period. We recognize deferred tax assets and liabilities based on temporary differences between the financial reporting and income tax bases of assets and liabilities using statutory rates. We regularly assess the need to record a valuation allowance against net deferred tax assets if, based upon the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. We have not provided a valuation allowance against our net deferred tax assets at December 31, 2015 or 2016, or at June 30, 2017.

Results of Operations

The following table sets forth our selected consolidated statements of operations data for each of the periods indicated. The period-to-period comparison of financial results is not necessarily indicative of future results.

	Year Ended December 31,		Six Months Ended June 30,	
	2015	2016	2016	2017
	(in thousands)			
Revenue:				
Marketplace subscription	$ 75,142	$ 171,302	$ 71,638	$ 127,952
Advertising and other	23,446	26,839	12,603	15,323
Total revenue	98,588	198,141	84,241	143,275
Cost of revenue	4,234	9,575	3,819	7,647
Gross profit	94,354	188,566	80,422	135,628
Operating expenses:				
Sales and marketing	81,877	154,125	68,313	104,604
Product, technology, and development	8,235	11,453	5,150	8,357
General and administrative	5,801	12,783	5,618	9,092
Depreciation and amortization	969	1,634	633	1,196
Total operating expenses	96,882	179,995	79,714	123,249
(Loss) income from operations	(2,528)	8,571	708	12,379
Other (expense) income, net	(12)	374	153	217
(Loss) income before income taxes	(2,540)	8,945	861	12,596
(Benefit from) provision for income taxes	(904)	2,448	340	4,043
Net (loss) income	$ (1,636)	$ 6,497	$ 521	$ 8,553

	Year Ended December 31,		Six Months Ended June 30,	
	2015	2016	2016	2017
	(in thousands)			
Additional Financial Data				
Revenue				
United States	$ 98,566	$ 195,824	$ 83,760	$ 139,560
International	22	2,317	481	3,715
Total	$ 98,588	$ 198,141	$ 84,241	$ 143,275
(Loss) income from Operations				
United States	$ 637	$ 27,461	$ 8,467	$ 24,280
International	(3,165)	(18,890)	(7,759)	(11,901)
Total	$ (2,528)	$ 8,571	$ 708	$ 12,379

The following table sets forth our selected consolidated statements of operations data as a percentage of revenue for each of the periods indicated.

	Year Ended December 31,		Six Months Ended June 30,	
	2015	2016	2016	2017
Revenue:				
Marketplace subscription	76%	86%	85%	89%
Advertising and other	24	14	15	11
Total revenue	100%	100%	100%	100%
Cost of revenue	4	5	4	5
Gross profit	96	95	96	95
Operating expenses:				
Sales and marketing	83	78	81	73
Product, technology, and development	9	6	6	6
General and administrative	6	6	7	6
Depreciation and amortization	1	1	1	1
Total operating expenses	99	91	95	86
(Loss) income from operations	(3)	4	1	9
Other income (expense), net	—	—	—	—
(Loss) income before income taxes	(3)	4	1	9
(Benefit from) provision for income taxes	(1)	1	—	3
Net (loss) income	(2)%	3%	1%	6%

	Year Ended December 31,		Six Months Ended June 30,	
	2015	2016	2016	2017
Additional Financial Data				
Revenue				
United States	100%	99%	99%	97%
International	—	1	1	3
Total	100%	100%	100%	100%
(Loss) income from Operations				
United States	—%	14%	10%	17%
International	(3)	(10)	(9)	(8)
Total	(3)%	4%	1%	9%

Six Months Ended June 30, 2016 Compared to Six Months Ended June 30, 2017

Revenue

Revenue by Source

	Six Months Ended June 30,		Change	
	2016	2017	Amount	%
	(dollars in thousands)			
Revenue				
Marketplace subscription	$ 71,638	$ 127,952	$ 56,314	79%
Advertising and other	12,603	15,323	2,720	22
Total	$ 84,241	$ 143,275	$ 59,034	70%
Percentage of total revenue:				
Marketplace subscription	85%	89%		
Advertising and other	15	11		
Total	100%	100%		

Overall revenue increased by $59.0 million, or 70%, in the six months ended June 30, 2017 compared to the six months ended June 30, 2016. Marketplace subscription revenue grew by 79%, while advertising and other revenue grew by 22%.

Marketplace subscription revenue increased by $56.3 million in the six months ended June 30, 2017 compared to the six months ended June 30, 2016, and represented 89% of total revenue in the six months ended June 30, 2017, as compared to 85% of total revenue in the six months ended June 30, 2016. This increase in marketplace subscription revenue was attributable primarily to a 45% growth in the number of paying dealers, from 17,250 as of June 30, 2016 to 25,041 as of June 30, 2017, and to a 16% growth in our U.S. AARSD from $9,510 as of June 30, 2016 to $11,048 as of June 30, 2017. We believe that this increase in paying dealers was driven by the overall growth in the number of unique users to our website and mobile application and the continued efforts from our sales and marketing teams to convert Basic Listing dealers to Enhanced and Featured Listing paying dealers.

Advertising and other revenue increased $2.7 million in the six months ended June 30, 2017 compared to the six months ended June 30, 2016, and represented 11% of total revenue in the six months ended June 30, 2017, compared to 15% of total revenue in the six months ended June 30, 2016. The increase in advertising and other revenue is due primarily to a 35% increase in the number of impressions delivered and a 10% increase in the average price per thousand impressions in the six months ended June 30, 2017 compared to the six months ended June 30, 2016. These increases were partially offset by a reduction in other advertising revenue.

Revenue by Segment

	Six Months Ended June 30,		Change	
	2016	2017	Amount	%
	(dollars in thousands)			
Revenue				
United States	$ 83,760	$ 139,560	$ 55,800	67%
International	481	3,715	3,234	NM
Total	$ 84,241	$ 143,275	$ 59,034	70%
Percentage of total revenue:				
United States	99%	97%		
International	1	3		
Total	100%	100%		

NM — Not Meaningful

U.S. revenue increased $55.8 million, or 67%, in the six months ended June 30, 2017 compared to the six months ended June 30, 2016, due primarily to a 38% increase in the number of U.S. paying dealers.

International revenue increased $3.2 million in the six months ended June 30, 2017 compared to the six months ended June 30, 2016, due primarily to a 454% increase in the number of international paying dealers.

Cost of Revenue

	Six Months Ended June 30,		Change	
	2016	2017	Amount	%
	(dollars in thousands)			
Cost of revenue	$ 3,819	$ 7,647	$ 3,828	100%
Percentage of total revenue	4%	5%		

Cost of revenue increased $3.8 million, or 100%, in the six months ended June 30, 2017 compared to the six months ended June 30, 2016, due primarily to costs associated with servicing our revenue growth. Key drivers of the increase included employee-related costs of our customer support team to support the growth in customers and an increase in fees related to servicing our growing advertising revenue.

Operating Expenses

Sales and Marketing Expenses

	Six Months Ended June 30,		Change	
	2016	2017	Amount	%
	(dollars in thousands)			
Sales and marketing	$ 68,313	$ 104,604	$ 36,291	53%
Percentage of total revenue	81%	73%		

Sales and marketing expenses increased $36.3 million, or 53%, in the six months ended June 30, 2017 compared to the six months ended June 30, 2016, due primarily to an increase in advertising costs of $26.2 million, a $6.1 million increase in salaries, commissions, and related expenses due to our increased revenue and a 41% increase in headcount, a $1.2 million increase in expenses related to marketing events, and a $1.1 million increase in consulting fees.

Product, Technology, and Development Expenses

	Six Months Ended June 30,		Change	
	2016	2017	Amount	%
	(dollars in thousands)			
Product, technology, and development	$ 5,150	$ 8,357	$ 3,207	62%
Percentage of total revenue	6%	6%		

Product, technology, and development expenses increased $3.2 million, or 62%, in the six months ended June 30, 2017 compared to the six months ended June 30, 2016, due primarily to an increase in salaries and related employment expenses related to a 67% increase in headcount to support our growth and product innovations.

General and Administrative Expenses

	Six Months Ended June 30,		Change	
	2016	2017	Amount	%
	(dollars in thousands)			
General and administrative	$ 5,618	$ 9,092	$ 3,474	62%
Percentage of total revenue	7%	6%		

General and administrative expenses increased $3.5 million, or 62%, in the six months ended June 30, 2017 compared to the six months ended June 30, 2016, due primarily to an increase of $1.9 million in salaries and other employee-related costs driven by an increase in headcount needed to grow our business and provide personnel to support our expanded operations. Payment processing and billing costs also increased $0.8 million due to increased customer transactions.

Depreciation and Amortization Expenses

	Six Months Ended June 30,		Change	
	2016	2017	Amount	%
	(dollars in thousands)			
Depreciation and amortization	$ 633	$ 1,196	$ 563	89%
Percentage of total revenue	1%	1%		

Depreciation and amortization expenses increased $0.6 million, or 89%, in the six months ended June 30, 2017 compared to the six months ended June 30, 2016, due primarily to increased amortization of additional leasehold improvements.

Other Income, net

	Six Months Ended June 30,		Change	
	2016	2017	Amount	%
	(dollars in thousands)			
Other income, net	$ 153	$ 217	$ 64	42%
Percentage of total revenue	—	—		

Other income, net increased $0.1 million, or 42%, in the six months ended June 30, 2017 compared to the six months ended June 30, 2016, due primarily to an increase in interest income from the investment of excess cash balances.

Provision for Income Taxes

	Six Months Ended June 30,		Change	
	2016	2017	Amount	%
	(dollars in thousands)			
Provision for income taxes	$ 340	$ 4,043	$ 3,703	NM
Percentage of total revenue	—	3%		

NM — Not Meaningful

The provision for income taxes increased $3.7 million in the six months ended June 30, 2017 compared to the six months ended June 30, 2016, due primarily to the increase in U.S. profitability.

Income (Loss) from Operations by Segment

	Six Months Ended June 30,		Change	
	2016	2017	Amount	%
	(dollars in thousands)			
United States	$ 8,467	$ 24,280	$ 15,813	187%
International	(7,759)	(11,901)	(4,142)	(53)
Total	$ 708	$ 12,379	$ 11,671	NM
Percentage of segment revenue:				
United States	10%	17%		
International	NM	NM		

NM — Not Meaningful

U.S. income from operations increased $15.8 million, or 187%, in the six months ended June 30, 2017 compared to the six months ended June 30, 2016. This increase was due to an increase in revenue of $55.8 million, offset in part by an increase in cost of revenue of $2.9 million and operating expenses of $37.1 million.

International loss from operations increased $4.1 million, or 53%, in the six months ended June 30, 2017 compared to the six months ended June 30, 2016. The increase in international loss from operations reflects our continued investment in international markets and expansion into new countries.

Year Ended December 31, 2015 Compared to Year Ended December 31, 2016

Revenue

Revenue by Source

	Year Ended December 31,		Change	
	2015	2016	Amount	%
	(dollars in thousands)			
Revenue				
Marketplace subscription	$ 75,142	$ 171,302	$ 96,160	128%
Advertising and other	23,446	26,839	3,393	14
Total	$ 98,588	$ 198,141	$ 99,553	101%
Percentage of total revenue:				
Marketplace subscription	76%	86%		
Advertising and other	24	14		
Total	100%	100%		

Overall revenue increased by $99.6 million, or 101%, in the year ended December 31, 2016 compared to the year ended December 31, 2015. Marketplace subscription revenue increased by 128% while advertising and other revenue grew by 14%.

Marketplace subscription revenue increased $96.2 million in the year ended December 31, 2016 compared to the year ended December 31, 2015, and represented 86% of total revenue in 2016 compared to 76% of total revenue in 2015. This increase in marketplace subscription revenue

was attributable primarily to a 73% growth in the number of paying dealers, from 12,329 as of December 31, 2015 to 21,301 as of December 31, 2016, and to an 18% growth in our AARSD from $8,835 in the year ended December 31, 2015 to $10,383 in the year ended December 31, 2016. We believe that this increase in paying dealers was driven by the overall growth in the number of unique users to our website and mobile applications and the continued efforts from our sales and marketing teams to convert Basic Listing dealers to Enhanced and Featured Listing paying dealers.

Advertising and other revenue increased $3.4 million in the year ended December 31, 2016 compared to the year ended December 31, 2015, and represented 14% of total revenue in 2016 compared to 24% of total revenue in 2015. The increase in advertising and other revenue is due primarily to a 53% increase in the number of impressions in 2016 compared to 2015. This increase was partially offset by a 19% decrease in the average price per thousand impressions in 2016 compared to 2015. The increase was also partially offset by a reduction in other advertising revenue.

Revenue by Segment

	Year Ended December 31,		Change	
	2015	2016	Amount	%
	(dollars in thousands)			
Revenue				
United States	$ 98,566	$ 195,824	$ 97,258	99%
International	22	2,317	2,295	NM
Total	$ 98,588	$ 198,141	$ 99,553	101%
Percentage of total revenue:				
United States	100%	99%		
International	—	1		
Total	100%	100%		

NM — Not Meaningful

U.S. revenue increased $97.3 million, or 99%, in the year ended December 31, 2016 compared to the year ended December 31, 2015, due primarily to a 66% increase in the number of U.S. paying dealers.

International revenue increased $2.3 million in the year ended December 31, 2016 compared to the year ended December 31, 2015. The first international paying dealers began their subscriptions in the fourth quarter of 2015 and grew to 952 paying dealers at December 31, 2016.

Cost of Revenue

	Year Ended December 31,		Change	
	2015	2016	Amount	%
	(dollars in thousands)			
Cost of revenue	$ 4,234	$ 9,575	$ 5,341	126%
Percentage of total revenue	4%	5%		

Cost of revenue increased $5.3 million, or 126%, in the year ended December 31, 2016 compared to the year ended December 31, 2015. The increase was due primarily to a $1.7 million

increase in employee-related costs for our customer support team to support the growth in customers, a $1.5 million increase in fees related to provisioning advertising campaigns on our websites, a $1.1 million increase in costs related to connecting consumers with dealers through a variety of methods, including phone calls, email, and managed text and chat, a $0.4 million increase for data center and hosting costs, a $0.3 million increase in costs to improve the content on our website, and a $0.2 million increase in amortization of website development costs.

Operating Expenses

Sales and Marketing Expenses

	Year Ended December 31,		Change	
	2015	2016	Amount	%
	(dollars in thousands)			
Sales and marketing	$ 81,877	$ 154,125	$ 72,248	88%
Percentage of total revenue	83%	78%		

Sales and marketing expenses increased $72.2 million, or 88%, in the year ended December 31, 2016 compared to the year ended December 31, 2015. This increase was due primarily to an increase in advertising costs of $50.3 million, a $16.0 million increase in salaries, commissions, and related expenses due to our increased revenue and an 84% increase in headcount, a $1.3 million increase in expenses related to marketing events and activities, a $0.9 million increase in rent due to the expansion of our office space, and a $0.8 million increase in consulting fees.

Product, Technology, and Development Expenses

	Year Ended December 31,		Change	
	2015	2016	Amount	%
	(dollars in thousands)			
Product, technology, and development	$ 8,235	$ 11,453	$ 3,218	39%
Percentage of total revenue	8%	6%		

Product, technology, and development expenses increased $3.2 million, or 39%, in the year ended December 31, 2016 compared to the year ended December 31, 2015. The increase was due primarily to an increase in salaries and related employment expenses due to our 66% increase in headcount to support our growth and product innovations.

General and Administrative Expenses

	Year Ended December 31,		Change	
	2015	2016	Amount	%
	(dollars in thousands)			
General and administrative	$ 5,801	$ 12,783	$ 6,982	120%
Percentage of total revenue	6%	6%		

General and administrative expenses increased $7.0 million, or 120%, in the year ended December 31, 2016 compared to the year ended December 31, 2015. The change primarily reflected an increase of $2.3 million of salaries and employee-related costs as a result of our 157%

increase in headcount as we continue to grow our business and require additional personnel to support our expanded operations, a $1.5 million increase in payment processing and billing costs due to increased customer transactions from higher revenue, a $1.5 million increase in legal fees for litigation and other services, and a $0.5 million increase from external consulting fees including audit and tax services.

Depreciation and Amortization Expenses

	Year Ended December 31,		Change	
	2015	2016	Amount	%
	(dollars in thousands)			
Depreciation and amortization	$ 969	$ 1,634	$ 665	69%
Percentage of total revenue	1%	1%		

Depreciation and amortization expenses increased $0.7 million, or 69%, in the year ended December 31, 2016 compared to the year ended December 31, 2015, due primarily to increased depreciation and amortization of additional leasehold improvements.

Other (Expense) Income

	Year Ended December 31,		Change	
	2015	2016	Amount	%
	(dollars in thousands)			
Other (expense) income, net	$ (12)	$ 374	$ 386	NM
Percentage of total revenue	—	—		

NM — Not Meaningful

Other (expense) income, increased $0.4 million in the year ended December 31, 2016 compared to the year ended December 31, 2015, due primarily to the investment of cash in certificates of deposit and money market funds due to our increased cash from operations and the issuances of preferred stock in financing transactions.

(Benefit from) Provision for Income Taxes

	Year Ended December 31,		Change	
	2015	2016	Amount	%
	(dollars in thousands)			
(Benefit from) provision for income taxes	$ (904)	$ 2,448	$ 3,352	NM
Percentage of total revenue	(1)%	1%		

NM — Not Meaningful

The provision for income taxes increased $3.4 million in the year ended December 31, 2016 compared to the year ended December 31, 2015. In 2016, we recorded a tax provision on earnings with an effective tax rate of 27.4%. In 2015, we recorded a tax benefit of $0.9 million, or 35.6% effective tax benefit, as a result of our taxable loss position for that period. The Company's effective tax rate for the year ended December 31, 2016 is lower than the U.S. federal statutory rate primarily due to research and development income tax credits. The Company anticipates credits, primarily related to research and development tax credits, to continue to impact the effective tax rate in the future.

(Loss) Income from Operations by Segment

	Year Ended December 31,		Change	
	2015	2016	Amount	%
	(dollars in thousands)			
United States	$ 637	$ 27,461	$ 26,824	NM
International	(3,165)	(18,890)	(15,725)	NM
Total	$ (2,528)	$ 8,571	$ 11,099	NM
Percentage of segment revenue:				
United States	1%	14%		
International	NM	NM		

NM — Not Meaningful

U.S. income from operations increased $26.8 million in the year ended December 31, 2016 compared to the year ended December 31, 2015. This increase was due to an increase in revenue of $97.3 million, offset in part by the increase in cost of revenue of $4.3 million and operating expenses of $66.2 million.

International loss from operations increased $15.7 million in the year ended December 31, 2016 compared to the year ended December 31, 2015. The increase in International loss from operations reflects our continued investment into international markets and expansion into new countries.

Quarterly Results of Operations Data

The following table sets forth our quarterly consolidated statements of operations data for each of the most recent ten quarters ending with the quarter ended June 30, 2017. We have prepared the quarterly data on a basis consistent with the audited consolidated financial statements included elsewhere in this prospectus. In the opinion of management, the financial information reflects all necessary adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of this data. This information should be read in conjunction with the audited consolidated financial statements and related notes included elsewhere in this prospectus. The results of historical periods are not necessarily indicative of the results to be expected for a full year or any future period.

	Three Months Ended									
	March 31, 2015	June 30, 2015	September 30, 2015	December 31, 2015	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017
	(in thousands)									
Revenue										
Marketplace subscription	$ 11,601	$ 16,208	$ 21,080	$ 26,253	$ 32,138	$ 39,500	$ 46,477	$ 53,187	$ 60,172	$ 67,780
Advertising and other	5,305	5,633	6,004	6,504	6,476	6,127	6,659	7,577	6,863	8,460
Total revenue	16,906	21,841	27,084	32,757	38,614	45,627	53,136	60,764	67,035	76,240
Cost of revenue[1]	669	895	1,190	1,480	1,678	2,141	2,852	2,904	3,325	4,322
Gross profit	16,237	20,946	25,894	31,277	36,936	43,486	50,284	57,860	63,710	71,918
Operating expenses:										
Sales and marketing	13,108	18,156	22,884	27,729	31,339	36,974	40,510	45,302	49,071	55,533
Product, technology, and development	1,279	3,213	1,868	1,875	2,336	2,814	2,984	3,319	3,648	4,709
General and administrative	1,007	1,371	1,567	1,856	2,586	3,032	3,101	4,064	4,059	5,033
Depreciation and amortization	100	250	304	315	311	322	432	569	548	648
Total operating expenses	15,494	22,990	26,623	31,775	36,572	43,142	47,027	53,254	57,326	65,923
Income (loss) from operations	743	(2,044)	(729)	(498)	364	344	3,257	4,606	6,384	5,995
Other income (expense)	—	(2)	(8)	(2)	71	82	107	114	164	53
Income (loss) before income taxes	743	(2,046)	(737)	(500)	435	426	3,364	4,720	6,548	6,048
Provision (benefit) for income taxes	265	(729)	(262)	(178)	183	157	1,226	882	2,341	1,702
Net income (loss)	$ 478	$ (1,317)	$ (475)	$ (322)	$ 252	$ 269	$ 2,138	$ 3,838	$ 4,207	$ 4,346
[1] Depreciation and amortization included in cost of revenue	$ 21	$ 23	$ 23	$ 86	$ 101	$ 102	$ 113	$ 122	$ 122	$ 269

The following table sets forth our quarterly consolidated statements of operations data as a percentage of revenue:

	Three Months Ended									
	March 31, 2015	June 30, 2015	September 30, 2015	December 31, 2015	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017
Revenue										
Marketplace subscription	69%	74%	78%	80%	83%	87%	87%	88%	90%	89%
Advertising and other	31%	26%	22%	20%	17%	13%	13%	12%	10%	11%
Total revenue	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cost of revenue	4%	4%	4%	5%	4%	5%	5%	5%	5%	6%
Gross profit	96%	96%	96%	95%	96%	95%	95%	95%	95%	94%
Operating expenses:										
Sales and marketing	78%	83%	84%	85%	81%	81%	76%	75%	73%	73%
Product, technology, and development	8%	15%	7%	6%	6%	6%	6%	5%	5%	6%
General and administrative	6%	6%	6%	6%	7%	7%	6%	7%	6%	7%
Depreciation and amortization	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Total operating expenses	93%	105%	98%	98%	95%	95%	89%	88%	85%	87%
Income (loss) from operations	3%	(9)%	(2)%	(3)%	1%	1%	6%	7%	10%	7%
Other income (expense)	0%	(0)%	(0)%	(0)%	0%	0%	0%	0%	0%	0%
Income (loss) before income taxes	3%	(9)%	(2)%	(3)%	1%	1%	6%	7%	10%	7%
Provision (benefit) for income taxes	1%	(3)%	(1)%	(1)%	0%	0%	2%	1%	4%	2%
Net income (loss)	2%	(6)%	(1)%	(2)%	1%	1%	4%	6%	6%	5%

Our revenue has increased over the periods presented above driven by the acquisition of new customers and an increase in AARSD.

Our gross margin has remained relatively consistent on a quarterly basis. We expect our cost of revenue to increase as we continue to scale our business and introduce new products; however, we may experience fluctuations as a percentage of revenue from period to period depending on the timing of significant expenditures.

Our operating expenses have decreased as a percentage of revenue because our revenue has grown faster than the growth in costs associated with increases in headcount and other related expenses to support our growth. Across the retail automotive industry, consumer purchases typically increase through the first three quarters of each year, due in part to the introduction of new vehicle models from manufacturers, and our consumer marketing spend grows accordingly. As consumer purchases slow in the fourth quarter of each year, our marketing spend growth also slows. This seasonality has not been immediately apparent historically due to the overall growth of other operating expenses. As our growth rates begin to moderate, the impact of these seasonality trends on our results of operations could become more pronounced. Historical quarterly patterns should not be considered a reliable indicator of our future performance. We anticipate our operating expenses as a percentage of revenue will fluctuate as we invest in the long-term growth of our business.

Liquidity and Capital Resources

Sources and Uses of Cash

Our cash flows from operating, investing, and financing activities, as reflected in the consolidated statements of cash flows, are summarized in the following table:

	Year Ended December 31,		Six Months Ended June 30,	
	2015	2016	2016	2017
	(in thousands)			
Net cash provided by operating activities	$ 12,915	$ 20,004	$ 6,582	$ 10,090
Net cash used in investing activities	(7,615)	(51,992)	(35,155)	(6,149)
Net cash provided by (used in) financing activities	49,965	690	74	(137)
Impact of foreign currency on cash	—	(45)	(32)	29
Net increase (decrease) in cash, cash equivalents, and restricted cash	$ 55,265	$ (31,343)	$ (28,531)	$ 3,833

At June 30, 2017, our principal sources of liquidity were cash and cash equivalents of $33.3 million and investments of $48.0 million. Our operations were initially financed by a capitalization of approximately $5 million from external capital and subsequently have been financed primarily from operating activities and recent sales of preferred stock. We generated cash from operating activities of $12.9 million during 2015, $20.0 million during 2016 and $10.1 million during the first six months of 2017, and we expect to generate cash from operations for the foreseeable future. We believe that our existing sources of liquidity will be sufficient to fund our operations for at least the next 12 months. However, our future capital requirements will depend on many factors, including our rate of revenue growth, the expansion of our sales and marketing activities, the support of our product, technology, and development efforts, and the timing and extent of our investment in international markets. To the extent that existing cash, cash equivalents, and investments and cash from operations are insufficient to fund our future activities, we may need to raise additional funds through public or private equity or debt financing. Additional funds may not be available on terms favorable to us, or at all.

Operating Activities

Cash provided by operating activities during the first six months of 2017 was $10.1 million, due primarily to net income of $8.6 million, a $2.1 million increase in accrued income taxes, $1.6 million of depreciation and amortization, and a $1.2 million increase in accounts payable. These increases were partially offset by a $2.9 million decrease in accrued expenses and a $2.7 million increase in accounts receivable.

Cash provided by operating activities during the first six months of 2016 was $6.6 million, due primarily to an increase in accounts payable of $2.5 million, an increase in deferred revenue of $1.3 million, $0.8 million of depreciation and amortization, and net income of $0.5 million.

Cash provided by operating activities during 2016 was $20.0 million. This was due primarily to our net income of $6.5 million, an increase in accounts payable of $5.8 million, primarily related to higher marketing costs, an increase in accrued expenses of $4.1 million due to higher accrued bonuses and commissions, an increase of $1.9 million in deferred revenue related to customer prepayments, and an increase in deferred rent of $1.9 million related to new office space. These increases were partially offset by a $2.2 million increase in prepaid expenses primarily related to income tax payments and a $1.4 million increase in accounts receivable due to revenue growth.

Cash provided by operating activities during 2015 was $12.9 million. This was primarily due to increases in accounts payable, deferred rent, and accrued expenses of $6.1 million, $4.7 million, and $2.5 million, respectively.

Investing Activities

Our investing activities consist primarily of purchases of property and equipment, capitalized website development costs, and short-term investments.

Cash used in investing activities of $6.1 million during the first six months of 2017 was due to $30.0 million of investments in certificates of deposit, net of maturities of $26.8 million, $2.0 million of investments in furniture, computer equipment, and leasehold improvements, and $0.9 million related to the capitalization of website development costs.

Cash used in investing activities of $35.2 million during the first six months of 2016 resulted from $33.0 million of investments in certificates of deposit, $1.7 million of investments in furniture, computer equipment, and leasehold improvements, and $0.5 million related to the capitalization of website development costs.

Cash used in investing activities of $52.0 million during 2016 resulted primarily from $59.8 million of investments in certificates of deposit, net of maturities of $15.0 million, $5.8 million of investments in furniture, computer equipment, and leasehold improvements, and $1.4 million related to the capitalization of website development costs.

Cash used in investing activities of $7.6 million during 2015 resulted primarily from $6.4 million of investments in furniture, computer equipment, and leasehold improvements and $1.3 million related to the capitalization of website development costs.

Financing Activities

Cash used in financing activities of $0.1 million during the first six months of 2017 primarily reflects $0.3 million of initial public offering costs, partially offset by $0.2 million related to the proceeds from the issuance of common stock related to the exercise of vested stock options.

Cash provided by financing activities of $0.1 million during the first six months of 2016 represented the proceeds from the issuance of common stock related to the exercise of vested stock options.

Cash provided by financing activities of $0.7 million during 2016 primarily reflects $59.7 million of proceeds from the issuance of Series E preferred stock, net of issuance costs, and a tax benefit of $0.8 million related to the exercise of stock options, which was partially offset by the $60.0 million used for the repurchase of previously issued preferred stock, common stock, vested options, and restricted stock units.

Cash provided by financing activities of $50.0 million during 2015 primarily reflects $67.9 million of proceeds from the issuance of Series D preferred stock, net of issuance costs. The proceeds were partially offset by the $18.0 million used for the repurchase of previously issued preferred stock, common stock and vested options.

Contractual Obligations and Known Future Cash Requirements

Our lease obligations consist of various leases for office space in Massachusetts and Dublin with various lease terms through January 2024. The terms of our Massachusetts lease agreements provide for rental payments that increase on an annual basis. We recognize rent expense on a straight-line basis over the lease period. We do not have any debt or material capital lease obligations as of December 31, 2016 and all of our property, equipment, and software have been purchased with cash. We have no material long-term purchase obligations outstanding with any vendors or third parties.

Set forth below is information concerning our known contractual obligations at December 31, 2016 that are fixed and determinable.

	Total	Less than 1 year	2 - 3 years	4 - 5 years	More than 5 years
			(in thousands)		
Operating lease obligations	$ 42,140	$ 6,437	$ 13,432	$ 13,832	$ 8,439
Total contractual obligations	$ 42,140	$ 6,437	$ 13,432	$ 13,832	$ 8,439

Off-Balance Sheet Arrangements

As of December 31, 2016 and June 30, 2017, we did not have any off-balance sheet arrangements, except for operating leases entered into in the normal course of business as discussed above.

Quantitative and Qualitative Disclosures about Market Risk

Market risk represents the risk of loss that may affect our financial position due to adverse changes in financial market prices and rates. We are exposed to market risks related to changes in interest rates.

Interest Rate Risk

We did not have any long-term borrowings as of December 31, 2016 or as of June 30, 2017.

We had cash, cash equivalents, and investments of $74.3 million and $81.3 million at December 31, 2016 and June 30, 2017, respectively, which consists of bank deposits, money market funds and certificates of deposit with maturity dates ranging from three to 12 months. Such interest-earning instruments carry a degree of interest rate risk. To date, fluctuations in interest income have not been significant.

We do not enter into investments for trading or speculative purposes and have not used any derivative financial instruments to manage our interest rate risk exposure.

Inflation Risk

We do not believe that inflation has had a material effect on our business, financial condition, or results of operations to date. However, if our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, operating results, and financial condition.

Foreign Currency Exchange Risk

Historically, because our operations and sales have been primarily in the United States, we have not faced any significant foreign currency risk. As of December 31, 2016 and June 30, 2017, we have foreign currency exposures in the British pound and the Euro, although such exposure is not significant.

Our foreign subsidiaries have intercompany accounts that are eliminated upon consolidation, and these accounts expose us to foreign currency exchange rate fluctuations. Exchange rate fluctuations on short-term intercompany accounts are recorded in our consolidated statements of operations under other income (expense).

As we expand internationally, our risks associated with fluctuation in currency rates will become greater, and we will continue to reassess our approach to managing these risks.

Critical Accounting Policies and Significant Estimates

Our consolidated financial statements are prepared in accordance with GAAP. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses, and related disclosures. We evaluate our estimates and assumptions on an ongoing basis. Our estimates are based on historical experience and various other assumptions that we believe to be reasonable under the circumstances. Our actual results could differ from these estimates.

We believe that of our significant accounting policies, which are described in Note 2 to the notes to our consolidated financial statements included elsewhere in this prospectus, the following accounting policies involve a greater degree of judgment and complexity. Accordingly, these are the policies we believe are the most critical to aid in fully understanding and evaluating our consolidated financial condition and results of our operations.

Revenue Recognition

Our revenue is derived from two primary sources: marketplace subscription revenue, which consists of listing and display advertising subscriptions from dealers, and advertising and other revenue, which consists primarily of display advertising revenue from auto manufacturers and other auto-related brand advertisers.

We recognize revenue when all of the following conditions are satisfied: (1) there is persuasive evidence of an arrangement; (2) the service has been provided to the customer; (3) the collection of fees is reasonably assured; and (4) the amount of fees to be paid by the customer is fixed or determinable.

We offer two types of marketplace listing products to dealers, Enhanced or Featured Listing, which require a paid subscription under subscription contracts with initial terms ranging between one month and one year. Contracts for customers generally auto-renew on a monthly basis and are

cancellable by dealers with 30-days' notice after the initial term. In addition, the arrangement allows dealers to access a dashboard to track sales leads and manage their accounts, which we refer to as the Dealer Dashboard. Customers do not have the right to take possession of our software. We recognize revenue in accordance with Accounting Standards Codification, or, ASC, 605, *Revenue Recognition*. We recognize revenue on a monthly basis as revenue is earned. These contracts generally provide the customer with an unlimited amount of automobile inventory they can advertise.

In addition to listing their inventory in our marketplace, we periodically enter into multiple-element service arrangements that provide dealers with Enhanced or Featured Listing products, as well as other advertising and customer acquisition products including display advertising, which appears in our marketplace and on other sites on the Internet and requires a paid subscription under contracts with initial terms ranging from one month to one year. Contracts for customers generally auto-renew on a monthly basis and are cancellable by dealers with 30-days' notice after the initial term.

We assess arrangements with multiple deliverables under Financial Accounting Standards Board, or FASB, Accounting Standards Update, or ASU, No. 2009-13, Revenue Recognition (Topic 605), *Multiple-Deliverable Revenue Arrangements — a Consensus of the FASB Emerging Issues Task Force* (ASU 2009-13), which amended the previous multiple-element arrangements accounting guidance. Pursuant to ASU 2009-13, in order to treat deliverables in a multiple-element arrangement as separate units of accounting, the deliverables must have stand-alone value upon delivery. If the deliverables have stand-alone value upon delivery, we account for each deliverable separately. We have concluded that each element in the arrangement has stand-alone value as the individual services can be sold separately. In addition, there is no right of refund once a service has been delivered. Therefore, we have concluded each element of the arrangement is a separate unit of accounting. While these arrangements are considered multiple-element arrangements, the recognition of the units of accounting follow a consistent ratable recognition given the pattern over which services are provided.

Advertising and other revenue consists primarily of non-dealer display advertising revenue from auto manufacturers and other auto-related brand advertisers sold on a CPM basis. Impressions are the number of times an advertisement is loaded on a web page. Pricing is primarily based on advertisement size and position on our mobile applications and websites, and fees are generally billed monthly. We recognize such revenue as impressions are delivered.

We do not provide minimum impression guarantees or other types of minimum guarantees in our contracts with customers.

We sell advertising directly to auto manufacturers and other auto-related brand advertisers as well as indirectly through revenue sharing arrangements with advertising exchange partners. The advertising we sell is not subject to revenue sharing arrangements. Company-sold advertising revenue is recognized based on the gross amount charged to the advertiser. Partner-sold advertising revenue is recognized based on the net amount of revenue received from the content partners.

Revenue from advertising sold directly by us to auto manufacturers and other auto-related brand advertisers is recorded on a gross basis predominately because we are the primary obligor responsible for fulfilling advertisement delivery, including the acceptability of the services delivered. We enter into contractual arrangements directly with advertisers, and are directly responsible for the fulfillment of the contractual terms and any remedy for issues with such fulfillment. We also have latitude in establishing the selling price with the advertiser, as we sell advertisements at a rate determined at our sole discretion.

Advertising revenue subject to revenue sharing agreements between us and advertising exchange partners is recognized based on the net amount of revenue received from the partner predominately because the advertising partner, and not us, is the primary obligor responsible for fulfillment, including the acceptability of the services delivered. In partner-sold advertising arrangements, the advertising partner has a direct contractual relationship with the advertiser. There is no contractual relationship between us and the advertiser for partner-sold transactions. When an advertising exchange partner sells advertisements, the partner is responsible for fulfilling the advertisements, and accordingly, we have determined the advertising partner is the primary obligor. Additionally, we do not have any latitude in establishing the price with the advertiser for partner-sold advertising.

Revenue is presented net of any taxes collected from customers.

We establish sales allowances at the time of revenue recognition based on our history of adjustments and credits provided to our customers. Sales allowances relate primarily to credits issued for service interruption. In assessing the adequacy of the sales allowance, we evaluate our history of adjustments and credits made through the date of the issuance of the financial statements. Estimated sales adjustments and credits and ultimate losses may vary from actual results which could be material to the financial statements; however, to date, actual sales allowances have been materially consistent with our estimates. Sales allowances are recorded as a reduction to revenue in the consolidated statements of operations.

Website and Software Development Costs

We capitalize certain costs associated with the development of our websites and internal-use software products after the preliminary project stage is complete and until the software is ready for its intended use. Research and development costs incurred during the preliminary project stage or costs incurred for data conversion activities, training, maintenance, and general and administrative or overhead costs are expensed as incurred. Capitalization begins when the preliminary project stage is complete, management, with the relevant authority, authorizes and commits to the funding of the software project, it is probable the project will be completed, the software will be used to perform the functions intended and certain functional and quality standards have been met. Qualified costs incurred during the operating stage of our software applications relating to upgrades and enhancements are capitalized to the extent it is probable that they will result in added functionality, while costs that cannot be separated between maintenance of, and minor upgrades and enhancements to, internal-use software are expensed as incurred.

Capitalized software development costs are amortized on a straight-line basis over their estimated useful life of three years. Management evaluates the useful lives of these assets on an annual basis and tests for impairment whenever events or changes in circumstances occur that could impact the recoverability of these assets.

During the years ended December 31, 2015 and 2016, we capitalized $1.3 million and $1.4 million of website development costs, respectively. We recorded amortization expense associated with its capitalized website development costs of $0.2 million and $0.3 million, for the years ended December 31, 2015 and 2016, respectively.

During the six months ended June 30, 2017, we capitalized $0.9 million of website development costs. We recorded amortization expense associated with our capitalized website development costs of $0.3 million for the six months ended June 30, 2017.

Income Taxes

We account for income taxes in accordance with the liability method. Under this method, deferred tax assets and liabilities are recognized based on temporary differences between the financial reporting and income tax bases of assets and liabilities using statutory rates. In addition, this method requires a valuation allowance against net deferred tax assets if, based upon the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

We account for uncertain tax positions recognized in the consolidated financial statements by prescribing a more-likely-than-not threshold for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Interest and penalties, if applicable, related to uncertain tax positions would be recognized as a component of income tax expense. We have no recorded liabilities for uncertain tax positions as of December 31, 2015 or 2016 or June 30, 2017.

Stock-Based Compensation

We recognize stock-based compensation for stock-based awards, including stock options and restricted stock units, or RSUs, based on the estimated fair value of the awards. Through the period ended December 31, 2016, we applied an estimated forfeiture rate in determining the total stock-based compensation expense to record for the period. For service-based awards, we recognize compensation expense on a straight-line basis over the requisite service period of the award.

For RSUs issued under our stock-based compensation plans, the fair value of each grant is calculated based on the estimated fair value of our common stock on the date of grant. We estimate the fair value of most stock option awards on the date of grant using the Black-Scholes option-pricing model. Certain stock option awards that have an exercise price that is materially above the current estimated fair market value of our common stock are considered to be "deeply out of the money," and are valued at the date of grant using a binomial lattice option-pricing model. The fair value of each option grant issued under our stock-based compensation plans that is not considered "deeply out of the money" was estimated using the Black-Scholes option-pricing model.

RSUs granted historically are subject to both a service-based vesting and a performance-based vesting condition achieved upon a liquidity event, defined as either a change of control or an initial public offering of our common stock, or IPO. As a result, no compensation cost related to stock-based awards with these performance conditions has been recognized through June 30, 2017, as we have determined that a liquidity event was not probable at December 31, 2015 or 2016 or June 30, 2017. We will record the expense for these awards using the accelerated attribution method over the remaining service period when management determines that achievement of the liquidity event is probable.

We determined the assumptions for the Black-Scholes option-pricing model as discussed below. Each of these inputs is subjective and generally requires significant judgment to determine.

- *Fair Value of Our Common Stock.* Prior to this offering, our stock was not publicly traded, and therefore we estimated the fair value of our common stock, as discussed in "— Common Stock Valuations" below.
- *Expected Term.* The expected term represents the period that the stock-based awards are expected to be outstanding. The expected term of stock options granted has been determined using the simplified method, which uses the midpoint between the vesting date and the contractual term.

- *Risk-Free Interest Rate.* The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the date of grant for zero-coupon U.S. Treasury constant maturity notes with terms approximately equal to the stock-based award's expected term.

- *Expected Volatility.* Because we do not have a trading history of our common stock, the expected volatility was derived from the average historical stock volatilities of several public companies within our industry that we consider to be comparable to our business over a period equivalent to the expected term of the stock-based awards.

- *Dividend Rate.* The expected dividend is zero as we have not paid and do not anticipate paying any dividends in the foreseeable future.

If any of the assumptions used in the Black-Scholes model change significantly, stock-based compensation for future awards may differ materially compared with the awards granted previously.

The weighted-average fair values of options granted during the years ended December 31, 2015 and 2016 were $0.46 and $0.90, respectively. No options were granted during the six months ended June 30, 2017. The weighted-average assumptions utilized to determine the fair value of options granted are presented in the following table:

	2015	2016
Expected dividend yield	—	—
Expected volatility	64%	49%
Risk-free interest rate	1.73%	1.57%
Expected term (in years)	6.05	6.07

Common Stock Valuations

The fair value of units and shares of our common stock has historically been determined by our board of directors, with input from management, based upon information available at the time of grant. Once a public trading market for our Class A common stock has been established following the closing of this offering, it will no longer be necessary for our board of directors to estimate the fair market value of our common stock in connection with our accounting for granted equity awards. Given the absence of a public market for our Class A common stock prior to this offering and in accordance with the American Institute of Certified Public Accountants Practice Aid, *Valuation of Privately Held Company Equity Securities Issued as Compensation*, also known as the Practice Aid, our board of directors has exercised reasonable judgment and considered a number of objective and subjective factors to determine the best estimate of the fair value of our common stock including:

- contemporaneous third-party valuations of our common stock;

- the prices, rights, preferences and privileges of preferred stock relative to the common stock;

- market performance of comparable publicly traded peer companies;

- the prices of convertible preferred stock sold by us to third-party investors;

- our operating and financial performance;

- the lack of marketability of our common stock;

- the U.S. and global economic and capital market conditions and outlook; and

- the likelihood of achieving a liquidity event for the shares of common stock underlying stock options and RSUs, such as an IPO or sale of our company, given prevailing market conditions.

We granted stock options and RSUs with the following exercise prices and grant date fair values, respectively, between January 1, 2016 and the date of this prospectus:

Month and Year of Award Agreement	Award Type	Number of Awards Granted[1]	Exercise Price Per Share	Per Share Fair Value[2]	Aggregate Award Fair Value
		(in thousands, except share and per share data)			
January 2016	Stock option	278,400	$ 6.77	$ 3.19	$ 889
February 2016	RSU	264,000	—	$ 3.19	$ 843
March 2016	Stock option	12,600	$ 6.77	$ 3.19	$ 40
April 2016	Stock option	325,200	$ 6.77	$ 3.19	$ 1,124
May 2016	Stock option	33,600	$ 6.77	$ 3.19	$ 107
June 2016	Stock option	12,600	$ 6.77	$ 3.19	$ 40
July 2016	RSU	303,108	—	$ 3.19	$ 967
August 2016	RSU	3,600	—	$ 3.19	$ 11
October 2016	RSU	423,300	—	$ 4.72	$ 1,996
November 2016	RSU	40,800	—	$ 4.72	$ 192
December 2016	RSU	3,600	—	$ 4.72	$ 17
January 2017	RSU	397,200	—	$ 5.54	$ 2,200
May 2017	RSU	451,434	—	$ 6.89	$ 3,109

(1) One third of which number of shares of common stock subject to the award are shares of Class A common stock and two thirds of which number of shares of common stock subject to the award are shares of Class B common stock.

(2) The per share fair value represents the fair value of one share of our common stock on the date of grant, as determined by our board of directors, after taking into account our most recently available contemporaneous valuations of our common stock as well as additional factors that may have changed since the date of such contemporaneous valuation through the date of grant. The board performed such valuations on the following dates and arrived at the following per share fair values:

Date of Valuation	Per Share Fair Value
December 31, 2015	$ 3.19
August 23, 2016	$ 4.72
December 31, 2016	$ 5.54
March 31, 2017	$ 6.89
June 30, 2017	$ 11.48

The dates of our valuations have not always coincided with the dates of our stock option or RSU grants. In determining the fair value of the shares underlying options and RSUs set forth in the table above, we considered, among other things, the most recent contemporaneous valuations of our common stock and our assessment of additional objective and subjective factors we believed were relevant as of the grant date. The additional factors considered when determining any changes in fair value between the most recent contemporaneous valuation and the grant dates included performance metrics such as monthly revenue, AARSD, headcount and total active customers, our operating and financial performance and current business conditions.

There are significant judgments and estimates inherent in the determination of the fair value of our common stock. These judgments and estimates include assumptions regarding our future operating performance, the time to completing an IPO, or other liquidity event, the related company valuations associated with such events, and the determinations of the appropriate valuation

methods. If we had made different assumptions, our stock-based compensation expense, consolidated net (loss) income and consolidated net (loss) income per share attributable to common stockholders could have been significantly different.

Our contemporaneous valuations were prepared in accordance with the guidelines in the Practice Aid, which prescribes several valuation approaches for determining the value of an enterprise, such as the cost, market and income approaches. These valuations estimated the fair value of a minority interest in our common stock, determined based on our total equity value, or TEV, using the market approach. The market approach considers multiples of financial metrics based on guideline public companies. These multiples are then applied to our financial metrics to derive a range of indicated values. In periods in which we had a significant financing event, the market approach considered this as a significant indicator in determining the fair value of our common stock, and our TEV was estimated using the Option Pricing Method Backsolve, or OPM Backsolve. This methodology utilizes the most recent negotiated arms-length transactions involving the sale or transfer of our stock or equity interests.

Our indicated TEV was then allocated to each equity element of our capital structure (preferred stock, common stock, options, and RSUs). Estimates of the volatility of our common stock were based on available information on the volatility of common stock of comparable, publicly traded companies. We applied a discount for lack of marketability to our common stock based on studies of comparable company-specific adjustments along with consideration of a protective put option model.

Beginning with the August 23, 2016 valuation, we changed the methodology for allocating our equity value to our common stock to a hybrid method, which is a combination of a probability weighted expected return method, or PWERM and an OPM. We made this change as greater certainty developed regarding a possible liquidity event. The PWERM methodology relies on a forward-looking analysis to predict the possible future value of a company. Under this method, discrete future outcomes, such as an IPO, non-IPO scenarios, and a merger or sale are weighted based on our estimate of the probability of each scenario. In our application of the hybrid method, we considered an IPO scenario under the PWERM framework, and a non-IPO scenario modeled using an OPM to reflect the full distribution of possible non-IPO outcomes. The hybrid method is useful when certain discrete future outcomes can be predicted, but also accounts for uncertainty regarding the timing or likelihood of specific alternative exit events.

Emerging Growth Company Status

We are an "emerging growth company," as defined in the JOBS Act, and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies. We may take advantage of these exemptions until we are no longer an emerging growth company. Section 107 of the JOBS Act provides that an emerging growth company can take advantage of the extended transition period afforded by the JOBS Act for the implementation of new or revised accounting standards. We have elected to use the extended transition period for complying with new or revised accounting standards; and as a result of this election, our financial statements may not be comparable to companies that comply with public company effective dates. We may take advantage of these exemptions up until the last day of the fiscal year following the fifth anniversary of this offering or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company if we have more than $1.07 billion in annual revenue, we have more than $700.0 million in market value of our stock held by non-affiliates (and we have been a public company for at least 12 months and have filed one annual report on Form 10-K) or we issue more than $1.0 billion of non-convertible debt securities over a three-year period.

Recent Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* (ASU 2014-09), which modifies how all entities recognize revenue, and consolidates into one ASC Topic (ASC Topic 606, *Revenue from Contracts with Customers*) the current guidance found in ASC Topic 605, and various other revenue accounting standards for specialized transactions and industries. ASU 2014-09 outlines a comprehensive five-step revenue recognition model based on the principle that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 may be applied using either a full retrospective approach, under which all years included in the financial statements will be presented under the revised guidance, or a modified retrospective approach, under which financial statements will be prepared under the revised guidance for the year of adoption, but not for prior years. Under the latter method, entities will recognize a cumulative catch-up adjustment to the opening balance of retained earnings at the effective date for contracts that still require performance by the entity at the date of adoption.

In August 2015, the FASB issued ASU 2015-14, *Revenue from Contracts with Customers (Topic 606): Deferral of Effective Date* (ASU 2015-14), which defers the effective date of ASU 2014-09 by one year. ASU 2014-09 is now effective for public entities for annual reporting periods beginning after December 15, 2017, including interim periods within those annual reporting periods. We have developed an implementation plan to adopt this new guidance. As part of this plan, we are currently assessing the impact of the new guidance on our results of operations. Based on our procedures performed to date, nothing has come to our attention that would indicate that the adoption of ASU 2014-09 will have a material impact on our revenue recognition; however, further analysis is required and we will continue to evaluate this assessment throughout 2017. While we are still evaluating the impact that this guidance will have on our financial statements and related disclosures, our preliminary assessment is that there will be an impact relating to the accounting for costs to acquire a contract. Under ASU 2015-14, we will be required to capitalize certain costs, primarily commission expense to sales representatives, on our consolidated balance sheet and amortize such costs over the period of performance for the underlying customer contracts. We are still evaluating the impact of capitalizing costs to execute a contract.

For non-public entities, the guidance is effective for annual periods beginning after December 15, 2018. Non-public entities are permitted to adopt the standard as early as annual reporting periods beginning after December 15, 2016 and interim periods therein. We currently expect to apply the modified retrospective method of adoption; however, we have not yet finalized our transition method, but expect to do so upon completion of further analysis.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)* (ASU 2016-02). ASU 2016-02 requires a lessee to recognize most leases on the balance sheet but recognize expenses on the income statement in a manner similar to current practice. The update states that a lessee will recognize a lease liability for the obligation to make lease payments and a right-to-use asset for the right to use the underlying assets for the lease term. Leases will continue to be classified as either financing or operating, with classification affecting the recognition, measurement, and presentation of expenses and cash flows arising from a lease. For public entities, the new standard is effective for interim and annual periods beginning on or after January 1, 2019, with early adoption permitted. For non-public entities, the new standard is effective for annual periods beginning after December 15, 2019, with early adoption permitted. We are evaluating the impact this new guidance may have on our consolidated financial statements.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments* (ASU 2016-15). ASU 2016-15 is

intended to add or clarify guidance on the classification of certain cash receipts and payments in the statement of cash flows and to eliminate the diversity in practice related to such classifications. For public entities, the guidance in ASU 2016-15 is required for annual reporting periods beginning after December 15, 2017, with early adoption permitted. For non-public entities, the guidance is effective for annual reporting periods beginning after December 15, 2018, with early adoption permitted. We are currently in the process of evaluating the impact and timing of adoption of the ASU 2016-15 on our consolidated financial statements.

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash* (ASU 2016-18). ASU 2016-18 requires that the statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Entities will also be required to reconcile such total to amounts on the balance sheet and disclose the nature of the restrictions. For non-public entities, the amendments in ASU 2016-18 are effective for annual periods beginning after December 15, 2018, with early adoption permitted. We adopted this standard effective January 1, 2016, and applied the guidance using a retrospective transition method to each period presented.

BUSINESS

Overview

CarGurus is a global, online automotive marketplace connecting buyers and sellers of new and used cars. Using proprietary technology, search algorithms, and innovative data analytics, we believe we are building the world's most trusted and transparent automotive marketplace and creating a differentiated automotive search experience for consumers. Our trusted marketplace empowers users with unbiased third-party validation on pricing and dealer reputation as well as other information that aids them in finding "Great Deals from Great Dealers." As of June 30, 2017, we had an active dealer network of over 40,000 dealers, and our selection of over 5.4 million car listings is the largest number of car listings available on any of the major U.S. online automotive marketplaces. In addition to the United States, we operate online marketplaces in Canada, the United Kingdom, and Germany.

A core principle of our marketplace is unbiased transparency. For consumers considering used vehicles, we aggregate vehicle inventory from dealers and apply our proprietary analysis to generate a Deal Rating as either: Great Deal, Good Deal, Fair Deal, High Priced, or Overpriced. Deal Rating illustrates how competitive a listing is compared to similar cars sold in the same region in recent history. We determine Deal Rating principally on the basis of both our proprietary Instant Market Value, or IMV, algorithm, which determines the market value of any given vehicle in a local market, and Dealer Rating, a measure of a dealer's reputation as determined by reviews of that dealer from our user community. By sorting organic search results based on a used car's Deal Rating, we enable consumers to find the most relevant car for their needs. For new cars, we help our users understand deal quality by providing price analysis and our Dealer Rating. We also provide our users information historically not widely available, such as Price History, Time on Site, and Vehicle History. We believe this approach brings greater transparency, trust, and efficiency to a consumer's car research and buying process, leading to higher engagement and a more informed consumer who is better prepared to purchase at the dealership.

According to Google Analytics, in the second quarter of 2017, we had approximately 61 million average monthly sessions in the United States, up from approximately 45 million during the same period in 2016. According to comScore, we have become the most visited online automotive marketplace in the United States, and we have the largest mobile audience, with over 78% of our second quarter 2017 monthly unique visitors accessing our marketplace from mobile devices. Our focus on providing unbiased transparency for consumers has also created an engaged user community. According to comScore, during the second quarter of 2017, visitors returned to our site 2.4 times as often as any other major U.S. online automotive marketplace, up from 1.8 times as often in the second quarter of 2016.

Our large, engaged, and predominantly mobile user base presents an attractive audience of in-market consumers for our dealers. By connecting dealers with more informed consumers, we believe we provide dealers with an efficient customer acquisition channel and attractive returns on their marketing spend with us. Dealers can list their inventory in our marketplace for free with our Basic Listing product or with a paid subscription to our Enhanced or Featured Listing products. Dealers with free listings receive anonymized email connections and access to a subset of the tools on our Dealer Dashboard at no cost. Dealers with a paid subscription receive connections to consumers that are not anonymous and can be made through a wider variety of methods, including phone calls, email, managed text and chat, links to the dealer's website, and map directions to dealerships. In addition, dealers with our Enhanced and Featured Listing products are able to display their dealer name, address, and dealership information on their listings to gain brand recognition, which promotes walk-in traffic to the dealer. We also provide paying dealers with full access to our Dealer Dashboard, including inventory pricing tools informed by real-time market

conditions, which help them more effectively price, merchandise, and sell their cars. Our success with dealers is evidenced by the 66% growth in the number of paying dealers in our U.S. marketplace from 2015 to 2016.

Our scaled online marketplace model drives powerful network effects. The industry-leading inventory selection offered by our dealers attracts a large and engaged consumer audience. The value of robust connections to this audience incentivizes dealers to purchase our Enhanced or Featured Listing products. Having more paying dealers provides consumers with more dealer information and methods to contact them. More consumers and connections drives greater value to paying dealers on our platform. Driven by these network effects, we continue to amass more data, which we use to continuously improve our search algorithms, the accuracy of Deal Ratings, our user experience, and, ultimately, the quality of the connections between consumers and dealers.

We generate marketplace subscription revenue from dealers through Listing and Dealer Display subscriptions and advertising revenue from auto manufacturers and other auto-related brand advertisers. Our rapid revenue growth and financial performance over the last several years exemplifies the strength of our marketplace. In 2016, we generated revenue of $198.1 million, a 101% increase from $98.6 million of revenue in 2015. Our revenue for the six months ended June 30, 2017 was $143.3 million, a 70% increase from $84.2 million of revenue in the six months ended June 30, 2016. In 2016, we generated net income of $6.5 million and our Adjusted EBITDA was $11.0 million, compared to a net loss of $1.6 million and Adjusted EBITDA of $(0.4) million in 2015. For the six months ended June 30, 2017, we generated net income of $8.6 million and Adjusted EBITDA of $14.1 million, compared to net income of $0.5 million and Adjusted EBITDA of $1.7 million for the six months ended June 30, 2016. See "Selected Consolidated Financial and Other Data — Adjusted EBITDA" for more information regarding our use of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to our net income (loss).

Industry Dynamics and Market Opportunity

Significant Purchasing Decision for Consumers. A car is often the second largest purchase a consumer will make, second only to his or her home. Traditionally, the process of finding the right car to buy, selecting the right dealer or seller to buy it from, and deciding how much to spend, has been complex and intimidating. A 2017 Google study estimates that, during the car buying process, a consumer might have over 900 digital interactions with dealers, brands, and third-party sites. Historically, aggregating inventory across dealerships has been challenging and finding objective information regarding the fair price of a car and the quality of a dealership has been difficult.

Massive U.S. Automotive Market. The automotive industry is one of the largest in the United States. Borrell Associates estimates that U.S. retail automotive sales reached $1.3 trillion in 2016, with automotive dealers accounting for over 85% of all cars sold. According to these estimates, there are approximately 43,000 dealers in the United States, including over 16,000 franchise dealers affiliated with an automotive brand that often sell both new and used cars, and over 26,000 independent dealers that sell only used cars. These U.S. dealers sold approximately 17 million new cars and 44 million used cars in 2016, while peer-to-peer transactions by individuals accounted for approximately 11 million used cars sold. The same report estimates that the U.S. automotive industry spent over $37 billion on advertising in 2016, $23 billion of which was spent by dealers, representing over 60% of the market. Borrell Associates estimates that the U.S. automotive industry will spend approximately $47 billion on advertising by 2021, approximately 62% of which will be spent by dealers. In addition to marketing spend, based on information from investment bank analyst research, we believe that U.S. dealers spend approximately $4.5 billion a year on software solutions, including inventory management, customer relationship management, and data services, among other applications.

Shift from Offline to Online. Consumers are increasingly using the Internet to search for cars before entering a dealership. According to JD Power & Associates, the average car buyer spends 14 hours researching cars online prior to making a purchase. This shift in consumer behavior, which places more reliance on digital research, has led to a decrease in the number of dealership visits a consumer makes prior to purchasing a car; the average consumer visited 1.6 dealerships before buying a car in 2015, which is a 68% decrease from 2005. To respond to this trend, the U.S. automotive industry has increasingly allocated more marketing spend to online channels. According to Borrell Associates estimates, 57%, or $21 billion, of the U.S. automotive marketing spend was on online channels in 2016, up from 32% in 2011, and it is expected to increase to 70% by 2021.

Increasing Importance of Mobile Devices. Consumers are increasingly using their mobile devices to search for vehicles. For many consumers, shopping for a car is an intermittent process occurring on and off dealers' lots, making it particularly well-suited for a mobile search experience. A 2015 Google study estimates that more than half of shoppers use a smartphone for research while on a dealer's lot, and a 2017 Google study estimates that as much as 71% of a consumer's interactions with dealers, brands, and third-party sites during the car buying process occurred on a mobile device.

Highly Fragmented, Local Market. The market for new and used car sales is highly fragmented and local, making it competitive for dealers to find local buyers. A dealer's inventory may change daily and the speed at which a dealer turns its inventory is a key driver of its profitability. Additionally, unlike new cars, no two used cars are alike, and used car buyers often search for a very specific configuration, including make, model, trim, options, year, mileage, and price. This makes it challenging for dealers to find the right buyer for a specific vehicle in a cost-efficient manner.

Large International Automotive Markets with Similar Dynamics as the United States. Much like in the United States, dealers represent a critical part of international automotive markets. It is estimated that in 2016, there were approximately 5,800 dealers in Canada and 4.9 million new and used cars sold; 11,700 dealers in the United Kingdom and 10.9 million new and used cars sold; and 21,000 dealers in Germany and 10.8 million new and used cars sold. We believe our marketplace will be attractive in these and other international markets as an alternative to paid-inclusion automotive marketplaces that lack unbiased transparency for consumers and free listing options for dealers.

Consumer Challenges

Upon determining what type of car to purchase, consumers face many questions:

- Which dealer has a car like this?
- What is a fair price for this particular type of car?
- Have others had a good experience buying from this dealer?

In answering these questions, consumers have historically had limited access to unbiased information on specific vehicles, car pricing, and dealer reputation. For consumers searching for used cars, every car is unique, and it is difficult to aggregate the relevant inventory of available used cars across dealers, a difficulty exacerbated by the lack of consistency in the way that dealers characterize a car's attributes. Generally, dealers also have had more information about car prices than consumers do, as consumers have had limited resources and tools to determine an appropriate price. Finally, selecting the right dealer has also been challenging for consumers as dealer reputations have historically been based primarily on word-of-mouth. The lack of clear,

unbiased, transparent information has made it difficult for consumers to effectively compare vehicles and find the vehicle that best suits their needs.

Dealer Challenges

The economics of dealerships depend largely on sales volume, gross margin, and customer acquisition efficiency. To achieve a high return on their marketing investments, dealers must find in-market consumers, yet because car purchases are infrequent, only a small percentage of consumers are shopping for a car at any given point in time. Traditional marketing channels, including television, radio, and newspaper, can effectively target locally but are inefficient in reaching the small percentage of consumers who are actively in the market to buy a car. In addition, used car pricing is fluid because it is based on rapidly shifting supply and demand dynamics. Dealers need to find ways to manage constantly changing inventory and adjust pricing strategies to adapt to frequently changing market conditions.

Our Approach

Why Consumers Choose Us

We believe that our marketplace offers the best online automotive marketplace experience for consumers, distinguished by the following:

- *Largest Inventory Selection.* As of June 30, 2017, we had an active dealer network of over 40,000 dealers, and our selection of over 5.4 million car listings is the largest number of car listings available on any of the major U.S. online automotive marketplaces. We define our active dealer network as consisting of all dealers to which we connected a user about a listing during the ninety-day period ending on the applicable measurement date. Our marketplace enables consumers to easily connect with these dealers through a variety of channels, including phone calls, email, managed text and chat, links to the dealer's website, and map directions to dealerships.

- *Trust and Unbiased Transparency.* Used cars identified through searches in our marketplace are sorted by and shown with a Deal Rating, which illustrates how competitive a listing is compared to similar cars sold in the same region in recent history. We determine Deal Rating principally on the basis of our proprietary IMV and Dealer Rating, which is based on qualified dealer reviews from our users, associated with the car. For new cars, which have manufacturer suggested retail prices, or MSRPs, and no vehicle history, we help our users understand deal quality by providing price analysis and our Dealer Rating. These features, coupled with information historically not widely available, such as Price History, Time on Site, and Vehicle History, provide consumers with unbiased, transparent information with which to make their purchasing decision.

- *Intuitive Search Results.* For used car shoppers, our organic search function prioritizes results by a car's Deal Rating, which we believe is most relevant to a consumer's decision criteria. In contrast, paid-inclusion automotive marketplaces award dealers preferential listing placement based on how much a dealer pays. Apart from a limited number of paid Featured listings for each search, our organic search results are oriented solely by "Great Deals from Great Dealers" in the relevant local market. We also empower consumers with a variety of tools to search and filter the inventory on our site in ways that help them efficiently find the best car for their needs. Furthermore, the limited amount of advertising content on our search results pages reduces unnecessary clutter and allows consumers to focus on their search results.

- *Robust, Mobile-Focused Experience.* We have designed our marketplace to appeal to mobile users by developing our products with a mobile-first mindset. This approach has resulted in over 78% of our monthly unique visitors accessing our marketplace from mobile devices in the second quarter of 2017 and a 43% growth in our average monthly mobile visits from 2015 to 2016, according to comScore. Our growth in mobile visits continues in 2017; according to comScore, we had over 34 million average mobile monthly visits, the most of any online automotive marketplace in the United States, and we had 44% more mobile monthly unique visitors than the next largest mobile audience among the major U.S. automotive marketplaces during the second quarter of 2017.

Why Dealers Choose Us

We believe that dealers choose us for the following reasons:

- *Attractive Return on Investment.* Return on investment, or ROI, which measures gross profit from the sale of cars in relation to the amount of the associated marketing expense, is a principal metric for assessing the performance of a customer acquisition channel. We believe we offer dealers an efficient customer acquisition channel driven by the volume of connections to our users, the quality of those connections, and the brand exposure to our engaged audience in relation to our subscription cost.

- *Large and Engaged Audience.* We are the most visited online automotive marketplace in the United States; according to comScore, in the second quarter of 2017 we had 2.3 times as many visits to our U.S. website as any other major U.S. online automotive marketplace, up from 1.8 times as many during the same period in 2016. In addition, we believe our audience is more engaged than users of other online automotive marketplaces; in the second quarter of 2017, our visitors returned to our site 2.4 times as often as any other major U.S. online automotive marketplace.

- *Volume of Connections.* Our marketplace enables consumers to easily connect with dealers through a variety of channels, including phone calls, email, managed text and chat, links to the dealer's website, and map directions to dealerships. Leveraging our large consumer audience, we provided over 42 million connections to our dealers in the United States in 2016.

- *Broad Suite of Products and Tools.* We offer products that help dealers acquire customers and build their brands, such as Enhanced Listing, Featured Listing, Dealer Display advertising, Deal Rating Badges, and dealer search engine marketing. Additionally, we provide tools to help dealers market and sell their cars more efficiently, such as our Pricing Tool, Market Analysis tool, and Dealer Insights tool.

Why Auto Manufacturers Choose Us

In addition to dealers, our audience also appeals to auto manufacturers. Auto manufacturers have few other opportunities to reach an audience of consumers as large and engaged as ours who are actively looking to purchase a car. We believe that auto manufacturers also choose us for the following reasons:

- *Unique Non-Overlapping Audience of In-Market Consumers.* Based on comScore estimates, in the second quarter of 2017, 62% of our monthly unique visitors did not visit any of the other major U.S. online automotive marketplaces during the same period. This creates a compelling value proposition to auto manufacturers, as they would have difficulty reaching these users at scale elsewhere. In addition, traditional media channels, such as television, radio, and newspaper, provide limited segmentation and targeting ability, such that only a

small fraction of consumers reached will actively be in the market to purchase a car. In contrast, based on a survey of 1,767 of our users we conducted during the second quarter of 2017, 88% are actively shopping for a car and 48% intend to buy a car in the next month. Furthermore, advertisers on our site can target consumers based on geography, various demographic and behavioral segmentations, and browsing history.

- *Clean, Uncluttered Pages.* We provide a clean and uncluttered user interface that helps users efficiently find the best car for their needs as part of our commitment to create the best consumer experience. We limit the number of advertisements on any given page; for example, our mobile site has no advertisements on the front page and we have on average fewer than two banner advertisements per search results page, or SRP, across both desktop and mobile. This helps advertisers' messages better resonate when compared to other online automotive marketplaces that display significantly more ads per SRP.

Our Strengths

We believe that our competitive advantages are based on the following key strengths:

Trusted Marketplace for Consumers. We provide consumers with unbiased information, intuitive search results, and other tools that empower them to find "Great Deals from Great Dealers." In the United States, we offer the largest online selection of new and used car listings of any major U.S. online automotive marketplace. We aggregate and analyze these listings using proprietary technology and innovative data analytics to create a differentiated automotive search experience for consumers. We believe that providing an unbiased and transparent consumer experience has instilled greater trust in us among our users, helping us become the most visited online automotive marketplace in the United States. In the second quarter of 2017, we experienced over 61 million average monthly sessions in the United States. We define average monthly sessions as the number of distinct visits to our website that take place each month within a given time frame, as measured and defined by Google Analytics. Our focus on the consumer experience is also evidenced by the success of our mobile platform, with over 78% of our monthly unique visitors in the second quarter of 2017 accessing our marketplace through mobile channels. We believe this user traffic and engagement, critical to any successful marketplace, will continue to strengthen our market position.

Proprietary Search Algorithms and Data-Driven Approach. We have built an extensive repository of data on cars, prices, dealers, and the interactions between consumers and dealers that is the result of over seven years of data aggregation and regression modeling. Our proprietary search algorithms and data analytics allow us to use this valuable data to bring greater transparency to our platform. The primary product of this analysis is our determination of a used car's IMV, which, in addition to Dealer Rating, drives our Deal Rating. We calculate IMV by applying more than 20 ranking signals and more than 100 normalization rules to millions of data points, including the make, model, trim, features, condition, history, geographic location, and mileage of the car. The growing volume of connections between consumers and dealers on our platform allows us to continually improve the accuracy of our IMV, Dealer Ratings, and used car search results sorted by Deal Rating. We apply the knowledge gained from analyzing this ever-growing data set to build new products for our consumers and dealers and to more efficiently launch marketplaces in new countries.

Strong Value Proposition to Dealers. We believe that our marketplace offers an efficient customer acquisition channel for dealers, helping them achieve attractive returns on their marketing spend with us. In 2016, we provided our U.S. dealer base with over 42 million connections to prospective car buyers, most of which were for used cars. We define connections as interactions between consumers and dealers in our marketplace through phone calls, email, managed text and

chat, and clicks to access the dealer's website and map directions to the dealership. We provide all dealers with tools that are informed by real-time market conditions, which help them merchandise and sell their cars. Our paying dealers also gain access to our Pricing Tool and Market Analysis tool. Our strong value proposition to the dealer community is evidenced by the 66% growth in the number of paying U.S. dealers and 18% growth in average annual revenue per subscribing dealer, or AARSD, in the United States from 2015 to 2016.

Network Effects Driven by Scale. Having reached the majority of dealers and built one of the largest consumer audiences in the United States, we believe that our scale creates powerful network effects that reinforce the competitive strength of our business model. As of June 30, 2017, we had an active dealer network of over 40,000 dealers and a selection of over 5.4 million listings, which helped make us the most visited major U.S. online automotive marketplace in the second quarter of 2017, according to comScore. Our large consumer audience increases our appeal to dealers and incentivizes more dealers to purchase our Enhanced or Featured Listing products to access the numerous benefits unavailable to non-paying dealers. Having more paying dealers in our marketplace provides consumers with more dealer information and methods to contact those dealers. More consumers and connections drive greater value and a higher return to paying dealers' marketing spend on our platform. Driven by these network effects, we continue to amass more data, which we use to further strengthen our search algorithms, the utility of analysis complementing each listing, the quality of our user experience, and the value of connections between consumers and dealers.

Attractive Financial Model. We have a strong track record of revenue growth, profitability, and capital efficiency. In 2016, we generated revenue of $198.1 million, a 101% increase from $98.6 million of revenue in 2015. A significant portion of our revenue is recurring due to the subscription nature of our products; in 2016, dealer marketplace listing and dealer display advertising subscription revenue, which we consider to be recurring revenue, comprised 86% of total revenue. Furthermore, our revenue base is highly diversified due to the fragmented nature of the automotive dealer industry. We also have been able to grow and invest in our future growth while improving profitability due to the operating leverage in our business model. On a consolidated basis, while our revenue grew 101%, our Adjusted EBITDA margin expanded from 0% in 2015 to 6% in 2016. In the United States, which is our most developed market, we grew our revenue by 99% in 2016 while increasing our income from operations from $0.6 million in 2015 to $27.5 million in 2016.

Founder-Led Management Team with Culture of Innovation. Our founder, Chief Executive Officer, President, and Chairman, Langley Steinert, co-founded and was previously chairman of TripAdvisor, an online marketplace for travel-related content based on the mission of using technology and a data-driven approach to provide transparency for consumers' travel planning. At CarGurus, we are bringing the same transparency to the automotive market. Founded in 2006, CarGurus grew through 2014 using approximately $5 million of outside capital and today we continue to focus on data-driven innovation and financial discipline to build our company.

Our Growth Strategies

We intend to continue to grow our business by pursuing the following strategies:

Grow Our Paying U.S. Dealer Base. We plan to convert more dealers to paying dealers in the United States by leveraging our sales and account management teams and demonstrating the value proposition of our marketplace as an attractive customer acquisition channel with a compelling ROI. As of June 30, 2017, approximately 57% of dealers in our active dealer network were paying dealers. We will continue to introduce new features and services to our Enhanced and

Featured Listing products, such as our recently introduced managed text and chat feature, to further encourage conversion from non-paying to paid usage.

Increase Our Share of Dealer Marketing Spend From Existing Products. According to comScore, in the second quarter of 2017, we captured 51% of total minutes consumers spent visiting the major U.S. online automotive marketplaces. However, we believe our average share of dealers' online marketing spend is less than our proportionate share of online consumer traffic on automotive marketplaces. We intend to continue to grow our AARSD by increasing the volume of connections we provide to dealers for new and used cars and demonstrating the value of our large, engaged, and predominantly mobile audience and the attractive return dealers can achieve through higher marketing spend on our platform. For example, we increased the volume of connections provided to our U.S. dealers by over 20% to 12.4 million connections during the second quarter of 2017, compared to 10.3 million connections during the same period in 2016. As we grow our consumer audience and corresponding connections to dealers, we believe dealers will be incentivized to pay more for those increasing connections.

Offer Additional Dealer Products. In addition to our current suite of dealer products, we plan to offer new products to help dealers acquire customers, build relationships with prospects, and better manage their inventories, websites, and dealerships. For example, in 2017, we began offering a digital marketing product that helps dealers more effectively acquire prospects through paid search marketing and retargeting.

Grow the Size and Engagement of Our Consumer Audience. We will continue investing in, and improving the efficiency of, our algorithmic traffic acquisition. In addition, we intend to add new features, tools, and services to assist consumers with more aspects of the car ownership lifecycle, from researching and buying a car through maintaining and eventually selling their car. For example, we have introduced car comparison pages to help with research, monthly payment calculators to help with buying, and Sell My Car to help individuals with selling their cars.

Invest in Our Brand. We have significant opportunities to increase our brand awareness. Historically, our marketing efforts have been focused on algorithmic traffic acquisition rather than brand marketing. We plan to further expand our marketing on television, radio, and social media to drive greater brand recognition, trust, and loyalty from a broader consumer audience. In addition, we believe that a stronger brand will drive greater trust and loyalty with the dealer community.

Expand into International Markets. Enabled by our proprietary algorithms and data analytics, our flexible and extensible search platform has allowed us to launch marketplaces in Canada, the United Kingdom, and Germany. We have designed our platform to accommodate a growing list of tools that allows us to support country-specific requirements and vehicle data across multiple formats and countries. By leveraging these strengths, as well as our selling and marketing expertise, we plan to launch new marketplaces in other countries that have attractive industry dynamics. There are over 60,000 dealers in the international markets where we have launched or plan to launch in the next twelve months. In 2016, we generated international revenue of $2.3 million, which accounted for 1% of our total revenue, compared to approximately $22,000, which accounted for a negligible percentage of our total revenue in 2015.

Our Products

Consumer Marketplace

We provide consumers an online automotive marketplace where they can search for new and used car listings from our dealers, as well as sell their car. Through our marketplace, we provide consumers with information that helps them find the most relevant car for their needs. A user accesses our U.S. marketplace through our desktop or mobile-optimized website at cargurus.com

or by using our mobile app. Most users specify whether they are searching for used, certified pre-owned, or new cars and then provide their desired vehicle make and model and their zip code.

Used and Certified Pre-Owned Cars

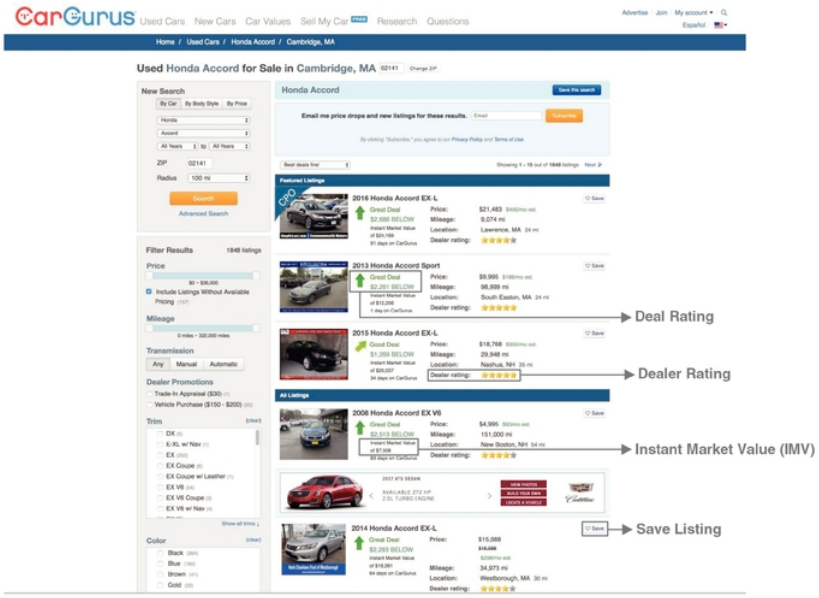
Using our proprietary search algorithms, we immediately display the search results, ranked by Deal Rating, on an SRP. Nearly every used listing in our marketplace is assigned one of five Deal Ratings: Great Deal, Good Deal, Fair Deal, High Priced, or Overpriced. Deal Rating illustrates how competitive a listing is compared to the most similar cars sold in the same region in recent history. A listing's Deal Rating is based primarily upon our IMV and the Dealer Rating of the dealer.

Instant Market Value. IMV is a proprietary algorithm that determines the market value of a used vehicle in a local market and is a key input for determining a vehicle's Deal Rating. The IMV algorithm is the product of over seven years of regression modeling utilizing more than seven million used car data points. IMV takes into account a number of factors, including comparable currently listed and previously sold used cars in respective local markets and vehicle details including make, model, trim, year, mileage, options, and vehicle history. Our algorithm uses more than 20 ranking signals and more than 100 normalization rules that distill unstructured data from hundreds of sources across thousands of dealers.

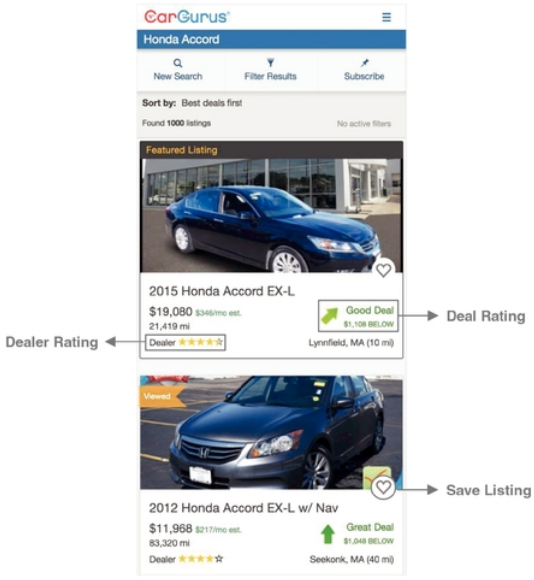
Dealer Ratings. Dealer Ratings are unique user-generated content from our users' experiences with dealers with whom they have connected. To promote high-quality reviews, a user must have interacted with the dealer on our site to submit a review. We believe this requirement, together with additional qualification standards, results in a more valuable Dealer Rating. Dealer Rating is an important component of a listing's Deal Rating and as a result can impact the organic search position of a listing.

In addition to each car's Deal Rating, our SRP provides users with other useful information, including the difference between the listing price and the IMV that we have determined for the car, Time on Site, mileage, Dealer Rating, and, for paying dealers, dealer location. We provide in-depth search filters, including price, mileage, trim, color, options, condition, body style, miles per gallon, seating capacity, vehicle ownership and usage history, seller type, and days on market, among others, which we believe represents the most comprehensive search capability among major U.S. online automotive marketplaces. We also provide our users with additional features to aid their search, including similar vehicle recommendations, side-by-side vehicle comparisons, expert reviews, and user rankings. The SRP also gives users the ability to save searches and receive alerts that keep them informed of relevant developments in the market, including new available inventory and price changes to cars they are monitoring.

Used Car SRP — Desktop



Used Car SRP — Mobile

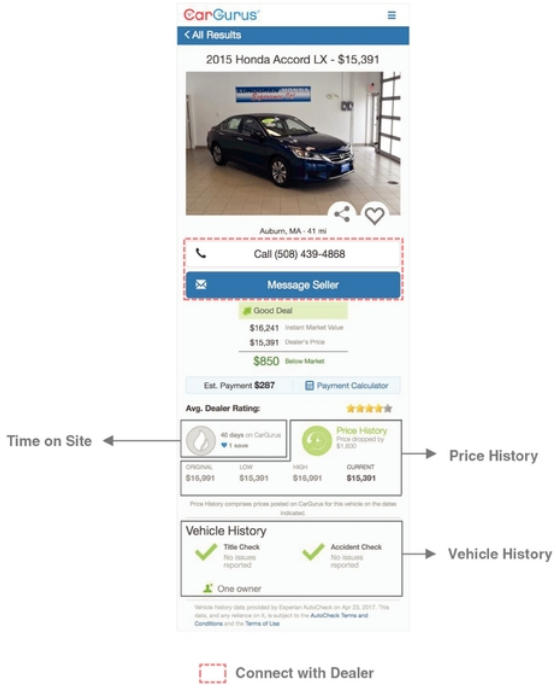


If a user clicks on one of the listings on the SRP, the user is taken to that listing's vehicle detail page, or VDP. Each VDP provides extensive photos and a comprehensive description of the vehicle, dealer name, address, and dealership information for paying dealers, detailed dealer reviews, methods to contact the dealer, payment calculators, and helpful information about the vehicle, including:

- *Price History.* Information about changes to a vehicle's price on our site. We also offer price change alerts to consumers on searches they have saved, which allows them to respond quickly to changes in the market.
- *Time on Site.* How long a vehicle has been on our site and how many users have saved the vehicle to their list of favorite listings, indicators of the likely demand for the car.
- *Vehicle History.* Includes title check, accident check, owner number, and fleet status of the vehicle, giving consumers data that helps them better understand the car's condition.

Used Car VDP — Desktop

Used Car VDP — Mobile



New Cars

Search results for new car listings are sorted by proximity of dealers with inventory matching the user's search. Our new car VDPs include our Dealer Rating and many of the other features of our used car listings, such as Price History and Time on Site. Deal Rating is not applicable to new car listings because it utilizes data not relevant to new cars. Instead, we analyze data on MSRPs and recent sales of similar new vehicles, accounting for trade-ins, incentives, and other factors that can affect the price of a new car, to provide users with comparative price information.

Sell My Car

We also allow our users to list their cars for free in our marketplace. Our Sell My Car tools enable individual car owners to easily merchandise their vehicles, determine an appropriate selling price with our proprietary price guidance, and manage their listings and communications with prospective buyers among our audience.

Dealer Marketplace

Our marketplace connects dealers to a large audience of informed and engaged consumers. We offer three types of marketplace Listing products to our dealers: Basic Listing, which is free, and Enhanced or Featured Listing, each of which requires a paid subscription. We price our Enhanced and Featured Listing products as a monthly, quarterly, semiannual, or annual subscription based on the dealer's inventory size, region, and our assessment of the ROI our solution will provide them.

- *Basic Listing.* Basic Listing allows non-paying dealers to list their inventory in our marketplace anonymously. Consumers can contact these dealers only through an anonymous, CarGurus-branded email address so the dealer does not receive any of the consumer's personal contact information. Non-paying dealers cannot display their name, address, website URL, or phone number.

- *Enhanced Listing.* Enhanced Listing provides dealers with a higher volume and quality of connections to consumers. Dealers with an Enhanced Listing gain the opportunity to connect with consumers directly through email, phone, and managed text and chat. Our platform also allows paying dealers to provide a link to their website, dealership information such as name, address, and hours of operation, and map directions to their dealership on VDPs, helping consumers easily contact or visit them, which we believe results in increased local brand awareness and walk-in traffic.

- *Featured Listing.* In addition to all of the benefits of the Enhanced Listing subscription discussed above, Featured Listing dealers pay a premium subscription rate to promote their Great Deal, Good Deal, and Fair Deal inventory in a clearly labeled section of a limited number of Featured listings at the top of the search results page. We believe this premium placement generates increased connection volume relative to Enhanced Listing.

Dealer Dashboard

Basic, Enhanced, and Featured Listing dealers all have access to the following Dealer Dashboard features and tools:

- *Performance Summary.* Provides dealers with real-time and historical data analyzing the connections and consumer exposure they have received in our marketplace. This enables dealers to analyze connections and SRP and VDP views at a granular level to inform the dealer's sales and merchandising efforts.

- *Dealer Insights.* Provides pricing analysis of the dealer's inventory, as well as a summary of vehicles' missing information such as price, photos, or trim. This data helps dealers better merchandise their vehicles.

- *User Review Management.* Allows dealers to track and manage their dealership reviews from our users. Dealers can respond to users, report potentially fraudulent reviews, and publish positive reviews to social media platforms for broader exposure.

Enhanced and Featured Listing dealers also have access to the following additional features and tools:

- *Pricing Tool.* Helps dealers evaluate the impact of pricing changes for each used vehicle in their inventory and the resulting impact on the car's Deal Rating, empowering dealers to make informed pricing decisions based on market data in their local area.

- *Market Analysis.* Informs dealers of local market trends in used cars, such as the most searched makes and models in their local market. This information helps dealers align with

local consumer preferences and inform strategies for increasing inventory turnover and new vehicle acquisition.

Dealer Advertising and Customer Acquisition Products

In addition to listing cars in our marketplace, we also provide all dealers with a web widget that allows them to place Deal Rating Badges, which show our unbiased Deal Rating next to cars that have been rated as a Great Deal, Good Deal, or Fair Deal, on their own website. Our Deal Rating serves as trusted, third-party validation on their website.

We offer Enhanced and Featured Listing dealers the following advertising and customer acquisition products:

- *Dealer Display.* Dealers are able to buy display advertising that appears in our marketplace and on other sites on the Internet to build brand awareness. Advertisements can be targeted by geography, search history, and a number of other targeting factors, allowing dealers to increase their visibility with relevant consumers and drive consumers to the dealer's own website.

- *Dealer Search Engine Marketing.* Leveraging the capabilities we have developed for our own algorithmic traffic acquisition, including search engine marketing, or SEM, we offer a product that manages SEM for dealers to drive qualified traffic to their websites. Utilizing algorithmic bidding strategies and keyword list bidding, we help optimize dealer SEM performance.

Below is a summary of the products and features available to dealers in our marketplace:

		Free	Paid	
		Basic	Enhanced	Featured
Dealer Marketplace	Lead Contact Information	Anonymized	Direct email address and phone number if provided	Direct email address and phone number if provided
	Photos Per Listing	Up to 12	Up to 100	Up to 100
	Full Dealer Branding on VDPs: *Direct phone number, website, address, link to map, and directions*	✗	✓	✓
	Managed Text / Chat	✗	✓	✓
	Top Featured Slot on SRPs	✗	✗	✓
Dealer Dashboard	Performance Summary	✓	✓	✓
	Dealer Insights	✓	✓	✓
	User Review Management	✓	✓	✓
	Pricing Tool	✗	✓	✓
	Market Analysis	✗	✓	✓
Dealer Advertising	Deal Rating Badges	✓	✓	✓
	Dealer Display	✗	✓*	✓*
	Dealer Search Engine Marketing	✗	✓*	✓*

* Available for an additional fee

Auto Manufacturer and Other Advertiser Products

Our platform offers auto manufacturers and others the ability to purchase display advertising on our site to execute targeted marketing strategies:

- *Brand Reinforcement.* We allow auto manufacturers to buy advertising on our site and target consumers based on the make, model, and zip code of the cars that a specific consumer is searching for, in order to maximize exposure to interested consumers.
- *Category Sponsorship.* To address evolving priorities influenced by industry dynamics, seasonality, and other factors, we offer the ability to sponsor entire areas of prominent high traffic pages of our site, such as the New Car front page, Used Car front page, or Research Center.
- *Automobile Segment Exclusivity.* To support the introduction of new models or the success of existing models, we allow manufacturers to target specific automobile segments, such as SUV, sedan, hybrid, luxury, truck, or minivan.
- *Consumer Segment Exposure.* Through our platform, auto manufacturers can target consumers both on our site and on third-party sites based on various parameters, including household income and vehicle specifications, such as make or model, and zip codes.

Marketing

Our marketing initiatives aim to drive brand awareness and engagement among consumers and dealers and to position us as a trusted online automotive marketplace.

Consumer Marketing

We have built our audience on the strength of our user experience, and we remain focused on delivering an engaging consumer marketplace. The strength of the consumer experience that we offer is one of our most powerful marketing tools. By providing an intuitive search experience in our marketplace and relevant content, updates, and tools to consumers during their car search, we believe the users that comprise our large and engaged audience provide informal endorsements, more powerful than most marketing messages.

Historically, our consumer marketing efforts have been focused primarily on algorithmic traffic acquisition. We employ a team of engineers and data scientists that optimizes our user acquisition through search engines, social media, and other digital marketing channels and has, for instance, tested over 350 million keywords on various search engines. We believe our expertise in this area constitutes a competitive advantage over less sophisticated competitors, or those who outsource these capabilities.

More recently we have begun augmenting our marketing efforts with brand-building investments in broadcast media, such as television and radio. Our brand awareness is currently lower than other major U.S. online automotive marketplaces in the United States, despite our large monthly audience and higher user engagement. We believe that as a result of our trusted product, audience engagement, and relatively low brand awareness, we are well-positioned to strengthen our brand by investing in broadcast media.

Our more than 5.4 million car listings as of June 30, 2017, on-site user behavior, connections between consumers and dealers, and opinion data from our users create significant opportunities for us to create and publish car shopping insights. We consistently gain earned media coverage in national, regional, and trade press outlets as well as social channels by leveraging our proprietary data to inform newsworthy content.

Dealer Marketing

The primary goals of our dealer marketing initiatives are to acquire dealers not yet in our marketplace, convert non-paying dealers into paying dealers, retain our existing paying dealers, and expand annual subscription revenues from our existing paying dealers. Our dealer marketing efforts aim to:

- *Educate Dealers on the Quality of Our Audience and Attractive ROI.* We educate dealers on our industry-leading monthly sessions, our strong user engagement, and the large number of connections that we facilitate through our marketplace. We also highlight to dealers how unique features of our platform, such as our intuitive user interface and our proprietary technology and data analytics, yield consumers that we believe are more informed and better prepared to purchase at the dealership, which can lead to a higher ROI for their marketing spend.

- *Provide Best Practices to Assist Dealers in Becoming Successful in Our Marketplace.* We provide ongoing communications through live webinars, white papers, testimonials, and videos, which show dealers how to use our products to position their inventory for success on our platform. We maintain consistent communication with dealers by email and events to ensure awareness of recent product releases and provide custom account management.

- *Provide Thought Leadership that Educates Dealers on Marketplace Trends.* We generate insightful content on market trends and best practices in digital advertising that are shared through webinars, dealer forums, dealer advisory councils, and our participation in industry conferences and events.

Sales

Our sales team is responsible for bringing dealers onto our marketplace as paying or non-paying dealers. We have built an efficient inside sales team of over 200 employees that sell our marketplace Listing products to franchise and independent dealers and dealer groups. We have also built a field sales team residing in large metropolitan areas around the country that builds relationships with the largest dealer groups and national enterprises that make centralized decisions for their dealerships. We also have advertising sales employees based in Cambridge, Massachusetts; Detroit, Michigan; and Los Angeles, California.

We have a comprehensive dealer account management process to assist dealers in becoming successful in our marketplace. We assign a Customer Success Associate to every new paying dealer to assist with proper onboarding and integration with any relevant software systems. The dedicated Customer Success Associate spends time educating dealers on a range of topics, including effectively using the Dealer Dashboard and tracking sales, and measuring ROI for their marketing spend. After the onboarding period, a dedicated Dealer Relations Account Manager works to assist the dealer in utilizing our tools and maximizing ROI from our offerings, including optimizing inventory acquisition, effectively pricing vehicles, vehicle merchandising, and keeping inventory up-to-date with complete vehicle information. We believe this active communication with our dealers fosters customer satisfaction.

Culture and Employees

Our company culture has developed out of our data-driven and innovative approach to the automotive market. We leverage data to drive innovation across all facets of our business and continuously optimize our products and processes to serve our consumers, dealers, advertisers, and partners. Our approach emphasizes original thought, impact, and collaboration across our organization, and we recognize and award employees who drive positive impact across these

constituencies. We encourage collaboration across our entire workforce and invest in creating a work environment that facilitates partnership among our employees.

We have won a number of awards recognizing our strong culture, including *Boston Globe*'s "Top Place to Work" for three years in a row from 2014 to 2016 and *Boston Business Journal*'s "Best Places to Work" for three of the past four years in 2013, 2015, and 2016.

As of September 14, 2017, we had 508 full-time employees, 33 of which were based in our international markets. None of our employees is represented by a labor union or covered by a collective bargaining agreement. We have not experienced any work stoppages, and we consider our relations with our employees to be good.

Technology and Product Development

We are a technology company focused on innovative, actionable data analysis. We design our mobile and web products to create an unbiased, transparent experience for both consumers and dealers. We believe in rapid development and frequent updates and have internal tools and automation that allow us to efficiently evolve our products. Our software is built using a combination of internally developed software, third-party software and services, and open source software.

Our Search Technology

Our search and ranking technology is served by a proprietary in-memory search index solution that is scalable, fast, and extensible, allowing us to expand easily into new markets, as demonstrated by our recently launched international marketplaces. We have highly flexible interfaces that allow dealers to add their inventory to our index without changing data or formats, enabling us to quickly integrate hundreds of inventory sources with minimal effort and easily support inventory growth.

Our Mobile Technology

We have designed our marketplace to appeal to mobile users by developing our products with a mobile-first mindset. All of our search results pages use a single-page application type approach to eliminate page reloads and improve responsiveness. We also use techniques, including predictive pre-fetching and infinite scrolling, to load content onto a user's mobile device more efficiently.

Our Integrations

We make available several application program interfaces and web widgets that integrate with customer relationship management and inventory management solutions, among other platforms. These integrations incorporate our data and tools into the fabric of dealers' marketing and customer engagement strategies. For example, our Deal Rating Badges are used on over a thousand websites and allow our Deal Rating technology to be promoted across the Internet.

Infrastructure

Our websites are hosted at third-party data centers near Boston, Massachusetts; Dallas, Texas; and London, England. We use third-party content distribution networks to cache and serve many portions of our site at locations across the globe. We monitor and test at the application, host, network, and full site levels to maintain availability and performance. Our development servers are located at our corporate headquarters in Cambridge, Massachusetts. We use third-party cloud computing services for many data processing jobs.

Competition

We face competition to attract consumers and paying dealers to our marketplace and to attract advertisers to purchase our advertising products and services. Our competitors offer various marketplaces, products, and services that compete with us. Some of these competitors include:

- major U.S. online automotive marketplaces: AutoTrader.com, Cars.com, and TrueCar.com;
- U.S. online automotive content publishers, such as Edmunds.com and KBB.com;
- Internet search engines;
- peer to peer marketplaces; and
- sites operated by individual automobile dealers.

Competition for Consumers and Dealers

We compete for consumer visits with other online automotive marketplaces, free listing services, general search engines, and dealers' websites. We compete for consumers primarily on the basis of the quality of the consumer experience. We believe we compete favorably on user experience due to the number of our vehicle listings, the unbiased transparency of the information we provide on cars, prices, and dealers, the intuitive nature of our user interface, and our leading mobile user experience, among other factors.

We compete for dealers' marketing spend with offline customer acquisition channels, other online automotive marketplaces, dealers' own customer acquisition efforts on general search engines, and other Internet sites that attract consumers searching for vehicles. We compete primarily on the basis of the ROI that our marketplace provides. We believe we compete favorably due to our large user audience, high user engagement, and the volume and quality of connections we provide to well-informed consumers, which results in an attractive ROI for dealers.

Competition for Advertisers

We compete for a share of advertisers' total marketing budgets with offline advertising channels, media sites, websites dedicated to helping consumers shop for cars, major Internet portals, general search engines, and social media sites, among other sites. We also compete for a share of advertisers' overall marketing budgets with traditional media, such as television, radio, magazines, newspapers, automotive guide publications, and billboards. We compete for advertising spend based on the marketing ROI that our marketplace provides. We believe we compete favorably due to our large user audience size, high user engagement, and the effectiveness and relevance of our advertising products.

Intellectual Property

We protect our intellectual property through a combination of patents, copyrights, trademarks, service mark, domain names, trade secret laws, confidentiality procedures, and contractual restrictions.

We have four pending U.S. patent applications. These applications cover proprietary technology that relates to various functionalities on our websites, generally in connection with ordering, adjusting, and fraud detection. We intend to pursue additional patent protection to the extent we believe it would be beneficial to our competitive position.

We have a number of registered and unregistered trademarks. We registered "CarGurus," the CarGurus logo, the CG logo, and related marks, as trademarks in the United States and certain

other jurisdictions. We will pursue additional trademark registrations to the extent we believe doing so would be beneficial to our competitive position.

We are the registered holder of a variety of domestic and international domain names that include "CarGurus" and similar variations.

Facilities

We do not own any real property. Our principal executive offices are located in Cambridge, Massachusetts where we lease a total of approximately 99,982 square feet of space in two buildings under leases that expire in November 2022 and January 2024. We also lease office space in Detroit, Michigan, and Dublin, Ireland.

Regulatory

Various aspects of our business are, may become, or may be viewed by regulators from time to time as subject, directly or indirectly, to U.S. federal, state, and foreign laws and regulations. In particular, the advertising and sale of new or used motor vehicles is highly regulated by the states in which we do business. Although we do not sell motor vehicles, and although we believe that vehicle listings on our site are not themselves advertisements, state regulatory authorities or third parties could take the position that some of the laws or regulations applicable to dealers or to the manner in which motor vehicles are advertised and sold generally are directly applicable to our business. These state advertising laws and regulations, which were generally developed decades before the emergence of the Internet, are frequently subject to multiple interpretations, and are not uniform from state to state, sometimes imposing inconsistent requirements with respect to new or used motor vehicles, and the manner in which they should be applied to our business model is not always clear. State regulators or other third parties could take, and on some occasions have taken, the position that our marketplace or related products violate applicable brokering, bird-dog, consumer protection, or advertising laws or regulations.

In order to operate in this regulated environment, we develop our products and services with a view toward appropriately managing the risk that our regulatory compliance, or the regulatory compliance of the dealers whose inventory is listed on our website, could be challenged.

We consider federal and state advertising and consumer protection laws and regulations in designing our products and services. With respect to paid advertising, other than display advertising and featured dealer listings, we believe that most of the content displayed on the websites we operate does not constitute paid advertising for the sale of motor vehicles. Nevertheless, we endeavor to design the content in a manner that would comply with federal and state advertising regulations and consumer protection laws if, and to the extent that, the content is considered to be vehicle sales advertising.

Our website and mobile application enable us, dealers, and users to send and receive text messages and other mobile phone communications in certain circumstances. The Telephone Consumer Protection Act, as interpreted and implemented by the Federal Communications Commission and federal and state courts, imposes significant restrictions on utilization of telephone calls and text messages to residential and mobile telephone numbers as a means of communication, particularly when the prior express consent of the person being contacted has not been obtained.

Legal Proceedings

From time to time we may become involved in legal proceedings or be subject to claims arising in the ordinary course of our business. We are not presently subject to any pending or threatened litigation that we believe, if determined adversely to us, would individually, or taken together, would reasonably be expected to have a material adverse effect on our business or financial results.

MANAGEMENT

Executive Officers, Key Employees, and Non-Employee Directors

The following table sets forth the names, ages, and positions of our executive officers, key employees, and non-employee directors as of September 14, 2017:

Name	Age	Position
Executive Officers:		
Langley Steinert	53	Chief Executive Officer, President, and Chairman
Jason Trevisan	43	Chief Financial Officer and Treasurer
Samuel Zales	53	Chief Operating Officer
Key Employees:		
Thomas Caputo	43	Senior Vice President, Product
Oliver Chrzan	39	Senior Vice President, Engineering
Kathleen Patton	50	Senior Vice President, General Counsel and Secretary
Sarah Welch	45	Senior Vice President, Consumer Marketing
Non-Employee Directors:		
Stephen Kaufer[2]	55	Director
Anastasios Parafestas[1]	62	Director
David Parker[2]	54	Director
Simon Rothman[1][2]	52	Director
Ian Smith[1]	47	Director

(1) Member of our compensation committee.

(2) Member of our audit committee.

Each executive officer serves at the discretion of our board of directors and holds office until his or her successor is duly elected and qualified or until his or her earlier resignation or removal.

There are no family relationships among any of our executive officers, key employees, or non-employee directors.

Executive Officers

Langley Steinert. Langley Steinert is our founder and has served as our Chief Executive Officer and a member of our board of directors since inception. Mr. Steinert has served as our President since June 2015 and our Chairman since September 2017. From February 2000 through February 2006, Mr. Steinert was chairman and co-founder of TripAdvisor, Inc., or TripAdvisor, an online marketplace for travel-related content. Mr. Steinert holds a Masters of Business Administration from the Tuck School of Business at Dartmouth College and a Bachelor of Arts from Georgetown University.

We believe Mr. Steinert is qualified to serve as a member of our board of directors because of his extensive experience in the online marketplace industry. As our founder and our Chief Executive Officer, we also value his deep understanding of our business as it has evolved over time.

Jason Trevisan. Jason Trevisan has served as our Chief Financial Officer since September 2015 and as our Treasurer since July 2016. Prior to joining the company, Mr. Trevisan was a General Partner with Polaris Partners, or Polaris, a venture capital firm, from September 2003 to August 2015. While at Polaris, Mr. Trevisan led investments in and served as a board director at numerous consumer Internet and software companies including Legalzoom, PartsSource, Shoedazzle, and The Roberts Group. Prior to joining Polaris, from September 1999 to June 2001,

Mr. Trevisan held management roles in Analytics and Client Services at aQuantive, a digital marketing service and technology company, which was acquired by Microsoft in 2007. Earlier in his career, from July 1996 to August 1999, he served as a consultant with Bain & Company. Mr. Trevisan received his Masters of Business Administration from the Tuck School of Business at Dartmouth College and a Bachelor of Arts from Duke University.

Samuel Zales. Samuel Zales has served as our Chief Operating Officer since September 2017. Mr. Zales served as our Chief Revenue Officer from December 2015 to September 2017 and as our President of Dealer Operations and International from November 2014 to December 2015. Prior to joining CarGurus, from January 2014 to October 2014, Mr. Zales was Executive Vice President of Zeta Interactive, a marketing software company that acquired ClickSquared, Inc., or ClickSquared, in January 2014. From March 2013 to January 2014, Mr. Zales was Chief Executive Officer of ClickSquared, a marketing software company. Prior to ClickSquared, Mr. Zales was a consultant to multiple technology and software companies and joined the boards of four venture-backed companies. From October 2008 to November 2011, Mr. Zales was President of Zoom Information, Inc., or ZoomInfo, a software as a service company, where he led day-to-day operations and oversaw the company's growth strategy into the marketing services and sales intelligence arenas. Prior to ZoomInfo, from January 2007 to October 2008, Mr. Zales was Chief Executive Officer of BuyerZone.com LLC, or BuyerZone, a division of Reed Business Information, a business unit of Reed Elsevier PLC, which acquired BuyerZone in January 2007. From November 1999 to January 2007, Mr. Zales was President and Chief Executive Officer of BuyerZone, an online marketplace for business purchasing, which he led to its successful acquisition by Reed Business Information. Mr. Zales holds a Masters of Business Administration from the Kellogg Graduate School of Management at Northwestern University and a Bachelor of Arts from Dartmouth College.

Key Employees

Thomas Caputo. Thomas Caputo has served as our Senior Vice President of Product since January 2017. Prior to joining CarGurus, from July 2012 to January 2017, Mr. Caputo served as the Chief Product Officer at Fiksu Inc., or Fiksu, a mobile marketing company. Prior to Fiksu, from January 2011 to August 2012, Mr. Caputo was vice president of product management at [x+1] Inc., or [x+1], a digital marketing company, which was acquired by Rocket Fuel Inc. in August 2014. Prior to joining [x+1], from October 2007 to January 2011, Mr. Caputo served as vice president at Advanced Technology Ventures, or ATV, a venture capital firm. Prior to joining ATV, from August 2003 to October 2007, Mr. Caputo served as a group product manager at Microsoft Corporation. Mr. Caputo holds a Masters of Science from Stanford University, a Masters of Business Administration from Stanford University Graduate School of Business and a Bachelor of Arts from Dartmouth College.

Oliver Chrzan. Oliver Chrzan has served as our Senior Vice President of Engineering since November 2015. Mr. Chrzan served as our Vice President of Engineering from September 2013 to November 2015, our Director of Software Development from May 2010 to September 2013, and our Senior Software Engineer from March 2008 to May 2010. Prior to joining CarGurus, from January 2006 to January 2008, Mr. Chrzan worked as a Senior Technical Lead at Dovel Technologies, or Dovel, a software company. At Dovel, Mr. Chrzan led a team of engineers who developed large information systems for various U.S. government agencies. Prior to joining Dovel, from June 2000 to January 2006, Mr. Chrzan worked at Raytheon on several U.S. Department of Defense projects. Mr. Chrzan holds a Bachelor of Science from Cornell University.

Kathleen Patton. Kathleen Patton has served as our Senior Vice President, General Counsel since August 2017 and has served as our Secretary since September 2017. Ms. Patton previously served as the Senior Vice President, General Counsel, and Secretary of Demandware, Inc., or Demandware, a provider of enterprise-class cloud commerce solutions for retailers and branded

manufacturers, from June 2015 until August 2016 and as Demandware's Associate General Counsel from April 2012 until June 2015. From June 2010 until March 2012, Ms. Patton was Associate General Counsel at Stream Global Services, Inc., or Stream, a business process outsource service provider specializing in customer relationship management. Prior to joining Stream, Ms. Patton worked in law firms, as the Director of Practice Development at Brown Rudnick LLP, the Practice Director at Day Pitney LLP, a corporate partner and associate at McDermott, Will & Emery LLP and an associate at Walter, Conston, Alexander & Green, P.C. Ms. Patton holds a Bachelor of Arts from Dartmouth College and a Juris Doctor from Georgetown University Law Center.

Sarah Welch. Sarah Welch has served as our Senior Vice President of Consumer Marketing since February 2016. Prior to joining CarGurus, from August 2011 to January 2016, Ms. Welch was Chief Marketing Officer and General Manager, Consumer at Gazelle, Inc., or Gazelle, a consumer electronics marketplace where she oversaw the end-to-end consumer experience including all aspects of marketing, product management, customer care, and direct-to-consumer sales. Prior to Gazelle, from January 2005 to July 2011, Ms. Welch held various positions at TripAdvisor, an online marketplace for travel-related content. Her roles at TripAdvisor included Vice President of the TripAdvisor Media Group from July 2009 to August 2011, Vice President of Marketing from March 2008 to July 2009, and Director from January 2005 to March 2008. Ms. Welch holds a Masters of Business Administration from Stanford University and a Bachelor of Arts from Brown University.

Non-Employee Directors

Stephen Kaufer. Mr. Kaufer has served as a member of our board of directors since June 2007. He co-founded TripAdvisor, an online marketplace for travel-related content, in February 2000 and has been the President and Chief Executive Officer of TripAdvisor since that time. Mr. Kaufer has been a director of TripAdvisor since the completion of its spin-off from Expedia, Inc. in December 2011. Prior to co-founding TripAdvisor, Mr. Kaufer served as President of CDS, Inc., or CDS, an independent software vendor specializing in programming and testing tools. Prior to joining CDS, Mr. Kaufer co-founded CenterLine Software in 1985 and served as its Vice President of Engineering until 1998. Mr. Kaufer serves on the boards of several privately held companies, including LiveData, Inc. and GlassDoor, Inc., as well as the Neuroendocrine Tumor Research Foundation. Mr. Kaufer holds a Bachelor of Arts from Harvard University.

We believe Mr. Kaufer is qualified to serve as a member of our board of directors because of his extensive experience as an executive in the online marketplace industry. Mr. Kaufer also possesses strategic and governance skills gained through his executive and director roles with several privately held companies.

Anastasios Parafestas. Mr. Parafestas has served as a member of our board of directors since March 2006. Mr. Parafestas founded, and has been the President and Managing Member of, The Bollard Group LLC, an investment advisory firm, since July 1995, and its private equity arm Spinnaker Capital LLC, since March 2000. Spinnaker Capital LLC is the Managing Member of Argonaut 22 LLC, a holder of more than 5% of our capital stock. During the past five years, Mr. Parafestas has served as a member of the board of directors of seven private companies and served as a member of the audit and compensation committees of two of such companies. Mr. Parafestas holds a Master of Law in Taxation from Boston University, a Juris Doctor from New England Law Boston, and a Bachelor of Science from Bentley College.

We believe Mr. Parafestas is qualified to serve as a member of our board of directors because of his extensive business experience in the areas of investment management, accounting, taxation, and consulting and his years of experience serving as a board member.

David Parker. Mr. Parker has served as a member of our board of directors since March 2006. Mr. Parker also currently serves as the Chief Executive Officer of Entrepreneurship For All, Inc., a non-profit organization. Mr. Parker founded DigitalAdvisor, an Internet company, in February 2003 and served as DigitalAdvisor's Chief Executive Officer until August 2011. Prior to founding DigitalAdvisor, from August 2000 to September 2002, Mr. Parker was co-founder and Vice President of Business Development for SoundBite Communications, Inc., or SoundBite, an automated customer contact solution delivered over the telephone. Prior to founding SoundBite, from February 1999 to August 2000, Mr. Parker was Vice President of Business Development of Direct Hit Technologies, Inc., an Internet search technology company, which was sold to Ask Jeeves Inc. Mr. Parker was General Manager of New Media at Viaweb Inc. from November 1997 to February 1999. Mr. Parker currently serves as a member of the board of directors of two private companies. Mr. Parker holds a Masters of Business Administration and Bachelor of Arts from Harvard University.

We believe Mr. Parker is qualified to serve as a member of our board of directors because of his extensive background with consumer Internet companies and his prior experience as a board member.

Simon Rothman. Mr. Rothman has served as a member of our board of directors since March 2006. Mr. Rothman has also been a Partner and Executive in Residence at Greylock Partners, a venture capital firm, since December 2011. From January 2006 to December 2010, Mr. Rothman served as the founder and Chief Executive Officer of Glyde Corporation, an online resale marketplace. From January 1999 to September 2005, Mr. Rothman held various roles at eBay Inc., an e-commerce company. These roles included Vice President of U.S. Operations and Global Vice President, eBay Motors. Prior to joining eBay, he worked at McKinsey & Company, a management consulting firm. Mr. Rothman has served as a member of several boards of directors of private companies over the past five years including serving on the board of Tesla Motors, Inc. prior to its initial public offering. Mr. Rothman holds a Masters in Business Administration from Harvard University.

We believe Mr. Rothman is qualified to serve as a member of our board of directors because of his extensive experience in the online automobile marketplace industry and his experience acting as a board member.

Ian Smith. Mr. Smith has served as a member of our board of directors since June 2007. Mr. Smith has been a Managing Director at Allen & Company LLC, a holder of more than 5% of our capital stock, since March 2003, where Mr. Smith focuses on technology companies, providing advice and investment. Mr. Smith currently serves on the board of directors of Aurora Innovation, Inc., a privately held provider of autonomous vehicle technology. Mr. Smith holds a Bachelor of Arts from Williams College.

We believe Mr. Smith is qualified to serve as a member of our board of directors because of his extensive experience working with and advising technology companies on strategic transactions through his investment banking and investing experience, as well as his insight into financial and investment matters.

Board Composition

Our business and affairs are managed under the direction of our board of directors. The number of directors is fixed by our board of directors, subject to the terms of our amended and restated certificate of incorporation and amended and restated bylaws that will become effective upon the closing of our initial public offering, or IPO. Our board of directors currently consists of six directors, three of whom qualify as "independent" under the NASDAQ rules.

In accordance with the amended and restated certificate of incorporation and our amended and restated bylaws that will become effective upon the closing of our IPO, our board of directors will be divided into three classes with staggered three-year terms. Only one class of directors will be elected at each annual meeting of our stockholders, with the other classes continuing for the remainder of their respective three-year terms. Our directors will be divided among the three classes as follows:

- the Class I directors are David Parker and Simon Rothman, and their terms will expire at the annual meeting of stockholders to be held in 2018;
- the Class II directors are Anastasios Parafestas and Stephen Kaufer, and their terms will expire at the annual meeting of stockholders to be held in 2019; and
- the Class III directors are Langley Steinert and Ian Smith, and their terms will expire at the annual meeting of stockholders to be held in 2020.

The division of our board of directors into three classes with staggered three-year terms may delay or prevent a change of our management or a change of control. Under Delaware law, our directors may be removed for cause by the affirmative vote of the holders of a majority of the votes applicable to our outstanding voting stock. Our amended and restated certificate of incorporation will provide that from and after the date, which we refer to as the threshold date, on which the votes applicable to the Class A common stock and Class B common stock controlled by our founder and Chief Executive Officer, Langley Steinert, represent less than a majority of the aggregate votes applicable to all shares of the outstanding Class A common stock and Class B common stock, directors may not be removed by our stockholders without cause.

Any increase or decrease in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors.

Director Independence

Our board of directors has undertaken a review of the independence of each director. Based on information provided by each director concerning his or her background, employment and affiliations, our board of directors determined that each of Stephen Kaufer, David Parker, and Simon Rothman does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is "independent" as that term is defined under the applicable rules and regulations of the Securities and Exchange Commission, or the SEC, and the listing requirements and rules of the NASDAQ Global Select Market. In making these determinations, our board of directors considered the current and prior relationships that each non-employee director has with our company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including each non-employee director's beneficial ownership of our capital stock and the transactions involving them described in the section titled "Certain Relationships, Related Person, and Other Transactions."

Controlled Company

Because Mr. Steinert controls a majority of our outstanding voting power, we will be a "controlled company" under the corporate governance rules for NASDAQ-listed companies. Under these rules, a company is a "controlled company" if more than 50% of the voting power in the election of directors is held by an individual, group or another company. A "controlled company" may elect not to comply with certain corporate governance requirements, including the requirements that:

- a majority of the board of directors consist of independent directors;

- the compensation committee be composed entirely of directors meeting NASDAQ independence standards applicable to compensation committee members with a written charter addressing the committee's purpose and responsibilities;
- the compensation committee be responsible for the hiring and overseeing of persons acting as compensation consultants and be required to consider certain independence factors when engaging such persons; and
- director nominees either be selected, or recommended for board of directors' selection, either by "independent directors" as defined under the rules of NASDAQ constituting a majority of the board of director's "independent directors" in a vote in which only "independent directors" participate, or by a nominations committee comprised solely of "independent directors."

Following this offering, we intend to initially avail ourselves of certain of these exemptions and, for so long as we qualify as a "controlled company," we will maintain the option to utilize from time to time some or all of these exemptions. For example, upon the closing of this offering our compensation committee will not consist entirely of independent directors and we will not have a nominating and corporate governance committee. Transfers by holders of Class B common stock will generally result in those shares converting into Class A common stock, subject to limited exceptions, such as certain transfers effected for estate planning or charitable purposes. The conversion of Class B common stock into Class A common stock will have the effect, over time, of increasing the relative voting power of those holders of Class B common stock who retain their shares. Particularly, if Mr. Steinert retains a significant portion of his holdings of Class B common stock for an extended period of time, he could, in the future, continue to control a majority of the combined voting power of our outstanding capital stock.

Board Leadership Structure

Langley Steinert is the Chairman of our board of directors. We have a separate chair for each committee of our board of directors. The chairs of each committee are expected to report annually to our board of directors on the activities of their committee in fulfilling their responsibilities as detailed in their respective charters and to specify shortcomings, if any.

Board's Role in Risk Oversight

Our board of directors oversees the management of risks inherent in the operation of our business and the implementation of our business strategies. Our board of directors performs this oversight role by using several different levels of review. In connection with its review of the operations and corporate functions of our company, our board of directors addresses the principal risks associated with those operations and corporate functions. In addition, our board of directors reviews the risks associated with our business strategies periodically throughout the year as part of its consideration of undertaking any such business strategies.

Committees of our Board of Directors

Our board of directors has an audit committee and a compensation committee. The composition and responsibilities of each of the committees of our board of directors are described below. Members serve on these committees until their resignation or until otherwise determined by our board of directors.

Audit Committee

Our audit committee is comprised of Simon Rothman, David Parker, and Stephen Kaufer. Simon Rothman serves as our audit committee chairperson. Each of Simon Rothman, David Parker, and Stephen Kaufer meets the requirements for independence of audit committee members under current NASDAQ and SEC rules and regulations. Each member of our audit committee meets the financial literacy requirements of the current NASDAQ rules. In addition, our board of directors has determined that Simon Rothman is an audit committee financial expert within the meaning of Item 407(d) of Regulation S-K under the Securities Act of 1933, as amended, or the Securities Act. The responsibilities of our audit committee include, among other things:

- selecting and hiring the independent registered public accounting firm to audit our financial statements;
- helping to make certain of and confirm the independence and performance of the independent registered public accounting firm;
- approving scope, fees, and terms of all audit and permissible non-audit engagements;
- reviewing financial statements and discussing with management and the independent registered public accounting firm our annual audited and quarterly financial statements, the results of the independent audit and the quarterly reviews, and the reports and certifications regarding internal controls over financial reporting and disclosure controls;
- preparing the audit committee report that the SEC requires to be included in our annual proxy statement;
- reviewing reports and communications from the independent registered public accounting firm;
- reviewing the adequacy and effectiveness of our internal controls and disclosure controls and procedures;
- reviewing our policies on risk assessment and risk management;
- reviewing related person transactions;
- overseeing procedures for the receipt, retention, and treatment of accounting-related complaints and the confidential submission by our employees of concerns regarding questionable accounting or auditing matters; and
- reviewing annually the audit committee charter and the committee's performance.

Our audit committee operates under a written charter that satisfies the applicable rules of the SEC and NASDAQ. We intend to comply with future requirements to the extent they become applicable to us.

Compensation Committee

Our compensation committee is comprised of Ian Smith, Simon Rothman, and Anastasios Parafestas. Ian Smith serves as our compensation committee chairperson. Because we will be a "controlled company" under NASDAQ rules, our compensation committee is not required to be fully independent, although if such rules change in the future or we no longer meet the definition of a "controlled company" under the current rules, we will adjust the composition of the compensation committee in order to comply with such rules. Each member of the compensation committee is a non-employee director, as defined pursuant to Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended, or the Exchange Act, and an outside director, as defined pursuant to Section 162(m) of the Internal Revenue Code, as amended, or the Code. The purpose

of our compensation committee is, to the extent such tasks are not performed by our full board of directors, to oversee our compensation policies, plans, and benefit programs and to discharge the responsibilities of our board of directors relating to compensation of our executive officers. Our compensation committee operates under a written charter. Except to the extent that our full board of directors undertakes any responsibility directly, the responsibilities of our compensation committee include, among other things:

- overseeing our compensation policies, plans, and benefit programs;
- reviewing and approving, or making recommendations to our board of directors regarding, the compensation of our executive officers (other than the Chief Executive Officer, for which the compensation committee only makes a recommendation to the board of directors);
- reviewing and approving, and, where appropriate, recommending to the board of directors for approval, any material employment agreements, severance arrangements and change in control agreements and provisions for the Chief Executive Officer and other executive officers when, and if, appropriate, as well as any special supplemental benefits;
- reviewing annually the compensation committee charter and compensation committee performance;
- preparing the compensation committee report that the SEC requires to be included in our annual proxy statement; and
- administering our equity compensation plans.

Compensation Committee Interlocks and Insider Participation

No member of our compensation committee has ever been an executive officer or employee of ours. None of our executive officers currently serves, or has served during the last completed fiscal year, on the compensation committee or board of directors of any other entity that has one or more executive officers serving as a member of our board of directors or compensation committee. No member of our compensation committee has had any relationship that would require disclosure pursuant to Item 404 of Regulation S-K under the Securities Act.

Code of Business Conduct and Ethics

We have adopted a Code of Business Conduct and Ethics that will be effective upon the closing of this offering that is applicable to all of our employees, officers, and directors, including our Chief Executive Officer, Chief Financial Officer, and other executive and senior financial officers. The Code of Business Conduct and Ethics will be available on our website. We expect that any amendments to the code, or any waivers of its requirements, will be disclosed on our website.

Non-Employee Director Compensation

During our fiscal year ended December 31, 2016, we did not pay any cash compensation or make any stock or option grants to our non-employee directors for their service as board members. A non-employee director is a director who is not employed by us and who does not receive compensation from us (other than for services as a director) or have a business relationship with us that would require disclosure under certain SEC rules. Directors who are also our employees receive no additional compensation for their service as directors. During our fiscal year ended December 31, 2016, Mr. Steinert served as both an employee and a director. See the section titled "Executive Compensation" for additional information about his compensation.

Non-Employee Director Compensation Policy

We intend to adopt a non-employee director compensation policy to be in effect following the closing of this offering and on terms to be determined at a later date by our board of directors. Under the non-employee director policy, our non-employee directors will be eligible to receive compensation for service on our board of directors and committees of our board of directors.

EXECUTIVE COMPENSATION

Our named executive officers, consisting of our principal executive officer and the next two most highly compensated executive officers who were serving as executive officers as of December 31, 2016, are:

- Langley Steinert, our founder, Chief Executive Officer, President, and Chairman;
- Jason Trevisan, our Chief Financial Officer and Treasurer; and
- Samuel Zales, our Chief Operating Officer.

Summary Compensation Table

The following table provides information regarding the compensation of our named executive officers during the year ended December 31, 2016.

Name and principal position	Year	Salary ($)	Bonus ($)	Total ($)
Langley Steinert *Chief Executive Officer, President, and Chairman*	2016	$ 279,675	$ 250,000[1]	$ 529,675
Jason Trevisan, *Chief Financial Officer and Treasurer*	2016	$ 305,100	$ 175,000[1]	$ 480,100
Samuel Zales *Chief Operating Officer*	2016	$ 335,610	$ 300,000[1]	$ 635,610

(1) Represents a discretionary bonus award earned as a result of our performance in the 2016 fiscal year paid in 2017. The discretionary bonus award was made in the sole discretion of our board of directors, taking into account individual and company performance. Such bonus awards were not paid pursuant to a plan providing for compensation intended to serve as incentive for performance, and such amounts were not determined based upon outcomes with respect to any specified performance targets.

Outstanding Equity Awards at Fiscal Year-End

The following table presents certain information concerning outstanding equity awards held by our named executive officers as of December 31, 2016.

	Option awards				Stock awards	
	Number of securities underlying unexercised options (#) exercisable	Number of securities underlying unexercised options (#) unexercisable	Option exercise price per share ($)	Option expiration date	Number of shares or units of stock that have not vested (#)	Market value of shares or units that have not vested ($)[1]
Langley Steinert	—	—	—	—	—	—
Jason Trevisan	—	—	—	—	545,286[2]	$
Samuel Zales	375,750	397,596[3]	$ 0.16	12/10/2024	—	—

(1) The market price for our Class A common stock is based on the assumed initial public offering price of $ per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus.

(2) In October 2016, we repurchased 2,900 shares of Class A common stock and 5,800 shares of Class B common stock underlying Mr. Trevisan's time-vested restricted stock units, or RSUs. Accordingly, these RSUs represent 181,762 shares of Class A common stock and 363,524 shares of Class B common stock granted under our 2015 Equity Incentive Plan, or the 2015 Plan, and vest and settle on the satisfaction of both (i) a service-based vesting condition and (ii) a liquidity event-based condition. Subject to Mr. Trevisan's continued employment, the service-based vesting requirements are satisfied as follows: 25% of the RSUs vested on August 31, 2016 and 6.25% of the RSUs vest on the

last day of each three month period thereafter until August 31, 2019. As of December 31, 2016, the service-based condition was satisfied for 54,804 shares of Class A common stock and 109,608 shares of Class B common stock underlying the RSUs. If a transaction (as defined in our 2015 Plan) occurs before August 31, 2019, any portion of the RSUs that are not vested as to the service-based requirements will accelerate and become fully vested. The liquidity event-based vesting requirements will be satisfied on (a) the effective date of the registration statement in connection with this offering, or (b) a transaction (as defined in our 2015 Plan).

(3) Represents an option to purchase Class A common stock and Class B common stock granted under our 2006 Plan. In October 2016, the Company repurchased 7,284 shares of Class A common stock and 14,568 shares of Class B common stock underlying such option. Therefore, as of December 31, 2016, 125,250 shares of Class A common stock and 250,500 shares of Class B common stock were vested and exercisable, and 16,566 shares of Class A common stock and 33,132 shares of Class B common stock subject to the option vested and became exercisable or will vest and become exercisable on each of February 3, 2017, August 3, 2017, November 3, 2017, May 3, 2018, August 3, 2018, and November 3, 2018 and 16,568 shares of Class A common stock and 33,136 of Class B common stock subject to the option vested and became exercisable or will vest and become exercisable on each of May 3, 2017 and February 3, 2018. The unvested shares subject to this option are subject to accelerated vesting as described elsewhere in this prospectus. The option award was granted with a per share exercise price greater than the fair market value of one share of our Class B common stock on the date of grant, as determined in good faith by our board of directors with the assistance of a third party valuation analysis.

Executive Employment Arrangements

We have entered into employment letters with each of Messrs. Steinert, Trevisan, and Zales. These agreements provide for at-will employment and generally include the named executive officer's base salary, an indication of eligibility for an annual performance-based bonus opportunity, equity awards, and certain severance and change of control benefits. These employment arrangements are described below.

Langley Steinert

The offer letter with Mr. Steinert, effective March 17, 2006, memorializes the terms of Mr. Steinert's position as our Chief Executive Officer. The terms provide that Mr. Steinert is entitled to a base salary, which may be adjusted on an annual basis, and participation in our benefit programs. In connection with his commencement of employment, Mr. Steinert entered into a non-disclosure, development and non-competition agreement, which provides that at all times during Mr. Steinert's employment and thereafter, Mr. Steinert will maintain the confidentiality of all confidential information obtained by him as a result of his employment and assign all inventions to us. In addition, during the term of Mr. Steinert's employment, and for the one-year period (subject to certain extensions in the event of a breach) after Mr. Steinert's termination of employment, Mr. Steinert cannot (i) compete against our company, (ii) interfere or do business with any customers or affiliates of our company, or (iii) solicit in any way the existing or future employees of our company or any others who provide services to our company.

Jason Trevisan

The offer letter with Mr. Trevisan, dated August 10, 2015, provides for an initial annual base salary of $300,000, which may be adjusted on an annual basis, consistent with salary review procedures for other company employees. In connection with the commencement of his employment, Mr. Trevisan received a $50,000 sign-on bonus, which was subject to repayment if Mr. Trevisan's employment terminated within 12 months following Mr. Trevisan's start date. Mr. Trevisan is eligible to receive a discretionary annual bonus. The annual bonus target is 33% of his annual base salary, but the actual amount awarded each year, if any, is subject to company and individual performance.

In connection with the commencement of his employment, Mr. Trevisan was awarded 553,986 RSUs under our Amended and Restated 2015 Equity Incentive Plan, or the 2015 Plan, which can be

settled for 184,662 shares of Class A common stock and 369,324 shares of Class B common stock, subject to service-based vesting and liquidity event-based vesting, both the service-based vesting and liquidity event-based vesting conditions must be satisfied prior to the seventh anniversary of the date of grant in order for the RSUs to fully vest. With respect to the service-based vesting condition, 25% of the units vested on August 31, 2016, and an additional 6.25% vest every three months thereafter until August 31, 2019, subject to Mr. Trevisan's continued employment on the applicable vesting dates. The liquidity-event based vesting condition will be satisfied upon the first to occur of an initial public offering or a transaction (as defined in our 2015 Plan). In addition, if a transaction (as defined in our 2015 Plan) occurs prior to August 31, 2019, any portion of the award that is not vested will accelerate and become fully vested, provided that Mr. Trevisan is still employed with us on such date. In October 2016, we repurchased time-vested RSUs which could be settled for 2,900 shares of Class A common stock and 5,800 shares of Class B common stock from Mr. Trevisan.

Mr. Trevisan in entitled to participate in all employee benefits made available to other company employees, including but not limited to health insurance, paid time off (including three weeks of paid vacation), and reimbursement for business expenses in accordance with our expense reimbursement policy.

If we terminate his employment for cause, we will pay Mr. Trevisan his accrued compensation and benefits through the date of termination and he will forfeit the vested and unvested RSUs. If Mr. Trevisan terminates his employment for any reason, we will pay him his accrued compensation and benefits through the date of termination and he will retain any portion of his RSUs that have vested due to the service-based vesting condition.

If we terminate Mr. Trevisan's employment without cause, or Mr. Trevisan terminates his employment for good reason, he will receive accrued compensation through the date of termination and, provided he executes and does not revoke a release of claims, Mr. Trevisan will be entitled to (i) a severance payment of $100,000, which will be paid in a lump sum within 60 days following his termination of employment and (ii) any portion of the RSUs that would have vested as to the service-based vesting condition over the 12-month period following his termination, had he remained employed during that period, will vest as of his termination of employment and will remain subject to the liquidity-event based vesting condition.

Pursuant to the terms of the offer letter, (1) "cause" is generally defined as a finding by our board of directors that Mr. Trevisan has: (i) materially breached the offer letter, which breach has not been remedied within 30 days following written notice to him; (ii) engaged in disloyalty to our company, including, without limitation, fraud, embezzlement, theft, commission of a felony, or proven dishonesty; (iii) disclosed trade secrets or confidential information of our company to persons not entitled to receive such information; (iv) breached the nondisclosure, developments, and non-competition agreement that he entered into in connection with the commencement of his employment; or (v) engaged in such other behavior detrimental to the interests of our company as our board of directors reasonably determines and (2) "good reason" is generally defined as the occurrence of any of the following events, without Mr. Trevisan's consent: (i) a material diminution in his title, responsibilities, authority, or duties; (ii) a material diminution of his base salary or target annual discretionary bonus, except for across-the-board reductions based on our company's financial performance similarly affecting all or substantially all senior management employees; (iii) a material change in the principal geographic location at which he provides services to our company (with the exception of travel related to his duties); or (iv) our company's material breach of the offer letter; provided that Mr. Trevisan notifies us within 30 days of the occurrence of the condition constituting good reason, he cooperates with us to cure the condition for a period of not less than 30 days following the notice, and, if we fail to cure the condition following our cure period, he terminates his employment within 30 days following the end of the cure period.

The offer letter requires that Mr. Trevisan sign and comply with our nondisclosure, developments, and non-competition agreement, which provides that at all times during Mr. Trevisan's employment and thereafter, Mr. Trevisan will maintain the confidentiality of all confidential information obtained by him as a result of his employment and assign all inventions to us. In addition, during the term of Mr. Trevisan's employment, and for the one-year period (subject to certain extensions in the event of a breach) after Mr. Trevisan's termination of employment, Mr. Trevisan cannot (i) compete against our company, (ii) interfere or do business with any customers or affiliates of our company, or (iii) solicit in any way the existing or future employees of our company or any others who provide services to our company.

Samuel Zales

The offer letter with Mr. Zales, dated October 24, 2014, provides for an initial annual base salary of $300,000, which may be adjusted on an annual basis, consistent with salary review procedures for other company employees. Upon execution of the offer letter, Mr. Zales received a $50,000 sign-on bonus, which was subject to repayment upon a voluntary termination within 12 months following Mr. Zales' start date. As long as we remain profitable, Mr. Zales is eligible to receive a discretionary annual bonus. The annual bonus target is $100,000, but the actual amount awarded each year, if any, is subject to company and individual performance.

In connection with the commencement of his employment, Mr. Zales was awarded an option to purchase 265,066 shares of Class A common stock and 530,132 shares of Class B common stock, pursuant to the terms of the 2006 Equity Incentive Plan, or the 2006 Plan. The shares of common stock underlying the option vest over four years as follows: 25% vested on November 3, 2015, and an additional 6.25% will vest at the end of each three month period thereafter until November 3, 2018, provided that Mr. Zales remains employed on the applicable vesting dates and complies with the terms of the 2006 Plan. If our company is sold or there is a change in control, other than transfers to employees, public offerings, or additional equity financings, any shares of common stock underlying the option that are not vested and exercisable will become vested and exercisable in connection with such sale or change of control. In October 2016, we repurchased 7,284 shares of Class A common stock and 14,568 shares of Class B common stock underlying the option, which were vested but unexercised, from Mr. Zales.

Mr. Zales in entitled to participate in all employee benefits made available to other company employees, including, but not limited to, health insurance, paid time off (including three weeks of paid vacation), and reimbursement for business expenses in accordance with our expense reimbursement policy.

If we terminate Mr. Zales' employment without cause, he will receive accrued compensation through the date of termination and, provided he executes and does not revoke a release of claims, Mr. Zales is entitled to a severance payment of $100,000, which will be paid in a lump sum on Mr. Zales' last day of employment with us. If Mr. Zales is terminated for any reason, Mr. Zales will forfeit any portion of the shares underlying his option that have not yet vested as of his termination of employment, and he will have 90 days to exercise the vested portion of the option.

The offer letter requires that Mr. Zales sign and comply with our nondisclosure, developments, and non-competition agreement, which provides that at all times during Mr. Zales' employment and thereafter, Mr. Zales will maintain the confidentiality of all confidential information obtained by him as a result of his employment and assign all inventions to us. In addition, during the term of Mr. Zales' employment, and for the one-year period (subject to certain extensions in the event of a breach) after Mr. Zales' termination of employment, Mr. Zales cannot (i) compete against our company, (ii) interfere or do business with any customers or affiliates of our company, or (iii) solicit in any way

the existing or future employees of our company or any others who provide services to our company.

Employee Benefits and Stock Plans

To provide stock-based incentives to employees, consultants, and directors to encourage them to promote the success of our business, our board of directors previously adopted the CarGurus, LLC 2006 Equity Incentive Plan as of January 1, 2006, which was amended and restated most recently on August 6, 2015, to make changes necessary to reflect our conversion in corporate form from a Massachusetts limited liability company to a Delaware corporation. We refer to this as the Conversion. We refer to the 2006 Equity Incentive Plan as the 2006 Plan.

Effective June 26, 2015, in connection with the Conversion, we adopted the CarGurus, Inc. 2015 Equity Incentive Plan, which was approved by our stockholders on the same date. We refer to the 2015 Equity Incentive Plan as the 2015 Plan. Like the 2006 Plan, the purpose of the 2015 Plan is to provide stock-based incentives to employees, consultants and directors to encourage them to promote the success of our business. Effective upon the adoption of the 2015 Plan, our board resolved that no further grants are permitted to be made under the 2006 Plan. The 2015 Plan was amended and restated effective August 6, 2015 to permit the grant of restricted stock units, remove Class B common stock from the pool of shares available for issuance under the plan and to make certain other changes. The 2015 Plan was again amended and restated effective October 15, 2015 to add a ten-year term and to make certain other changes. Effective August 22, 2016, and approved by our stockholders on the same date, the 2015 Plan was amended and restated to merge the 2006 Plan into the 2015 Plan, to increase the number of shares of Class A common stock to be issued under the 2015 Plan, and to lengthen the term of the plan. Outstanding options granted under the 2006 Plan continue in effect according to their terms as in effect before the plan merger, and the shares with respect to such outstanding options will be issued or transferred under the 2015 Plan. Effective June 21, 2017, in connection with the recapitalization effective on the same date, the 2015 Plan was amended and restated to memorialize the adjustment of the numbers and kinds of shares available for issuance pursuant to awards outstanding under the 2015 Plan as of such date and the numbers of shares that remain available for issuance under the 2015 Plan as of such date. Pursuant to the recapitalization, (i) each outstanding common stock option was adjusted such that (a) each share of common stock underlying such option became two shares of Class A common stock and four shares of Class B common stock underlying such option and (b) the exercise price per share of common stock underlying such option was adjusted to be one-sixth of the exercise price per share in effect immediately prior to the recapitalization, and (ii) each outstanding RSU was adjusted such that (a) each share of common stock issuable upon settlement of such RSU became two shares of Class A common stock and four shares of Class B common stock and (b) the fair market value per share of common stock issuable upon settlement of such RSU was adjusted to be one-sixth of the fair market value per share in effect immediately prior to the recapitalization.

In connection with this offering, our board of directors plans to adopt, and our stockholders are expected to approve, a 2017 Omnibus Incentive Compensation Plan. We refer to the 2017 Omnibus Incentive Compensation Plan as the 2017 Plan. Our 2017 Plan will become effective on the business day immediately preceding the effective date of the registration statement of which this prospectus is a part. As of the effective date of our 2017 Plan, no additional grants will be made under our 2015 Plan. Outstanding grants under our 2015 Plan will continue in effect according to their terms, and the shares with respect to outstanding grants under our 2015 Plan will be issued or transferred under the 2015 Plan.

Shares of Class A common stock and Class B common stock subject to outstanding grants under our 2015 Plan as of the effective date of the 2017 Plan that terminate, expire, or are

cancelled, forfeited, exchanged, or surrendered without having been exercised, vested, or paid as of the effective date of the 2017 Plan, including shares tendered or withheld to satisfy tax withholding obligations with respect to outstanding grants under the 2015 Plan, and the shares of our Class A common stock reserved for issuance under the 2015 Plan that remain available for grant under the 2015 Plan as of the effective date of the 2017 Plan, will be available for issuance as Class A common stock under our 2017 Plan.

Following this offering, we expect to grant equity awards under the 2017 Plan from time to time, but we have not determined at the current time the schedule or amount of such grants.

2017 Plan

Purpose and Types of Grants

The purpose of our 2017 Plan is to attract and retain employees, non-employee directors and consultants, and advisors. Our 2017 Plan provides for the issuance of incentive stock options, non-qualified stock options, stock awards, stock units, stock appreciation rights, other stock-based awards, and cash awards. Our 2017 Plan is intended to provide an incentive to participants to contribute to our economic success by aligning the economic interests of participants with those of our stockholders.

Administration

Our 2017 Plan will be administered by our compensation committee, and our compensation committee will determine all of the terms and conditions applicable to grants under our 2017 Plan. Our compensation committee will also determine who will receive grants under our 2017 Plan and the number of shares of Class A common stock that will be subject to grants, except that grants to members of our board of directors must be authorized by a majority of our board of directors. Our compensation committee may delegate authority under the 2017 Plan to one or more subcommittees as it deems appropriate. Subject to compliance with applicable law and NASDAQ Stock Market requirements, the compensation committee (or our board of directors or a subcommittee, as applicable) may delegate all or part of its authority to our Chief Executive Officer, as it deems appropriate, with respect to grants to employees or key advisors who are not executive officers under Section 16 of the Exchange Act. Our compensation committee, our board of directors, any subcommittee or the Chief Executive Officer, as applicable, that has authority with respect to a specific grant will be referred to as "the committee" in this description of the 2017 Plan.

Shares Subject to the Plan

Subject to adjustment, our 2017 Plan authorizes the issuance or transfer of up to the sum of the following: (1) shares of Class A common stock, plus (2) the number of shares of our Class A common stock (up to shares) equal to the sum of (x) the number of shares of Class A common stock and Class B common stock subject to outstanding grants under our 2015 Plan as of the effective date of the 2017 Plan that terminate, expire, or are cancelled, forfeited, exchanged, or surrendered without having been exercised, vested, or paid as of the effective date of the 2017 Plan, including shares tendered or withheld to satisfy tax withholding obligations with respect to outstanding grants under the 2015 Plan and, (y) the number of shares of our Class A common stock reserved for issuance under the 2015 Plan that remain available for grant under the 2015 Plan as of the effective date of the 2017 Plan. During the term of our 2017 Plan (excluding extensions), the share reserve will automatically increase on the first trading day in January of each calendar year, beginning in calendar year 2019, by an amount equal to 4% of the total number of outstanding shares of common stock on the last trading day in December of the prior calendar year or shares of Class A common stock, whichever is less, or such lesser amount as determined by the Board.

If any options or stock appreciation rights, including outstanding options and stock appreciation rights granted under our 2015 Plan, terminate, expire, or are canceled, forfeited, exchanged, or surrendered without having been exercised, or if any stock awards, stock units or other stock-based awards, including outstanding awards granted under our 2015 Plan, are forfeited, terminated, or otherwise not paid in full, the shares of our common stock subject to such grants will again be available for purposes of our 2017 Plan. In addition, if any shares of our common stock are surrendered in payment of the exercise price of an option or stock appreciation right, the number of shares available for issuance under our 2017 Plan will be reduced only by the net number of shares actually issued upon exercise and not by the total number of shares under which such option or stock appreciation right is exercised. If shares of our common stock are withheld in satisfaction of the withholding taxes incurred in connection with the issuance, vesting or exercise of any grant, or the issuance of our common stock, then the number of shares of our common stock available for issuance under our 2017 Plan shall be reduced by the net number of shares issued, vested, or exercised under such grant. If any grants are paid in cash, and not in shares of our common stock, any shares of our common stock subject to such grants will also be available for future grants. In addition, shares of our Class A common stock issued under grants made pursuant to assumption, substitution, or exchange of previously granted awards of a company that we acquire will not reduce the number of shares of our common stock available under the 2017 Plan. Available shares under a stockholder approved plan of an acquired company may be used for grants under the 2017 Plan and will not reduce the share reserve, subject to compliance with the applicable stock exchange and the Code.

Adjustments

In connection with stock splits, stock dividends, recapitalizations, and certain other events affecting our Class A common stock, the committee will make adjustments as it deems appropriate in the maximum number of shares of common stock reserved for issuance as grants; the number and kind of shares covered by outstanding grants; the kind of shares that may be issued or transferred under our 2017 Plan; the price per share or market value of any outstanding grants; the exercise price of options; the base amount of stock appreciation rights; and the performance goals or other terms; and conditions as the committee deems appropriate.

Eligibility

All of our employees are eligible to receive grants under our 2017 Plan. In addition, our non-employee directors and key advisors who perform services for us may receive grants under our 2017 Plan.

Vesting

The committee determines the vesting and exercisability terms of awards granted under our 2017 Plan.

Options

Under our 2017 Plan, the committee will determine the exercise price of the options granted and may grant options to purchase shares of common stock in such amounts as it determines. The committee may grant options that are intended to qualify as incentive stock options under Section 422 of the Code, or non-qualified stock options, which are not intended to so qualify. Incentive stock options may only be granted to our employees. Anyone eligible to participate in our 2017 Plan may receive a grant of non-qualified stock options. The exercise price of a stock option granted under our 2017 Plan cannot be less than the fair market value of a share of our Class A common stock on the date the option is granted. If an incentive stock option is granted to a 10%

stockholder, the exercise price cannot be less than 110% of the fair market value of a share of our Class A common stock on the date the option is granted. The aggregate number of shares of Class A common stock that may be issued or transferred under the 2017 Plan pursuant to incentive stock options under Section 422 of the Code may not exceed shares of Class A common stock.

The exercise price for any option is generally payable in cash. In certain circumstances as permitted by the committee, the exercise price may be paid by the surrender of shares of our Class A common stock with an aggregate fair market value on the date the option is exercised equal to the exercise price; by payment through a broker in accordance with procedures established by the Federal Reserve Board; by withholding shares of common stock subject to the exercisable option which have a fair market value on the date of exercise equal to the aggregate exercise price; or by such other method as the committee approves.

The term of an option cannot exceed ten years from the date of grant, except that if an incentive stock option is granted to a 10% stockholder, the term cannot exceed five years from the date of grant. In the event that on the last day of the term of a non-qualified stock option, the exercise is prohibited by applicable law, including a prohibition on purchases or sales of our Class A common stock under our insider trading policy, the term of the non-qualified option will be extended for a period of 30 days following the end of the legal prohibition, unless the committee determines otherwise.

Except as provided in the grant instrument, an option may only be exercised while a participant is employed by or providing service to us. The committee will determine in the grant instrument under what circumstances and during what time periods a participant may exercise an option after termination of employment.

Stock Appreciation Rights

Under our 2017 Plan, the committee may grant stock appreciation rights, which may be granted separately or in tandem with any option. Stock appreciation rights granted with a non-qualified stock option may be granted either at the time the non-qualified stock option is granted or any time thereafter while the option remains outstanding. Stock appreciation rights granted with an incentive stock option may be granted only at the time the grant of the incentive stock option is made. The committee will establish the base amount of the stock appreciation right at the time the stock appreciation right is granted, which will be equal to or greater than the fair market value of a share of our Class A common stock as of the date of grant.

If a stock appreciation right is granted in tandem with an option, the number of stock appreciation rights that are exercisable during a specified period will not exceed the number of shares of our Class A common stock that the participant may purchase upon exercising the related option during such period. Upon exercising the related option, the related stock appreciation rights will terminate, and upon the exercise of a stock appreciation right, the related option will terminate to the extent of an equal number of shares of our Class A common stock. Generally, stock appreciation rights may only be exercised while the participant is employed by, or providing services to, us. When a participant exercises a stock appreciation right, the participant will receive the excess of the fair market value of the underlying common stock over the base amount of the stock appreciation right. The appreciation of a stock appreciation right will be paid in shares of our Class A common stock, cash or both.

The term of a stock appreciation right cannot exceed ten years from the date of grant. In the event that on the last day of the term of a stock appreciation right, the exercise is prohibited by applicable law, including a prohibition on purchases or sales of our Class A common stock under

our insider trading policy, the term of the stock appreciation right will be extended for a period of 30 days following the end of the legal prohibition, unless the committee determines otherwise.

Stock Awards

Under our 2017 Plan, the committee may grant stock awards. A stock award is an award of our Class A common stock that may be subject to restrictions as the committee determines. The restrictions, if any, may lapse over a specified period of employment or based on the satisfaction of pre-established criteria, in installments or otherwise, as the committee may determine. Except to the extent restricted under the grant instrument relating to the stock award, a participant will have all of the rights of a stockholder as to those shares, including the right to vote and the right to receive dividends or distributions on the shares. Dividends with respect to stock awards that vest based on performance shall vest if and to the extent that the underlying stock award vests, as determined by the committee. All unvested stock awards are forfeited if the participant's employment or service is terminated for any reason, unless the committee determines otherwise.

Stock Units

Under our 2017 Plan, the committee may grant restricted stock units to anyone eligible to participate in our 2017 Plan. Restricted stock units are phantom units that represent shares of our Class A common stock. Stock units become payable on terms and conditions determined by the committee and will be payable in cash or shares of our stock as determined by the committee. All unvested restricted stock units are forfeited if the participant's employment or service is terminated for any reason, unless the committee determines otherwise.

Cash Awards

Under the 2017 Plan, the committee may grant cash awards to our employees who are executives or other key employees. The committee will determine which employees will receive cash awards and the terms and conditions applicable to each cash award, including the criteria for vesting.

Other Stock-Based Awards

Under our 2017 Plan, the committee may grant other types of awards that are based on, measured by, or payable to, anyone eligible to participate in our 2017 Plan in shares of our Class A common stock. The committee will determine the terms and conditions of such awards. Other stock-based awards may be payable in cash, shares of our Class A common stock, or a combination of the two.

Dividend Equivalents

Under our 2017 Plan, the committee may grant dividend equivalents in connection with grants of stock units or other stock-based awards made under our 2017 Plan. Dividend equivalents entitle the participant to receive amounts equal to ordinary dividends that are paid on the shares underlying a grant while the grant is outstanding. The committee will determine whether dividend equivalents will be paid currently or accrued as contingent cash obligations. Dividend equivalents may be paid in cash, in shares of our Class A common stock, or in a combination of the two. The committee will determine the terms and conditions of the dividend equivalent grants, including whether the grants are payable upon the achievement of specific performance goals. Dividend equivalents with respect to stock units or other stock-based awards that vest based on performance shall vest and be paid only if and to the extent that the underlying stock units or other stock-based awards vest and are paid as determined by the committee.

Change of Control

If we experience a change of control where we are not the surviving corporation (or survive only as a subsidiary of another corporation), unless the committee determines otherwise, all outstanding grants that are not exercised or paid at the time of the change of control will be assumed by, or replaced with grants that have comparable terms by, the surviving corporation (or a parent or subsidiary of the surviving corporation). Unless a grant instrument provides otherwise, if a participant's employment is terminated by the surviving corporation without cause upon or within 12 months following a change of control, the participant's outstanding grants will fully vest as of the date of termination; provided that if the vesting of any grants is based, in whole or in part, on performance, the applicable grant instrument will specify how the portion of the grant that becomes vested upon a termination following a change in control will be calculated.

If there is a change of control and all outstanding grants are not assumed by, or replaced with grants that have comparable terms by, the surviving corporation, the committee may take any of the following action without the consent of any participant:

- determine that outstanding options and stock appreciation rights will accelerate and become fully exercisable and the restrictions and conditions on outstanding stock awards, stock units, cash awards, and dividend equivalents immediately lapse;
- pay participants, in an amount and form determined by the committee, in settlement of outstanding stock units, cash awards, or dividend equivalents;
- require that participants surrender their outstanding stock options, stock appreciation rights or any other exercisable grant, in exchange for a payment by us, in cash or shares of our Class A common stock, equal to the difference between the exercise price and the fair market value of the underlying shares of Class A common stock; provided, however, if the per share fair market value of the Class A common stock does not exceed the per share stock option exercise price or stock appreciation right base amount, as applicable, we will not be required to make any payment to the participant upon surrender of the stock option or stock appreciation right; or
- after giving participants an opportunity to exercise all of their outstanding stock options and stock appreciation rights, terminate any unexercised stock options and stock appreciation rights on the date determined by our compensation committee.

In general terms, a change of control under our 2017 Plan occurs if:

- a person, entity or affiliated group, with certain exceptions, acquires more than 50% of our then outstanding voting securities;
- we merge into another entity unless the holders of our voting shares immediately prior to the merger have at least 50% of the combined voting power of the securities in the merged entity or its parent;
- we merge into another entity and the members of the board of directors prior to the merger would not constitute a majority of the board of the merged entity or its parent;
- we sell or dispose of all or substantially all of our assets;
- our stockholders approve a plan of complete liquidation or dissolution; or
- a majority of the members of our board of directors is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the incumbent directors.

Deferrals

The committee may permit or require participants to defer receipt of the payment of cash or the delivery of shares of common stock that would otherwise be due to the participant in connection with a grant under our 2017 Plan. The committee will establish the rules and procedures applicable to any such deferrals, consistent with the requirements of Section 409A of the Code.

Withholding

All grants under the 2017 Plan are subject to applicable U.S. federal (including FICA), state and local, foreign, or other tax withholding requirements. We may require participants or other persons receiving grants or exercising grants to pay an amount sufficient to satisfy such tax withholding requirements with respect to such grants, or we may deduct from other wages and compensation paid by us the amount of any withholding taxes due with respect to such grant.

The committee may permit or require that our tax withholding obligation with respect to grants paid in our Class A common stock to be paid by having shares withheld up to an amount that does not exceed the participant's minimum applicable withholding tax rate for United States federal (including FICA), state and local tax liabilities, or as otherwise determined by the committee. In addition, the committee may, in its discretion, and subject to such rules as the committee may adopt, allow participants to elect to have such share withholding applied to all or a portion of the tax withholding obligation arising in connection with any particular grant.

Transferability

Except as permitted by the committee with respect to non-qualified stock options, only a participant may exercise rights under a grant during the participant's lifetime. Upon death, the personal representative or other person entitled to succeed to the rights of the participant may exercise such rights. A participant cannot transfer those rights except by will or by the laws of descent and distribution or, with respect to grants other than incentive stock options, pursuant to a domestic relations order. The committee may provide in a grant instrument that a participant may transfer non-qualified stock options to family members, or one or more trusts or other entities for the benefit of or owned by family members, consistent with applicable securities laws.

Amendment; Termination

Our board of directors may amend or terminate our 2017 Plan at any time, except that our stockholders must approve an amendment if such approval is required in order to comply with the Code, applicable laws, or applicable stock exchange requirements. Unless terminated sooner by our board of directors or extended with stockholder approval, our 2017 Plan will terminate on the day immediately preceding the tenth anniversary of the effective date of the 2017 Plan.

Stockholder Approval

The 2017 Plan is intended to comply with the transition relief set forth in Treasury Regulation §1.162-27(f)(1) for companies that become publicly held in connection with an initial public offering. Following the transition period set forth therein, if grants are made as "qualified performance-based compensation" for purposes of Section 162(m) of the Code, the 2017 Plan must be approved by our stockholders in accordance with the requirements of Section 162(m) of the Code, and reapproved by our stockholders no later than the first stockholders meeting that occurs in the fifth year following such stockholder approval, if required by Section 162(m) of the Code or the regulations thereunder.

Establishment of Sub-Plans

Our board of directors may, from time to time, establish one or more sub-plans under the 2017 Plan to satisfy applicable blue sky, securities, or tax laws of various jurisdictions. Our board of directors may establish such sub-plans by adopting supplements to the 2017 Plan setting forth limitations on the committee's discretion and such additional terms and conditions not otherwise inconsistent with the 2017 Plan as our board of directors will deem necessary or desirable. All such supplements will be deemed part of the 2017 Plan, but each supplement will only apply to participants within the affected jurisdiction.

Clawback

Subject to applicable law, the committee may provide in any grant instrument that if a participant breaches any restrictive covenant agreement between the participant and us, or otherwise engages in activities that constitute cause (as defined in our 2017 Plan) either while employed by, or providing services to, us or within a specified period of time thereafter, all grants held by the participant will terminate, and we may rescind any exercise of an option or stock appreciation right and the vesting of any other grant and delivery of shares upon such exercise or vesting, as applicable on such terms as the committee will determine, including the right to require that in the event of any rescission:

- the participant must return the shares received upon the exercise of any option or stock appreciation right or the vesting and payment of any other grants; or
- if the participant no longer owns the shares, the participant must pay to us the amount of any gain realized or payment received as a result of any sale or other disposition of the shares (if the participant transferred the shares by gift or without consideration, then the fair market value of the shares on the date of the breach of the restrictive covenant agreement or activity constituting cause), net of the price originally paid by the participant for the shares.

The committee may also provide for clawbacks pursuant to a clawback policy, which our board of directors may in the future adopt and amend from time to time. Payment by the participant will be made in such manner and on such terms and conditions as may be required by the committee. We will be entitled to set off against the amount of any such payment any amounts that we otherwise owe to the participant.

2015 Plan

Share Reserve

As of June 21, 2017, the maximum aggregate number of shares of our Class A and Class B common stock that has been reserved for issuance under the 2015 Plan is 8,343,384 shares, which includes 3,181,740 shares of Class A common stock and 5,161,644 shares of Class B common stock. Together, our Class A common stock and Class B common stock are referred to in this summary of the 2015 Plan as "stock" or "common stock." The foregoing number is subject to adjustment in the event of a merger, consolidation, spinoff, stock split, stock dividend, or other unusual event affecting the outstanding stock as a class without the company's receipt of consideration. The shares we issue under the 2015 Plan may be either authorized but unissued shares or shares held by us in treasury. If any award is forfeited, or if any option (including options under the 2006 Plan) is forfeited, expired, terminated or canceled without having been exercised in full, the number of shares subject to the award will again be available for purposes of awards with respect to Class A common stock under the 2015 Plan, or after the effective date of the 2017 Plan, under the 2017 Plan. In addition, if any shares are tendered or withheld to satisfy withholding

obligations, the shares will again be available for issuance with respect to Class A common stock under the 2015 Plan, and after the effective date of the 2017 Plan, under the 2017 Plan. If stock options (including options under the 2006 Plan) are exercised using net exercise, only the net number of shares will be considered to have been issued.

Types of Awards

The 2015 Plan permits us to grant options (both incentive stock options and nonstatutory stock options), restricted stock, restricted stock units, or stock grants to employees, consultants and non-employee directors of the company or our affiliates. Incentive stock options may only be granted to employees.

Administration

Our 2015 Plan is administered by a committee of the board of directors. In addition, the board of directors may itself administer the plan. The committee may also delegate to an executive officer or officers the ability to grant awards under the plan to employees who are not officers. Subject to the terms of the 2015 Plan, the committee or the board of directors has complete authority to select the individuals to whom awards will be granted, to make any combination of awards to participants, and to determine the specific terms and conditions of each award.

Stock Options

Incentive stock options and nonstatutory stock options are granted pursuant to stock option agreements adopted by the committee. The committee determines the exercise price for a stock option, within the terms and conditions of the 2015 Plan, provided that the exercise price of a stock option cannot be less than 100% of the fair market value of our Class A common stock on the date of grant. Options granted under the 2015 Plan are exercisable at the rate specified by the committee. The committee may provide that any options not otherwise immediately exercisable in full become exercisable in whole or in part at any time, subject to certain restrictions in the plan related to incentive stock options.

The committee determines the term of stock options granted under the 2015 Plan, up to a maximum of ten years. Unless the committee provides otherwise, if an option holder's service relationship with us, or any of our affiliates, ceases for any reason, including the affiliate ceasing to be an affiliate, the option holder may generally exercise any vested options for a period of 30 days following the cessation of service. In no event may an option be exercised beyond the expiration of its term.

Acceptable consideration for the purchase of common stock issued upon the exercise of a stock option will be determined by the committee and may include (i) cash or check, (ii) delivery of shares to us with a value equal to the exercise price of the shares to be purchased, (iii) a net exercise of the option, (iv) delivery of the option holder's promissory note in the principal amount equal to the exercise price of the shares to be purchased, (v) if our common stock is publicly traded, a broker-assisted cashless exercise, or (vi) such other lawful methods as may be approved by the committee.

Unless the committee provides otherwise, options generally are not transferable except by will and the laws of descent and distribution. The committee may, at or after the date of grant, provide that non-qualified stock options, restricted stock units, or shares of restricted stock be transferred to a family member, as such term is defined under the applicable securities laws.

Tax Limitations on Incentive Stock Options

The aggregate fair market value, determined at the time of grant, of our common stock with respect to incentive stock options that are exercisable for the first time by an option holder during any calendar year may not exceed $100,000. Options or portions thereof that exceed such limit will generally be treated as nonstatutory stock options. No incentive stock option may be granted to any person who, at the time of the grant, owns or is deemed to own stock possessing more than 10% of our total combined voting power or that of any of our affiliates unless the option exercise price is at least 110% of the fair market value of the stock subject to the option on the date of grant, and the term of the incentive stock option does not exceed five years from the date of grant.

Restricted Stock

Restricted stock is granted pursuant to restricted stock award agreements adopted by the committee. Restricted stock may be granted for a purchase price or other consideration, including cash, other property or services. The committee determines the consideration required, the restriction period, the vesting schedule, if any, the rights to acceleration of any vesting schedule, and all other terms and conditions of each restricted stock award. Common stock acquired under a restricted stock award may be subject to a share repurchase option in our favor in accordance with a vesting schedule to be determined by the committee. Unless otherwise provided in the 2015 Plan or the applicable award agreement, the award holder will have all of the rights of a stockholder (including the right to vote and the right to receive dividends) before lapse of the risk of forfeiture of an award of restricted stock. The committee may permit or require the payment of cash dividends to be deferred, and if the committee so determines, reinvested in additional restricted stock. Any risk of forfeiture may be waived or terminated, or the restriction period shortened, at any time by the committee at its discretion. Unless the committee determines otherwise, any unvested restricted stock award will be forfeited if the participant's employment or service is terminated for any reason.

Stock Grants

The committee may issue grants of common stock in lieu of compensation otherwise already due in the event that a participant significantly contributes to our success and in such other limited circumstances as the committee deems appropriate. Grants of common stock will have no forfeiture conditions of any kind.

Restricted Stock Units

The committee may grant RSUs to eligible participants. RSUs are phantom units that represent shares of our common stock. RSUs become payable on terms and conditions determined by the committee, and will be payable in cash or shares of our common stock, or a combination of the two, as determined by the committee. The committee may waive, terminate or shorten the restriction period applicable to RSUs. A participant has no rights as a stockholder unless and until the participants receives shares of common stock upon settlement of the RSUs. The committee may grant dividend equivalents in connection with RSUs. Dividend equivalents may be paid currently or accrued as contingent cash obligations and may be payable in cash or shares of stock. All unvested RSUs are forfeited if the participant's employment or service is terminated for any reason, unless the committee determines otherwise.

Adjustments for Corporate Actions

In the event that there is a specified type of change in our capital structure, such as a merger, stock split or recapitalization, appropriate and proportionate adjustments will be made to (i) the maximum number and kinds of shares that may be issued under the 2015 Plan, (ii) the number and

kinds of shares or other securities subject to then outstanding awards, (iii) the exercise price for each share subject to outstanding options, (iv) the applicable market value of awards, and (v) the repurchase price of each share of restricted stock then subject to a risk of forfeiture in the form of a company repurchase right.

Transactions

In the event of a Transaction (defined below), the committee has the discretion to take any of the following actions with respect to awards under the 2015 Plan, subject to the terms of the applicable award agreement:

- *Options.* Upon a Transaction where we are not the surviving corporation (or survive only as a subsidiary of another corporation), unless the committee determines otherwise, all outstanding options that are not exercised or paid at the time of the Transaction will be assumed, or substantially equivalent options will be substituted, by the surviving corporation. If a participant's employment is terminated by us without cause upon or within 12 months following a Transaction, 50% of the participant's outstanding and then-unvested options will become vested and exercisable, subject to the terms of the applicable award agreement. If all options are not assumed or substituted by the surviving corporation, the committee has the discretion to take any of the following actions with respect to any or all outstanding options without the option holder's consent: (1) after delivering notice to each participant, terminate outstanding options or require that exercisable options be exercised within a certain amount of time, (2) provide that outstanding options become exercisable in whole or in part prior to the Transaction, (3) provide for cash payments equal to the acquisition price multiplied by the number of shares subject to the options, less the aggregate exercise price and less any tax withholding, (4) provide that option holders receive the right to liquidation proceeds, or (5) any combination of the above.

- *Restricted Stock.* Upon a Transaction other than a liquidation or dissolution of the company, our repurchase and other rights under outstanding restricted stock awards will inure to the benefit of the successor company, and unless the committee determines otherwise, apply, in the same manner and to the same extent, to the cash, securities, or other property which the stock was converted into or exchanged for.

- *Restricted Stock Units.* In a Transaction, the committee may take any one or more of the following actions as to all or any outstanding restricted stock units: (1) provide that they become fully vested and payable on terms determined by the committee; (2) provide that they be assumed (or substantially equivalent units be provided) by the successor company; (3) provide that outstanding unvested units be terminated without consideration; (4) provide for cash payments for fair value in exchange for the termination of vested units; (5) provide that units convert into the right to receive liquidation proceeds in the event of a liquidation or dissolution; or (6) any combination of the above. Restricted stock units will be considered assumed (or substantially equivalent units will be considered provided) if following the Transaction, the restricted stock units confer the right to receive, for each restricted stock unit immediately prior to the Transaction, the consideration received by holders of stock as a result of the Transaction. If holders of stock are offered a choice of consideration, the relevant consideration will be the type of consideration chosen by the holders of a majority of the outstanding shares of stock. In addition, if the consideration received as a result of the Transaction is not solely common stock (or its equivalent) of the acquiring or succeeding entity (or affiliate thereof), the committee may provide for the consideration to be received upon the settlement of restricted stock units to consist solely of common stock (or its equivalent) of the acquiring or succeeding entity (or an affiliate thereof) equivalent in

value to the per share consideration received by holders of outstanding shares of stock as a result of the Transaction.

Under the 2015 Plan, a Transaction is generally (i) the acquisition by a person or entity of more than 50% of our combined voting power, (ii) a consummated merger or consolidation as a result of which our stockholders do not own, immediately after the event, shares entitled to more than 50% of the voting power of the surviving corporation, (iii) a sale or other disposition of all or substantially of our assets, or (iv) the dissolution or liquidation of the company.

Right of First Refusal; Repurchase Right

Prior to our initial public offering, if the participant wishes to sell or otherwise dispose of shares of common stock that were distributed under the 2015 Plan, the individual must first offer (through a written notice describing the terms of the sale) the shares for sale to us, and we have the option to purchase the shares pursuant to the terms described in the written notice. If we do not exercise our right to purchase the shares, the participant will have the right to sell or otherwise dispose of the shares at the price and on the terms of transfer set forth in the prior written notice. Upon the participant's termination of employment or service, prior to our initial public offering, we have certain call rights with respect to our common stock distributed under the 2015 Plan. After our initial public offering, we have no further right to purchase shares.

Amendment and Termination

Our board of directors or the committee has the authority to amend, suspend, or terminate the 2015 Plan, provided that such action does not materially impair the existing rights of any participant without such participant's consent. The 2015 Plan will terminate on August 21, 2026, unless terminated earlier by the board or extended by the board with stockholder approval.

2006 Plan

Our 2006 Plan was, and options granted thereunder are, administered by our board of directors. The exercise price, which may not be less than 100% of fair market value of the underlying shares on the date of grant, and rate of exercisability of each option were determined by the board and specified in the applicable option award agreement. The term of each option was fixed by the board and does not exceed ten years from the date of grant. Our board of directors may accelerate any option in whole or in part at any time. Unless our board of directors determines otherwise, if the stock option holder's employment or association with us ends for any reason, the option will remain exercisable not later than 90 days after that event. While other types of awards were permitted under the 2006 Plan, only options were awarded under the 2006 Plan before it was merged into the 2015 Plan. Options generally are not transferable except by will and the laws of descent and distribution. Acceptable consideration for the purchase of common stock issued upon the exercise of a stock option is determined by the board and may include (i) cash or check, (ii) delivery of shares of stock to us with a value equal to the exercise price of the shares to be purchased, or (iii) delivery of a promissory note in the principal amount equal to the exercise price of the shares to be purchased.

Acquisitions

In the event of an acquisition, any then outstanding options will accelerate to the extent not assumed by the acquiring entity or replaced by comparable options, and will then, to the extent not exercised, terminate. If any outstanding options are not otherwise accelerated in full by reason of such an acquisition, either in advance of an acquisition or at the time of an acquisition, the 2006

Plan provides for the acceleration of options if the participant's employment is terminated following the acquisition.

Under the 2006 Plan, an acquisition means a merger or consolidation of the company into another person or the sale, transfer, or other disposition of all or substantially all of our assets.

Change in Control

Unless the award agreement provides for greater rights, in the event of a change in control (including a change in control which is an acquisition), any outstanding option not yet exercisable in full will vest under the terms of the option. This applies to options that are assumed by an acquiring entity or replaced with comparable options of a successor entity.

Under the 2006 Plan, a change in control generally means (1) an acquisition (defined above) unless the holders of our voting shares immediately prior to the acquisition have more than 50% of the combined voting power of the securities of the successor entity or its parent entity after the acquisition, or (2) a person, entity or affiliated group acquires more than 50% of our total combined voting power.

Termination and Amendment

Our board of directors may amend, modify or terminate any outstanding option, provided that no amendment or modification may materially impair any of the rights of a participant under any options previously granted without his or her consent.

401(k) Plan

Our named executive officers participate in our broad-based 401(k) savings plan offered to all our employees. In 2016, the plan did not require mandatory matching or profit sharing contributions, and therefore, we determined whether a discretionary match or other discretionary employer contribution should be made on an annual basis. If made, any discretionary matching contribution will be fully vested. If made, profit sharing contributions will vest in full after three years of service. Vesting is accelerated upon attainment of age 65, death, disability and termination of the plan. Effective July 1, 2017, we implemented a mandatory matching policy, whereby we will match 50% of an employee's contributions, up to a maximum of the lesser of (i) 6% of that employee's base salary, bonus and commissions paid during the period or (ii) $5,000. Mandatory matching contributions will be subject to vesting based on an employee's start date and length of service. Employees can designate the investment of their 401(k) accounts from among a broad range of mutual funds. We do not allow investment in our common stock through the 401(k) plan.

Limitation on Liability and Indemnification Matters

Our amended and restated certificate of incorporation and amended and restated bylaws, each to be effective upon the closing of this offering, provide that we will indemnify our directors and officers, and may indemnify our employees and other agents, to the fullest extent permitted by Delaware law. Delaware law prohibits our amended and restated certificate of incorporation from limiting the liability of our directors for the following:

- any breach of the director's duty of loyalty to us or to our stockholders;
- acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- unlawful payment of dividends or unlawful stock repurchases or redemptions; and
- any transaction from which the director derived an improper personal benefit.

If Delaware law is amended to authorize corporate action further eliminating or limiting the personal liability of a director, then the liability of our directors will be eliminated or limited to the fullest extent permitted by Delaware law, as so amended. Our amended and restated certificate of incorporation does not eliminate a director's duty of care and, in appropriate circumstances, equitable remedies, such as injunctive or other forms of non-monetary relief, remain available under Delaware law. This provision also does not affect a director's responsibilities under any other laws, such as the federal securities laws or other state or federal laws. Under our amended and restated bylaws, we will also be empowered to purchase insurance on behalf of any person whom we are required or permitted to indemnify.

In addition to the indemnification required in our amended and restated certificate of incorporation and amended and restated bylaws, we plan to enter into indemnification agreements with members of our board of directors and each of our officers before the closing of this offering. These agreements will provide for the indemnification of our directors and officers for certain expenses and liabilities incurred in connection with any action, suit, proceeding, or alternative dispute resolution mechanism, or hearing, inquiry, or investigation that may lead to the foregoing, to which they are a party, or are threatened to be made a party, by reason of the fact that they are or were a director, officer, employee, agent, or fiduciary of our company, or any of our subsidiaries, by reason of any action or inaction by them while serving as an officer, director, agent or fiduciary, or by reason of the fact that they were serving at our request as a director, officer, employee, agent, or fiduciary of another entity. In the case of an action or proceeding by or in the right of our company or any of our subsidiaries, no indemnification will be provided for any claim where a court determines that the indemnified party is prohibited from receiving indemnification. We believe that provisions in in our amended and restated certificate of incorporation and amended and restated bylaws and indemnification agreements are and will be necessary to attract and retain qualified persons as directors and officers.

The limitation of liability and indemnification provisions in our amended and restated certificate of incorporation and amended and restated bylaws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against directors and officers, even though an action, if successful, might benefit us and our stockholders. Moreover, a stockholder's investment may be harmed to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act, and is, therefore, unenforceable. There is no pending litigation or proceeding naming any of our directors or officers as to which indemnification is being sought, nor are we aware of any pending or threatened litigation that may result in claims for indemnification by any director or officer.

CERTAIN RELATIONSHIPS, RELATED PERSON, AND OTHER TRANSACTIONS

In addition to the director and executive officer compensation arrangements discussed above in the sections titled "Management" and "Executive Compensation," the following is a description of each transaction since January 1, 2014 and each currently proposed transaction in which:

- we have been or are to be a participant;
- the amount involved exceeded or exceeds $120,000; and
- any of our directors, executive officers, or holders of more than 5% of our capital stock, or any immediate family member of or person sharing the household with any of these individuals, had or will have a direct or indirect material interest.

The information in this section titled "Certain Relationships, Related Person, and Other Transactions" does not assume the automatic conversion of all shares of our convertible preferred stock outstanding as of June 30, 2017 into 20,188,226 shares of our Class A common stock and 40,376,452 shares of our Class B common stock, which Class B common stock will subsequently convert into 40,376,452 shares of our Class A common stock, which conversions will occur upon the closing of this offering.

Series E Preferred Stock Financing

In August 2016, we sold and issued 1,107,202 shares of Series E preferred stock to funds related to Winslow Capital Management, LLC, Foxhaven Asset Management, LP, T. Rowe Price Associates, Inc., and Fidelity Brokerage Services LLC, which we refer to collectively as the Series E Purchasers, at a price of $54.19 per share, for an aggregate purchase price and gross proceeds to us of approximately $60 million. We refer to this financing as the Series E Financing. Funds affiliated with T. Rowe Price, a 5% or greater stockholder, purchased 276,800 shares of Series E preferred stock for an aggregate gross purchase price of approximately $15 million.

Stock Transfers

In December 2015, Argonaut 22 LLC, a holder of more than 5% of our capital stock, with our consent, transferred certain shares of our stock that it held of record to two transferees, Promerica Capital LLC and GC Holdings Investors LLC, pursuant to an Assignment Agreement, that was executed by us, Argonaut 22 LLC, and each transferee. Argonaut 22 LLC transferred the shares of capital stock described below in satisfaction of the redemption of Promerica Capital LLC's and GC

Holdings Investors LLC's ownership interests in Argonaut 22 LLC. The following table summarizes Argonaut 22 LLC's transfers of capital stock:

Transferee	Class of Stock Transferred	Number of Shares Transferred	Value of Shares Transferred on Date of Transfer	Aggregate Value of Shares Transferred
Promerica Capital LLC	Series A preferred stock	262,218	$ 40.64	$ 10,657,323
Promerica Capital LLC	Series B preferred stock	318,423	$ 40.64	$ 12,941,662
Promerica Capital LLC	Series C preferred stock	234,302	$ 40.64	$ 9,522,734
GC Holdings Investors LLC[(1)]	Series A preferred stock	262,218	$ 40.64	$ 10,657,323
GC Holdings Investors LLC[(1)]	Series B preferred stock	318,423	$ 40.64	$ 12,941,662
GC Holdings Investors LLC[(1)]	Series C preferred stock	103,661	$ 40.64	$ 4,213,092

(1) Gore Creek Trust, or the Trust, is an investor through GC Holdings Investors LLC. Nick Nicholas, Langley Steinert's father-in-law, was the grantor with respect to the Trust. Hilary Steinert, Langley Steinert's wife, is a beneficiary of the Trust.

In September 2016, Langley Steinert, our Chief Executive Officer, President, Chairman, and a holder of more than 5% of our capital stock, with our consent, transferred certain shares of our stock that he held as an individual to two transferees pursuant to Stock Transfer and Assignment Agreements that were executed by us, Mr. Steinert, and the applicable transferee. The following table summarizes Mr. Steinert's transfers of capital stock:

Transferee	Class of Stock Transferred	Number of Shares Transferred	Value of Shares Transferred on Date of Transfer	Aggregate Value of Shares Transferred
Trustees of Dartmouth College	Class A common stock	18,454	$ 9.03	$ 166,627
Trustees of Dartmouth College	Class B common stock	36,908	$ 9.03	$ 333,345
National Philanthropic Trust	Class A common stock	36,906	$ 9.03	$ 333,327
National Philanthropic Trust	Class B common stock	73,812	$ 9.03	$ 666,653

Repurchases of Our Securities

In September 2015, following the sale of 1,673,105 shares of our Series D preferred stock to 17 accredited investors at a purchase price of $40.642989 per share, we repurchased from certain stockholders, including holders of more than 5% of our capital stock, an aggregate of 667,480 shares of our capital stock, including (i) 283,394 shares of our Series A preferred stock, (ii) 33,443 shares of our Series B preferred stock, (iii) 81,123 shares of our Series C preferred stock, (iv) 64,556 shares of our Class A common stock and 129,112 shares of our Class B common stock, and (v) 25,284 shares of Class A common stock and 50,568 shares of Class B common stock underlying vested, but unexercised options, at a purchase price of $6.77 per share of common stock and $40.64 per share of preferred stock, for an aggregate purchase price of approximately

$18 million. The following table summarizes our purchases of shares of preferred stock in the tender offer from related persons in amounts in excess of $120,000:

Name of Holder	Relationship of Holder to the Company	Total Number of Shares Repurchased	Class of Shares Repurchased	Repurchase Price Per Share	Gross Dollar Amount of Total Number Shares Tendered
Allen & Company LLC	More than 5% stockholder	246,044	Series A preferred stock	$ 40.64	$ 9,999,964
Langley Steinert	Chief Executive Officer, President, Chairman, and more than 5% stockholder	73,813	Series C preferred stock	$ 40.64	$ 2,999,981

In October 2016, following the Series E Financing, we repurchased from certain stockholders, including holders of more than 5% of our capital stock, an aggregate of 3,644,642 shares of our capital stock, including (i) 224,903 shares of our Series A preferred stock, (ii) 357,568 shares of our Series B preferred stock, (iii) 17,243 shares of our Series C preferred stock, (iv) 899,046 shares of our Class A common stock and 1,798,092 shares of our Class B common stock, (v) 113,030 shares of Class A common stock and 226,060 shares of Class B common stock underlying vested, but unexercised options, and (vi) 2,900 shares of Class A common stock and 5,800 shares of Class B common stock underlying time-vested RSUs, at a purchase price of $9.03 per share of common stock and $54.19 per share of preferred stock, for an aggregate purchase price of approximately $60 million. The following table summarizes our purchases of shares of common stock, preferred

stock, and cancellations of options in the tender offer from related persons in amounts in excess of $120,000:

Name of Holder	Relationship of Holder to the Company	Total Number of Shares Repurchased	Class of Shares Repurchased	Repurchase Price Per Share	Gross Dollar Amount of Total Number Shares Tendered
Allen & Company LLC	More than 5% stockholder	105,178	Series A preferred stock	$ 54.19	$ 5,699,664
Argonaut 22 LLC	More than 5% stockholder	172,230	Series B preferred stock	$ 54.19	$ 9,333,256
GC Holdings Investors LLC	(2)	41,287	Series B preferred stock	$ 54.19	$ 2,237,369
Ian Smith	Director	13,187	Series A preferred stock	$ 54.19	$ 714,604
Ian Smith	Director	18,438	Series B preferred stock	$ 54.19	$ 999,155
Ian Smith	Director	6,280	Class A common stock	$ 9.03	$ 56,708
Ian Smith	Director	12,560	Class B common stock	$ 9.03	$ 113,417
Langley Steinert	Chief Executive Officer, President, Chairman, and more than 5% stockholder	629,366	Class A common stock	$ 9.03	$ 5,684,292
Langley Steinert	Chief Executive Officer, President, Chairman, and more than 5% stockholder	1,258,732	Class B common stock	$ 9.03	$ 11,368,584
Samuel Zales	Chief Operating Officer	7,284	Class A common stock(1)	$ 9.03	$ 65,787
Samuel Zales	Chief Operating Officer	14,568	Class B common stock(1)	$ 9.03	$ 131,575
The Langley Steinert Irrevocable Family Trust dated June 21, 2004	Beneficiaries of the trust are Langley Steinert's children	50,632	Class A common stock	$ 9.03	$ 457,297
The Langley Steinert Irrevocable Family Trust dated June 21, 2004	Beneficiaries of the trust are Langley Steinert's children	101,264	Class B common stock	$ 9.03	$ 914,594

(1) Represents shares underlying vested options to purchase Class A and Class B common stock.

(2) Gore Creek Trust, or the Trust, is an investor through GC Holdings Investors LLC. Nick Nicholas, Langley Steinert's father-in-law, was the grantor with respect to the Trust. Hilary Steinert, Langley Steinert's wife, is a beneficiary of the Trust.

Amended and Restated Investors' Rights Agreement

We are party to an amended and restated investors' rights agreement which provides, among other things, that certain holders of our capital stock, including Allen & Company LLC, Argonaut 22 LLC, entities affiliated with T. Rowe Price, Langley Steinert, Stephen Kaufer, David Parker, Simon Rothman, and Ian Smith, have the right to demand that we file a registration statement or request that their shares of our capital stock be covered by a registration statement that we are otherwise filing. See the section titled "Description of Capital Stock — Registration Rights" for additional information regarding these registration rights.

Second Amended and Restated Stockholders' Agreement

We are party to a second amended and restated stockholders' agreement under which certain holders of our capital stock, including Allen & Company LLC, Argonaut 22 LLC, entities affiliated with T. Rowe Price, Langley Steinert, Stephen Kaufer, David Parker, Simon Rothman, and Ian Smith, agreed to vote their shares on certain matters, including with respect to the election of directors. Upon the closing of this offering, this agreement will terminate and none of our stockholders will have any special rights regarding the election or designation of members of our board of directors or the voting of our capital stock.

Indemnification Agreements

Prior to the closing of this offering, we expect to enter into indemnification agreements with each of our executive officers and directors. These agreements will provide that we will indemnify each of these individuals to the fullest extent permitted by the Delaware General Corporation Law against liabilities that may arise by reason of their service to us, and to advance expenses to each indemnitee in connection with any proceeding in which indemnification is available. Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, may be permitted to directors, we have been informed that in the opinion of the SEC such indemnification is against public policy and is therefore unenforceable.

Policies and Procedures for Related Person Transactions

In connection with this offering, we intend to adopt a policy giving our audit committee the primary responsibility for reviewing and approving or disapproving "related person transactions," which are transactions between us and related persons in which the aggregate amount involved exceeds or may be expected to exceed $120,000 and in which a related person has or will have a direct or indirect material interest. For purposes of this policy, a related person is defined as a director, executive officer, nominee for director, or greater than 5% beneficial owner of our common stock, in each case since the beginning of the most recently completed year, and their immediate family members. Our audit committee charter provides that the audit committee shall review and approve or disapprove any related person transactions.

A related person transaction will be considered approved or ratified if it is authorized by the audit committee after full disclosure of the related person's interest in the transaction. In considering related person transactions, the audit committee will consider any information considered material to investors and the following factors:

- the related person's interest in the transaction;
- the approximate dollar value of the transaction;
- whether the transaction would impair the independence of an otherwise independent director or nominee for director;
- whether the terms of the transaction are no less favorable to us than terms that we could have reached with an unrelated third party under the same or similar circumstances; and
- the purpose and timing of the transaction.

PRINCIPAL AND SELLING STOCKHOLDERS

The following table sets forth information regarding beneficial ownership of our Class A common stock and Class B common stock as of September 14, 2017, as adjusted to reflect the shares of Class A common stock to be issued and sold by us and the selling stockholders in this offering, by:

- each of our named executive officers;
- each of our directors;
- all executive officers and directors as a group;
- each person or group of affiliated persons known by us to be the beneficial owner of more than 5% of our common stock; and
- each selling stockholder.

We have determined beneficial ownership in accordance with the rules of the SEC and the information is not necessarily indicative of beneficial ownership for any other purpose. Unless otherwise indicated below, to our knowledge, the persons and entities named in the table have sole voting and sole investment power with respect to all shares that they beneficially own, subject to community property laws where applicable. In computing the number of shares of our Class A common stock and Class B common stock beneficially owned by a person and the percentage ownership of that person, we deemed outstanding shares of our Class A common stock subject to options or RSUs held by that person that are currently exercisable or exercisable within 60 days of September 14, 2017. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person.

We have based our calculation of the percentage ownership of our Class A common stock and Class B common stock prior to this offering on 74,654,264 shares of our Class A common stock outstanding and 28,179,172 shares of our Class B common stock outstanding, in each case, as of September 14, 2017 (assuming the automatic conversion of all outstanding shares of preferred stock into an aggregate of 60,564,678 shares of Class A common stock upon the closing of this offering). Percentage ownership of our Class A common stock after this offering assumes the sale of shares of Class A common stock by us and shares of Class A common stock by the selling stockholders in this offering.

Unless otherwise indicated, the address of each beneficial owner listed on the table below is c/o CarGurus, Inc., 2 Canal Park, Cambridge, Massachusetts 02141.

Unless otherwise noted below, no selling stockholder has had any position, office or other material relationship with us or any of our predecessors or affiliates within the past three years. Unless otherwise indicated in the footnotes below, based on the information provided to us by or

on behalf of the selling stockholders, no selling stockholder is a broker-dealer or an affiliate of a broker-dealer.

	Shares Beneficially Owned Prior to the Offering				% of Total Voting Power Before Offering[1]	Number of Shares Being Offered	Shares Beneficially Owned After the Offering				% of Total Voting Power After Offering[1]
	Class A Common		Class B Common				Class A Common		Class B Common		
Name	Number	%	Number	%			Number	%	Number	%	
Named Executive Officers and Directors:											
Langley Steinert[2]	13,513,525	18.1	20,391,732	72.4	61.0						
Jason Trevisan	—	—	—	—	*						
Samuel Zales[3]	191,516	*	383,032	1.3	1.1						
Stephen Kaufer	1,242,742	1.7	200,000	*	*						
Anastasios Parafestas[4]	26,788,731	35.9	200,000	*	8.1						
David Parker	1,152,136	1.5	200,000	*	*						
Simon Rothman	385,684	*	200,000	*	*						
Ian Smith[5]	805,992	1.1	187,440	*	*						
All executive officers and directors as a group (8 persons)	44,080,326	58.9	21,762,204	76.2	72.6						
5% Stockholders and Selling Stockholders:											
Allen & Company LLC[6]	5,679,601	7.6	—	—	1.6						
Argonaut 22 LLC[7]	15,231,219	20.4	—	—	4.3						
T. Rowe Price, and its affiliated funds[8]	11,699,453	15.7	—	—	3.3						
Promerica Capital LLC[9]	4,584,007	6.1	—	—	1.3						
GC Holdings Investors LLC[10]	3,858,091	5.2	—	—	1.1						
Oliver Chrzan[11]	902,644	1.2	1,805,288	6.4	5.3						
Nicholas Shanny	1,610,990	2.2	2,293,348	8.1	6.9						
David Blundin	928,626	1.2	—	*	*						
Jasper Rosenberg[12]	230,064	*	460,128	1.6	1.4						
Yoav Shapira	164,008	*	328,016	1.2	1.0						

(*) Less than 1%.

(1) Percentage of total voting power represents voting power with respect to all shares of our Class A and Class B common, as a single class. The holders of our Class B common stock are entitled to ten votes per share, and holders of our Class A common stock are entitled to one vote per share. For more information about the voting rights of our Class A and Class B common stock, see "Description of Capital Stock — Class A and Class B Common Stock."

(2) Consists of (a) 30,652,537 shares held of record by Mr. Steinert, (b) 3,128,304 shares held of record by The Langley Steinert Irrevocable Family Trust dated June 21, 2004, of which Mr. Steinert's children are the beneficiaries, (c) 31,104 shares held of record by The Langley Steinert Irrevocable Trust — 2014 f/b/o Ailsa Steinert, of which Mr. Steinert's mother is the beneficiary, (d) 31,104 shares held of record by The Langley Steinert Irrevocable Trust — 2014 f/b/o Arthur Steinert, of which Mr. Steinert's brother is the beneficiary, (e) 31,104 shares held of record by The Langley Steinert Irrevocable Trust — 2014 f/b/o Gail Barnett, of which Mr. Steinert's mother-in-law is the beneficiary, and (f) 31,104 shares held of record by The Langley Steinert Irrevocable Trust — 2014 f/b/o Russell Steinert, of which Mr. Steinert's brother is the beneficiary. Mr. Steinert is neither trustee for nor beneficiary of any of the trusts aforementioned. However, Mr. Steinert may be deemed to be the beneficial owner of the shares held of record by each of The Langley Steinert Irrevocable Family Trust dated June 21, 2004, The Langley Steinert Irrevocable Trust — 2014 f/b/o Ailsa Steinert, The Langley Steinert Irrevocable Trust — 2014 f/b/o Arthur Steinert, The Langley Steinert Irrevocable Trust — 2014 f/b/o Gail Barnett, and The Langley Steinert Irrevocable Trust — 2014 f/b/o Russell Steinert. Mr. Steinert expressly disclaims beneficial ownership of such shares held by the trusts.

(3) Consists of 191,516 shares of Class A common stock and 383,032 shares of Class B common stock underlying options that are exercisable within 60 days of September 14, 2017.

(4) Consists of (a) 300,000 shares held of record by Mr. Parafestas, (b) 15,231,219 shares held of record by Argonaut 22 LLC, with respect to which Mr. Parafestas has sole investment power, (c) 4,584,007 shares held of record by Promerica Capital LLC, with respect to which Mr. Parafestas has sole investment power, (d) 3,858,091 shares held of record by GC Holdings Investors LLC, with respect to which Mr. Parafestas has sole investment power, and (e) 3,015,414 shares held of record by the RWS 2006 Family Trust, of which Mr. Parafestas is a co-trustee. Mr. Parafestas may be deemed to be the beneficial owner of the shares held of record by the RWS 2006 Family Trust. Mr. Parafestas expressly disclaims beneficial ownership of the shares held of record by the RWS 2006 Family Trust.

(5) Consists of 993,432 shares held of record by Mr. Smith. Mr. Smith is a Managing Director of Allen & Company LLC. Mr. Smith does not have sole or shared voting or investment power with respect to the shares held by Allen & Company LLC and expressly disclaims beneficial ownership of all shares held by Allen & Company LLC.

(6) Consists of 5,679,601 shares held of record by Allen & Company LLC. Ian Smith, a director of our company, is the Managing Director of Allen & Company LLC, but Mr. Smith does not have sole or shared voting or investment power with respect to the shares held by Allen & Company LLC and expressly disclaims all beneficial ownership of all shares held by Allen & Company LLC. The principal address of Allen & Company LLC is 711 Fifth Avenue, New York, New York 10022.

(7) Consists of 15,231,219 shares held of record by Argonaut 22 LLC. Anastasios Parafestas, a director of our company, is the Managing Member of Spinnaker Capital LLC, the Managing Member of Argonaut 22 LLC, and has sole investment power with respect to the shares held by Argonaut 22 LLC. Mr. Parafestas may be deemed to beneficially own the shares held by Argonaut 22 LLC. The principal address of Argonaut 22 LLC is One Joy Street, Boston, Massachusetts 02108.

(8) Consists of (a) 687,043 shares held by AMIDSPEED & CO., as nominee for T. Rowe Price New Horizons Trust, (b) 136,170 shares held by AWEIGH & CO., as nominee for T. Rowe Price U.S. Small-Cap Core Equity Trust, (c) 128,718 shares held by Azure & Co. as nominee for T. Rowe Price U.S. Small-Cap Value Equity Trust, (d) 18,408 shares held by BARNACLEWATER & CO., as nominee for Advantus Capital Management, Inc. Minnesota Life Insurance Co., (e) 6,943,762 shares held by Bridge & Co. as nominee for T. Rowe Price New Horizons Fund, Inc., (f) 455,820 shares held by CASCOLANE & CO., as nominee for T. Rowe Price Institutional Small-Cap Stock Fund, (g) 60,180 shares held by HARE & CO., as nominee for Costco 401(k) Retirement Plan, (h) 60,924 shares held by HARE & CO., as nominee for U.S. Small-Cap Stock Trust, (i) 19,674 shares held by ICECOLD & CO., as nominee for T. Rowe Price U.S. Equities Trust, (j) 5,904 shares held by LADYBIRD & CO., as nominee for T. Rowe Price Personal Strategy Income Fund, (k) 11,754 shares held by LADYBUG & CO., as nominee for T. Rowe Price Personal Strategy Balanced Fund, (l) 12,786 shares held by LAKESIDE & CO., as nominee for T. Rowe Price Personal Strategy Growth Fund, (m) 32,874 shares held by MAC & CO., as nominee for TD Mutual Funds — TD U.S. Small-Cap Equity Fund, (n) 1,253,457 shares held by Oceanoar & Co., as nominee for T. Rowe Price Small-Cap Value Fund, Inc., (o) 1,850,685 shares held by OVERLAP & CO., as nominee for T. Rowe Price Small-Cap Stock Fund, Inc., (p) 1,008 shares held by PEACEMAKER & CO., as nominee for T. Rowe Price Personal Strategy Balanced Portfolio, and (q) 20,286 shares held by SQUIDFISH & CO., as nominee for VALIC Company I — Small Cap Fund. The foregoing accounts are advised or sub-advised by T. Rowe Price Associates, Inc., or T. Rowe Price, a registered investment adviser. T. Rowe Price serves as investment adviser with power to direct investments and/or sole power to vote the securities owned by the accounts. Although T. Rowe Price may be deemed to be the beneficial owner of all the shares listed, T. Rowe Price expressly disclaims beneficial ownership of such securities. T. Rowe Price Investment Services, Inc., or TRPIS, a registered broker-dealer, is a subsidiary of T. Rowe Price Associates, Inc., the investment adviser to the accounts listed above. TRPIS is the principal underwriter and distributor of shares of the funds in the T. Rowe Price mutual fund family. TRPIS does not engage in underwriting or market-making activities involving individual securities. T. Rowe Price Associates, Inc. is the wholly-owned subsidiary of T. Rowe Price Group, Inc., which is a publicly traded financial services holding company. The principal address for T. Rowe Price is 100 East Pratt Street, Baltimore, Maryland 21202.

(9) Consists of 4,584,007 shares held of record by Promerica Capital LLC, with respect to which Anastasios Parafestas, one of our directors, has sole investment power. The principal address of Promerica Capital LLC is One Joy Street, Boston, Massachusetts 02108.

(10) Consists of 3,858,091 shares held of record by GC Holdings Investors LLC, with respect to which Anastasios Parafestas, one of our directors, has sole investment power. The principal address of GC Holdings Investors LLC is One Joy Street, Boston, Massachusetts 02108.

(11) Includes 51,774 shares of Class A common stock and 103,548 shares of Class B common stock underlying options that are exercisable within 60 days of September 14, 2017.

(12) Includes 4,700 shares of Class A common stock and 9,400 shares of Class B common stock underlying options that are exercisable within 60 days of September 14, 2017.

DESCRIPTION OF CAPITAL STOCK

General

The following description summarizes the most important terms of our capital stock, as they are expected to be in effect upon the closing of this offering. This summary does not purport to be complete and is qualified in its entirety by the provisions of our amended and restated certificate of incorporation and amended and restated bylaws to be effective upon closing of this offering. Copies of these documents will be filed with the SEC as exhibits to our registration statement, of which this prospectus forms a part. The descriptions of our common stock and preferred stock reflect changes to our capital structure that will occur upon the closing of this offering.

Upon the closing of this offering, our amended and restated certificate of incorporation will provide for two classes of common stock: Class A common stock and Class B common stock. In addition, our amended and restated certificate of incorporation will authorize shares of undesignated preferred stock, the rights, preferences and privileges of which may be designated from time to time by our board of directors.

Upon the closing of this offering, our authorized capital stock will consist of 610,000,000 shares, all with a par value of $0.001 per share, of which:

- 500,000,000 shares are designated as Class A common stock;
- 100,000,000 shares are designated as Class B common stock; and
- 10,000,000 shares are designated as preferred stock.

Assuming the automatic conversion of all shares of our convertible preferred stock outstanding as of June 30, 2017 into 20,188,226 shares of our Class A common stock and 40,376,452 shares of our Class B common stock, and the subsequent conversion of such shares of Class B common stock into 40,376,452 shares of our Class A common stock, which conversions will occur upon the closing of this offering, as of June 30, 2017, there were:

- 74,645,294 shares of our Class A common stock outstanding, held by 120 stockholders of record; and
- 28,161,232 shares of our Class B common stock outstanding, held by 78 stockholders of record.

Class A and Class B Common Stock

Voting Rights

Holders of our Class A common stock and Class B common stock have identical rights, provided that, except as otherwise expressly provided in our amended and restated certificate of incorporation or required by applicable law, on any matter that is submitted to a vote of our stockholders, holders of our Class A common stock are entitled to one vote per share of Class A common stock and holders of our Class B common stock are entitled to 10 votes per share of Class B common stock. Holders of shares of Class A common stock and Class B common stock will vote together as a single class on all matters (including the election of directors) submitted to a vote of stockholders, unless otherwise required by law. Delaware law could require either our Class A common stock or Class B common stock to vote separately as a single class in the following circumstances:

- if we propose to amend our certificate of incorporation to increase or decrease the par value of the shares of a class of our stock; or

- if we propose to amend our certificate of incorporation in a manner that alters or changes the powers, preferences, or special rights of a class of stock in a manner that affected its holders adversely.

We have not provided for cumulative voting for the election of directors in our amended and restated certificate of incorporation.

Economic Rights

Except as otherwise expressly provided in our amended and restated certificate of incorporation or required by applicable law, shares of Class A common stock and Class B common stock will have the same rights and privileges and rank equally, share ratably and be identical in all respects as to all matters, including, without limitation, those described below.

Dividends and Distributions. Subject to preferences that may apply to any shares of preferred stock outstanding at the time, the holders of Class A common stock and Class B common stock are entitled to receive dividends, if any, as may be declared from time to time by our board of directors out of legally available funds. We have never declared or paid cash dividends on any of our capital stock and currently do not anticipate paying any cash dividends after this offering or in the foreseeable future. See "Dividend Policy" for more information.

Right to Receive Liquidation Distributions. Upon our dissolution, liquidation or winding-up, the assets legally available for distribution to our stockholders are distributable ratably among the holders of our common stock, subject to prior satisfaction of all outstanding debt and liabilities and the preferential rights and payment of liquidation preferences, if any, on any outstanding shares of preferred stock.

No Preemptive or Similar Rights. Holders of our Class A common stock and Class B common stock are not entitled to preemptive rights and are not subject to redemption or sinking fund provisions.

Conversion

Each share of Class B common stock is convertible at any time at the option of the holder into one share of Class A common stock. In addition, each share of Class B common stock will convert automatically into one share of Class A common stock upon any transfer of such share, which is defined to include entering into a voting agreement, whether or not for value, except for certain transfers described in our amended and restated certificate of incorporation, including, without limitation, transfers to certain family members of the transferor stockholder. Finally, all shares of Class B common stock will automatically convert into shares of Class A common stock, on a share for share basis, upon the date falling after the first to occur of the death of Langley Steinert, our founder, Chief Executive Officer, President, and Chairman, Langley Steinert's voluntary termination of all employment with us and service on our board of directors or the sum of the number of shares of our capital stock held by Langley Steinert, by any Family Member of Langley Steinert, and by any Permitted Entity of Langley Steinert (as such terms are defined in our amended and restated certificate of incorporation), assuming the exercise and settlement in full of all outstanding options and convertible securities and calculated on an as-converted to Class A common stock basis, being less than .

Once converted into Class A common stock, the converted shares of Class B common stock will not be reissued. In addition, if all shares of Class B common stock are converted into Class A common stock, then any outstanding options or convertible securities with the right to purchase or acquire shares of Class B common stock shall become a right to purchase or acquire shares of Class A common stock.

Fully Paid and Non-Assessable

All of the outstanding shares of our Class A common stock and Class B common stock are, and the shares of our Class A common stock to be issued pursuant to this offering will be, fully paid and non-assessable.

Preferred Stock

Immediately after the closing of this offering, our board of directors will have the authority to issue up to 10,000,000 shares of preferred stock in one or more series and to fix the rights, preferences, privileges, and restrictions thereof, provided that, prior to the threshold date, such designation is subject to the approval of holders of at least a majority of the combined voting power of our outstanding capital stock. These rights, preferences, and privileges could include dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences, sinking fund terms, and the number of shares constituting any series or the designation of such series, any or all of which may be greater than the rights of common stock. The issuance of preferred stock by us could adversely affect the voting power of holders of common stock and the likelihood that such holders will receive dividend payments and payments upon liquidation. In addition, the issuance of preferred stock could have the effect of delaying, deferring or preventing a change of control of our company or other corporate action. Upon the closing of this offering, no shares of preferred stock will be outstanding, and we have no present plan to issue any shares of preferred stock.

Stock Options and RSUs

As of June 30, 2017, there were 1,737,056 shares of Class A common stock issuable upon the exercise of options outstanding as of June 30, 2017 with a weighted-average exercise price of $1.65 per share and 3,474,112 shares of Class B common stock issuable upon the exercise of options outstanding as of June 30, 2017 with a weighted-average exercise price of $1.65 per share, and 789,934 shares of Class A common stock and 1,579,868 shares of Class B common stock issuable upon the vesting and settlement of restricted stock units, or RSUs.

In connection with the granting of options under our 2006 Equity Incentive Plan, we also granted individuals a right to additional compensation in an amount based on certain dividend distributions or other periodic payments paid or made with respect to a specified number of shares of our common stock, which we refer to as dividend equivalent rights. As of June 30, 2017, there were 10 individuals who held dividend equivalent rights.

Exclusive Jurisdiction

Our amended and restated certificate of incorporation to be effective on the closing of this offering will provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will, to the fullest extent permitted by law, be the sole and exclusive forum for: (i) any derivative action or proceeding brought on behalf of us; (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees or agents to us or to our stockholders; (iii) any action asserting a claim against us arising pursuant to any provision of the Delaware General Corporation Law or our amended and restated certificate of incorporation or amended and restated bylaws; (iv) any action to interpret, apply, enforce or determine the validity of our amended and restated certificate of incorporation or our amended and restated bylaws; or (v) any action asserting a claim against us or any of our directors, officers, or other employees or agents governed by the internal affairs doctrine. The enforceability of similar choice of forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that, in connection with any action, a

court could find the choice of forum provisions contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in such action.

Registration Rights

After the closing of this offering certain holders of our Class A common stock will be entitled to rights with respect to the registration of their shares under the Securities Act of 1933, as amended, or the Securities Act. These registration rights are contained in our amended and restated investors' rights agreement, or IRA, dated August 23, 2016. We and certain holders of our Class A common stock, Class B common stock, Series A preferred stock, Series B preferred stock, Series C preferred stock, Series D preferred stock, and Series E preferred stock are parties to the IRA. The registration rights set forth in the IRA will expire upon (i) the closing of a Deemed Liquidation Event, or (ii) two years following the closing of our initial public offering. A Deemed Liquidation Event is defined in the IRA to be a (i) a merger or consolidation where either (a) the company is a party or (b) a subsidiary of the company is a party and the company issues shares of its capital stock pursuant to such merger or consolidation and the shares of capital stock of the company outstanding continue to represent a majority of the voting power of the surviving company or the parent of the surviving company; (ii) sale, lease, exclusive license, transfer or other disposition of all or substantially the assets or intellectual property of the company to an entity other than a wholly owned subsidiary of the company; or (iii) acquisition by any person or group of related persons that represents at least a majority of the voting power of the company's capital stock.

We will pay the registration expenses (other than underwriting discounts, selling commissions and stock transfer taxes) of the holders of the shares registered pursuant to the registrations described below. We will pay up to $50,000 of the reasonable fees and disbursements of one counsel for the selling stockholders entitled to demand registration as described below, but otherwise will not pay the fees and disbursements of counsel for any such selling stockholder. In an underwritten offering, the managing underwriter, if any, has the right, subject to specified conditions, to limit the number of shares such holders may include in the offering. See the section titled "Underwriting (Conflicts of Interest)" for more information regarding such restrictions.

Demand Registration Rights

One hundred eighty days after the effective date of the registration statement of which this prospectus forms a part, the holders of 60,564,678 shares of our Class A common stock will be entitled to certain Form S-1 demand registration rights. We will not be required to effect a registration on Form S-1 (i) during the period that is 45 days before our good faith estimate of the date of filing of, and ending on a date that is 180 after the effective date of, a company-initiated registration, (ii) if we have previously effected one such registration, and (iii) if such shares are eligible to be registered pursuant to a Form S-3 registration statement.

After the closing of this offering at any time when we are eligible to use a Form S-3 registration statement, holders of shares of our Class A common stock will be entitled to certain Form S-3 demand registration rights so long as the request covers at least that number of shares with an anticipated offering price, net of underwriting discounts, selling commissions and stock transfer taxes, of at least $5 million. These stockholders may make an unlimited number of requests for registration on Form S-3; however, we will not be required to effect a registration on Form S-3 (i) during the period that is 30 days before our good faith estimate of the date of filing of, and ending on a date that is 120 after the effective date of, a company-initiated registration, and (ii) if we have effected two such registrations within the 12-month period preceding the date of the request.

Additionally, if our board of directors determines, and our Chief Executive Officer certifies to such determination, that it would be materially detrimental to us and to our stockholders to effect a registration described above, we have the right to defer such registration, not more than once in any 12-month period, for a period of up to 90 days.

Piggyback Registration Rights

If we propose to register the offer and sale of our Class A common stock under the Securities Act, in connection with the public offering of such common stock for cash, the holders of unregistered shares of our Class A common stock will be entitled to certain "piggyback" registration rights allowing these holders to include their shares in such registration, subject to certain marketing and other limitations. As a result, whenever we propose to file a registration statement under the Securities Act, other than with respect to (1) a registration relating to a company stock option, stock purchase or similar plan, (2) a registration relating to a corporate reorganization or other transaction pursuant to Rule 145 of the Securities Act, (3) a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the registrable securities, or (4) a registration in which the only common stock being registered is common stock issuable upon conversion of debt securities that are also being registered, the holders of these shares are entitled to notice of the registration and have the right, subject to certain limitations, to include their unregistered shares in the registration.

Anti-Takeover Effects of Delaware Law and Our Certificate of Incorporation and Bylaws

The provisions of Delaware law and of our amended and restated certificate of incorporation and amended and restated bylaws to be effective on the closing of this offering may have the effect of delaying, deferring or discouraging another person from acquiring control of our company. These provisions, which are summarized below, may have the effect of discouraging takeover bids, coercive of otherwise. They are also designed, in part, to encourage persons seeking to acquire control of us to negotiate first with our board of directors. We believe that the benefits of increased protection of our potential ability to negotiate with an unfriendly or unsolicited acquirer outweigh the disadvantages of discouraging a proposal to acquire us because negotiation of these proposals could result in an improvement of their terms.

Delaware Law

We are governed by the provisions of Section 203 of the Delaware General Corporation Law. In general, Section 203 prohibits a public Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date of the transaction in which the person became an interested stockholder, unless the business combination is approved in a prescribed manner. A "business combination" includes mergers, asset sales or other transactions resulting in a financial benefit to the stockholder. An "interested stockholder" is a person who, together with affiliates and associates, owns, or within three years of the date on which it is sought to be determined whether such person is an "interested stockholder," did own, 15% or more of the corporation's outstanding voting stock. These provisions may have the effect of delaying, deferring, or preventing a change in our control.

Certificate of Incorporation and Bylaws to be in Effect on the Closing of this Offering

Our amended and restated certificate of incorporation and amended and restated bylaws to be effective on the closing of this offering will include a number of provisions, some of which will become effective only from and after the date, which we refer to as the threshold date, on which the votes applicable to the Class A common stock and Class B common stock controlled by our

founder, Chief Executive Officer, President, and Chairman, Langley Steinert, represent less than a majority of the aggregate votes applicable to all shares of the outstanding Class A common stock and Class B common stock, that could deter hostile takeovers or delay or prevent changes in control of our management team, including the following:

- *Board Vacancies.* Our amended and restated certificate of incorporation and amended and restated bylaws will provide that, from and after the threshold date only our board of directors will be authorized to fill vacant directorships, including newly created seats, and that the number of directors constituting our board of directors will be permitted to be set only by a resolution adopted by our board of directors. These provisions would prevent a stockholder from increasing the size of our board of directors and then gaining control of our board of directors by filling the resulting vacancies with its own nominees. These provisions make it more difficult to change the composition of our board of directors but promote continuity of management.

- *Classified Board.* Our amended and restated certificate of incorporation and amended and restated bylaws will provide that our board of directors is classified into three classes of directors. A third party may be discouraged from making a tender offer or otherwise attempting to obtain control of us as it is more difficult and time consuming for stockholders to replace a majority of the directors on a classified board of directors. See "Management — Board Composition" for additional information.

- *Stockholder Action; Special Meeting of Stockholders.* Our amended and restated certificate of incorporation will provide that from and after the threshold date our stockholders may not take action by written consent, but may only take action at annual or special meetings of our stockholders. As a result, from and after the threshold date a holder controlling a majority of our capital stock would not be able to amend our amended and restated bylaws or remove directors without holding a meeting of our stockholders called in accordance with our amended and restated bylaws. Our amended and restated certificate of incorporation will further provide that special meetings of our stockholders may be called only by a majority of our board of directors, the chairman of our board of directors (if one has been appointed) or, prior to the threshold date, by the holders of a majority of the combined voting power of our outstanding capital stock, thus prohibiting from and after the threshold date a stockholder from calling a special meeting. These provisions might, from and after the threshold date, delay the ability of our stockholders to force consideration of a proposal or for stockholders controlling a majority of our capital stock to take any action, including the removal of directors.

- *Advance Notice Requirements for Stockholder Proposals and Director Nominations.* Our amended and restated bylaws will provide advance notice procedures for stockholders seeking to bring business before our annual meeting of stockholders or to nominate candidates for election as directors at our annual meeting of stockholders. Our amended and restated bylaws will also specify certain requirements regarding the form and content of a stockholder's notice. These provisions might preclude our stockholders from bringing matters before our annual meeting of stockholders or from making nominations for directors at our annual meeting of stockholders if the proper procedures are not followed. We expect that these provisions may also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of our company.

- *No Cumulative Voting.* The Delaware General Corporation Law provides that stockholders are not entitled to the right to cumulate votes in the election of directors unless a

corporation's certificate of incorporation provides otherwise. Our amended and restated certificate of incorporation will not provide for cumulative voting.

- *Directors Removed Only for Cause.* Our amended and restated certificate of incorporation will provide that from and after the threshold date stockholders may remove directors only for cause.
- *Amendment of Certificate of Incorporation Provisions.* Any amendment of the above provisions in our amended and restated certificate of incorporation from and after the threshold date will require approval by holders of at least 66 $^{2}/_{3}$% of the combined voting power of our then outstanding capital stock.
- *Issuance of Undesignated Preferred Stock.* Our board of directors has the authority to issue up to 10,000,000 shares of undesignated preferred stock with rights and preferences, including voting rights, designated from time to time by our board of directors, provided that prior to the threshold date such designation is subject to the approval of holders of a majority of the combined voting power of our outstanding common stock. The existence of authorized but unissued shares of preferred stock would enable our board of directors to render more difficult or to discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest, or other means.

Transfer Agent and Registrar

Upon the closing of this offering, the transfer agent and registrar for our Class A common stock will be Broadridge Corporate Issuer Solutions. The transfer agent and registrar's address is 1717 Arch Street, Suite 1300, Philadelphia, Pennsylvania 19103.

Market Listing

We have applied to list our Class A common stock on the NASDAQ Global Select Market under the symbol "CARG."

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our Class A common stock, and we cannot predict the effect, if any, that market sales of shares of our Class A common stock or the availability of shares of our Class A common stock for sale will have on the market price of our Class A common stock prevailing from time to time. Future sales of our Class A common stock in the public market, or the availability of such shares for sale in the public market, could adversely affect market prices prevailing from time to time. As described below, only a limited number of shares will be available for sale shortly after this offering due to contractual and legal restrictions on resale. Nevertheless, sales of our Class A common stock in the public market after such restrictions lapse, or the perception that those sales may occur, could adversely affect the prevailing market price at such time and our ability to raise equity capital in the future.

Following the closing of this offering, based on the number of shares of our capital stock outstanding at June 30, 2017 (assuming the automatic conversion of all outstanding shares of our preferred stock into an aggregate of 60,564,678 shares of Class A common stock upon the closing of this offering) and assuming the issuance of shares of Class A common stock offered by us and the selling stockholders in this offering, we will have a total of shares of our Class A common stock outstanding and shares of Class B common stock outstanding. Of these outstanding shares, all of the shares of Class A common stock sold in this offering by us and the selling stockholders plus any shares sold upon exercise of the underwriters' option to purchase up to an additional shares of Class A common stock from us and certain selling stockholders in this offering, will be freely tradable, except that any shares purchased in this offering by our "affiliates," as that term is defined in Rule 144 under the Securities Act, would only be able to be sold in compliance with the Rule 144 limitations described below.

The remaining outstanding shares of our Class A common stock, the shares of our Class B common stock, and the shares of Class A common stock issued upon conversion of our Class B common stock will be deemed "restricted securities" as that term is defined in Rule 144 under the Securities Act. Restricted securities may be sold in the public market only if they are registered or if they qualify for an exemption from registration under Rule 144 or Rule 701 under the Securities Act, which rules are summarized below. In addition, holders of all or substantially all of our equity securities have entered into or will enter into lock-up agreements with the underwriters under which they have agreed, subject to specific exceptions, not to sell any of our stock for a period of time following the date of this prospectus, as described below. As a result of these agreements, subject to the provisions of Rule 144 or Rule 701, shares will be available for sale in the public market as follows:

- beginning on the date of this prospectus, the shares of Class A common stock sold in this offering will be immediately available for sale in the public market;
- beginning 181 days after the date of this prospectus, additional shares of common stock will become eligible for sale in the public market, of which shares will be held by affiliates and subject to the volume and other restrictions of Rule 144, as described below; and
- the remainder of the shares of common stock will be eligible for sale in the public market from time to time thereafter, subject in some cases to the volume and other restrictions of Rule 144, as described below.

In addition, as of June 30, 2017, a total of 1,737,056 shares of Class A common and 3,474,112 shares of Class B common stock were subject to outstanding options and 789,934 shares of Class A common and 1,579,868 shares of Class B common stock were subject to outstanding RSUs. Of these shares, the shares issuable upon the exercise of vested options to

purchase Class A common stock or Class B common stock and upon the settlement of vested RSUs will be eligible for public sale subject to the lock-up agreements and securities laws described below.

Each outstanding share of Class B common stock will convert automatically into one share of Class A common stock upon its public sale or other transfer, whether or not for value and whether voluntary or involuntary or by operation of law, except for certain exceptions and permitted transfers described in our certificate of incorporation.

Lock-Up Agreements

In connection with our initial public offering, we, our selling stockholders, our officers and directors, and holders of substantially all of our Class A common stock, Class B common stock, and other securities convertible into or exchangeable for our Class A common stock or Class B common stock, have agreed that, subject to certain exceptions and under certain conditions, for a period commencing on the date of the agreement and ending 180 days after the date of this prospectus, we and they will not, without the prior written consent of Goldman Sachs & Co. LLC, offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise dispose of any shares of our capital stock, or any options, restricted stock units, or other securities convertible into, exchangeable for, or that represent the right to receive shares of our capital stock, whether now owned or hereafter acquired, owned directly by the undersigned (including holding as a custodian) or with respect to which the undersigned has beneficial ownership within the rules and regulations of the SEC. Goldman Sachs & Co. LLC may, in their discretion, release any of the securities subject to these lock-up agreements at any time. See the section titled "Underwriting (Conflicts of Interest)" for additional information.

Rule 144

In general, under Rule 144 as currently in effect, once we have been subject to the public company reporting requirements of Section 13 or Section 15(d) of the Exchange Act for at least 90 days, a person who is not deemed to have been one of our affiliates for purposes of the Securities Act at any time during the 90 days preceding a sale and who has beneficially owned the shares proposed to be sold for at least six months, including the holding period of any prior owner other than our affiliates, is entitled to sell those shares without complying with the manner of sale, volume limitation or notice provisions of Rule 144, subject to compliance with the public information requirements of Rule 144. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than our affiliates, then that person would be entitled to sell those shares without complying with any of the requirements of Rule 144.

In general, under Rule 144, as currently in effect, and upon expiration of the lock-up agreements described above, our affiliates or persons selling shares on behalf of our affiliates are entitled to sell within any three-month period, a number of shares that does not exceed the greater of:

- 1% of the number of shares of our Class A common stock then outstanding, which will equal approximately shares immediately after this offering; or
- the average weekly trading volume of our Class A common stock during the four calendar weeks preceding the filing of a notice on Form 144 with respect to that sale;

provided, in each case, that we have been subject to the Exchange Act periodic reporting requirements for at least 90 days before the sale. Sales under Rule 144 by our affiliates or persons

selling shares on behalf of our affiliates are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us.

Rule 701

Rule 701 generally allows a stockholder who purchased shares of our Class A common stock pursuant to a written compensatory plan or contract and who is not deemed to have been an affiliate of our company during the immediately preceding 90 days to sell these shares in reliance upon Rule 144, but without being required to comply with the public information, holding period, volume limitation, or notice provisions of Rule 144. Rule 701 also permits affiliates of our company to sell their Rule 701 shares under Rule 144 without complying with the holding period requirements of Rule 144. All holders of Rule 701 shares, however, are required by that rule to wait until 90 days after the date of this prospectus before selling those shares pursuant to Rule 701.

Registration Rights

Pursuant to our amended and restated investor rights agreement, the holders of 60,564,678 shares of our Class A common stock (including shares issuable upon the conversion of our outstanding convertible preferred stock upon the closing of this offering), or their transferees, will be entitled to certain rights with respect to the registration of the offer and sale of those shares under the Securities Act. See the section titled "Description of Capital Stock — Registration Rights" for a description of these registration rights. If the offer and sale of these shares is registered, the shares will be freely tradable without restriction under the Securities Act, and a large number of shares may be sold into the public market.

Equity Incentive Plans

Following the closing of this offering, we intend to file a registration statement on Form S-8 under the Securities Act to register shares of our Class A common stock and Class B common stock issued under our 2015 Plan and our Class A common stock reserved for issuance under our 2017 Equity Incentive Plan. The registration statement on Form S-8 will become effective immediately upon filing, and shares covered by such registration statement will thereupon be eligible for sale in the public markets, subject to vesting restrictions, the lock-up agreements described above and Rule 144 limitations applicable to affiliates. See the section titled "Executive Compensation — Employee Benefits and Stock Plans" for additional information.

MATERIAL U.S. FEDERAL INCOME AND ESTATE TAX CONSEQUENCES TO NON-U.S. HOLDERS

The following is a discussion of the material U.S. federal income and estate tax consequences of the acquisition, ownership, and disposition of our Class A common stock to a non-U.S. holder that purchases shares of our Class A common stock for cash in this offering. For purposes of this discussion, a "non-U.S. holder" means a beneficial owner (other than a partnership or other pass-through entity) of our Class A common stock that is not, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation or any other organization taxable as a corporation for U.S. federal income tax purposes, created or organized in the United States or under the laws of the United States or of any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust if (i) the trust is subject to the primary supervision of a U.S. court and all substantial decisions of the trust are controlled by one or more U.S. persons or (ii) the trust has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

This discussion does not address the tax treatment of partnerships (or other entities that are treated as partnerships, grantor trusts, or other pass-through entities for U.S. federal income tax purposes) or persons that hold their Class A common stock through partnerships, grantor trusts, or other pass-through entities. The tax treatment of a partner in a partnership or holder of an interest in another pass-through entity that will hold our Class A common stock generally will depend upon the status of the partner or interest holder and the activities of the partner or interest holder and the partnership or other pass-through entity, as applicable. Such a partner or interest holder should consult his, her, or its own tax advisor regarding the tax consequences of the acquisition, ownership and disposition of our Class A common stock through a partnership or other pass-through entity, as applicable.

This discussion is based upon the provisions of the Internal Revenue Code of 1986, as amended, or the Code, the U.S. Treasury regulations promulgated thereunder, judicial decisions, and published rulings, administrative procedures, and other guidance of the Internal Revenue Service, or the IRS, all as in effect as of the date hereof. These authorities are subject to change and to differing interpretations, possibly with retroactive effect, which could result in U.S. federal income or estate tax consequences different from those summarized below. No ruling has been or is expected to be sought from the IRS with respect to the matters summarized below, and there can be no assurance that the IRS will not take a contrary position regarding the U.S. federal income or estate tax consequences of the acquisition, ownership, or disposition of our Class A common stock, or that any such contrary position would not be sustained by a court.

This discussion is not a complete analysis of all of the potential U.S. federal income and estate tax consequences relating to the acquisition, ownership, and disposition of our Class A common stock by non-U.S. holders, nor does it address any U.S. federal gift or generation-skipping transfer tax consequences, any tax consequences arising under any state, local, or non-U.S. tax laws, the impact of any applicable tax treaty, any consequences under the Medicare contribution tax on net investment income, the alternative minimum tax, or any consequences under other U.S. federal tax laws. In addition, this discussion does not address tax consequences resulting from a non-U.S. holder's particular circumstances or to non-U.S. holders that may be subject to special tax rules, including, without limitation:

- non-U.S. governments, agencies or instrumentalities thereof, or entities they control;

- "controlled foreign corporations" and their shareholders;
- "passive foreign investment companies" and their shareholders;
- partnerships, grantor trusts or other entities that are treated as pass-through entities for U.S. federal income tax purposes, and their owners;
- corporations that accumulate earnings to avoid U.S. federal income tax;
- former citizens or former long-term residents of the United States;
- banks, insurance companies or other financial institutions;
- tax-exempt pension funds or other tax-exempt organizations;
- persons who acquired our Class A common stock pursuant to the exercise of employee stock options or otherwise as compensation;
- tax-qualified retirement plans;
- traders, brokers, or dealers in securities, commodities, or currencies;
- persons who hold our Class A common stock as a position in a hedging transaction, wash sale, "straddle," "conversion transaction" or other risk reduction transaction or synthetic security;
- persons who do not hold our Class A common stock as a capital asset within the meaning of Section 1221 of the Code (generally, for investment purposes);
- persons who own or have owned, or are deemed to own or to have owned, more than 5% of our Class A common stock (except to the extent specifically set forth below); or
- persons deemed to sell our Class A common stock under the constructive sale provisions of the Code.

Prospective investors should consult their own tax advisors regarding the particular U.S. federal income, estate, gift, and generation-skipping transfer tax consequences to them of acquiring, owning, and disposing of our Class A common stock, as well as any tax consequences arising under any state, local, or foreign tax laws and any other U.S. federal tax laws. Prospective investors should also consult their tax advisors regarding the potential impact of any applicable income or estate tax treaty between the United States and such prospective investor's country of residence and of the rules described below under the heading "Foreign Account Tax Compliance Act."

Distributions on Class A Common Stock

As described in the section entitled "Dividend Policy," we currently intend to retain any earnings for use in the operation of our business and do not anticipate paying any dividends on our Class A common stock in the foreseeable future. The disclosure in this section addresses the consequences should our board of directors, in the future, determine to make a distribution of cash or property with respect to our Class A common stock (other than certain distributions of stock which may be made free of tax), or to effect a redemption that is treated for tax purposes as a distribution. Any such distribution will generally constitute a dividend for U.S. federal tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent such a distribution exceeds both our current and our accumulated earnings and profits, such excess will be allocated ratably among the shares of Class A common stock with respect to which the distribution is made. Any such excess allocated to a share of Class A common stock will constitute a return of capital to the extent of the non-U.S.

holder's adjusted tax basis in that share of Class A common stock, reducing that adjusted tax basis, but not below zero. After the non-U.S. holder's adjusted tax basis in a share of Class A common stock has been reduced to zero, any remaining excess allocated to that share of Class A common stock will be treated as capital gain from the sale of that share of Class A common stock, subject to the tax treatment described below under "Gain on Disposition of Class A Common Stock." Any such distributions will also be subject to the discussion below regarding backup withholding and foreign accounts. A non-U.S. holder's adjusted tax basis in a share of Class A common stock is generally the purchase price of the share, reduced by the amount of any distributions constituting a return of capital with respect to that share.

Any dividend paid to a non-U.S. holder of our Class A common stock generally will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividend, or such lower rate as may be specified by an applicable income tax treaty between the United States and such non-U.S. holder's country of residence. If a non-U.S. holder is eligible for benefits under an income tax treaty and wishes to claim a reduced rate of withholding, the non-U.S. holder generally will be required to provide us or our paying agent with a properly completed IRS Form W-8BEN, Form W-8BEN-E, or other applicable form, certifying under penalties of perjury the non-U.S. holder's qualification for the reduced rate. This certification must be provided to us or our paying agent prior to the payment of the dividend and may be required to be updated periodically. Special certification requirements apply to non-U.S. holders that hold Class A common stock through certain foreign intermediaries. Non-U.S. holders that do not timely provide the required certifications, but that qualify for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. If we are not able to determine whether or not a distribution will exceed current and accumulated earnings and profits at the time the distribution is made, we may withhold tax on the entire amount of any distribution at the same rate as we would withhold on a dividend. However, a non-U.S. holder may obtain a refund of amounts that we withhold to the extent attributable to the portion of the distribution in excess of our current and accumulated earnings and profits.

If a non-U.S. holder holds our Class A common stock in connection with the conduct of a trade or business in the U.S., and dividends paid on the Class A common stock are effectively connected with the non-U.S. holder's U.S. trade or business (and, if required by an applicable income tax treaty between the United States and such non-U.S. holder's country of residence, are attributable to a permanent establishment or fixed base maintained by the non-U.S. holder in the U.S., as defined under the applicable treaty), the non-U.S. holder will be exempt from U.S. federal withholding tax on the dividends. To claim the exemption, the non-U.S. holder must furnish a properly executed IRS Form W-8ECI (or other applicable form) prior to the payment of the dividends. Any dividends paid on our Class A common stock that are effectively connected with a non-U.S. holder's U.S. trade or business (and satisfy any other applicable treaty requirements) generally will be subject to U.S. federal income tax on a net income basis at the regular graduated U.S. federal income tax rates generally applicable to U.S. persons (as defined in the Code). A non-U.S. holder that is treated as a corporation for U.S. federal income tax purposes also may be subject to an additional branch profits tax equal to 30% (or such lower rate as is specified by an applicable income tax treaty between the United States and such non-U.S. holder's country of residence) of a portion of its earnings and profits for the taxable year that are effectively connected with a U.S. trade or business, as adjusted for certain items.

Gain on Disposition of Class A Common Stock

Subject to the discussion below regarding backup withholding and foreign accounts, a non-U.S. holder generally will not be subject to U.S. federal income tax on any gain realized upon the sale, exchange, or other taxable disposition of our Class A common stock unless:

- the gain is effectively connected with the non-U.S. holder's conduct of a U.S. trade or business (and, if required by an applicable income tax treaty between the United States and such non-U.S. holder's country of residence, the gain is attributable to a permanent establishment or fixed base maintained by the non-U.S. holder in the U.S.), in which case the non-U.S. holder will generally be required to pay tax on the gain derived from the sale, exchange, or other taxable disposition (net of certain deductions or credits) under regular graduated U.S. federal income tax rates generally applicable to U.S. persons, and in the case of a non-U.S. holder that is treated as a corporation for U.S. federal income tax purposes, such non-U.S. holder may be subject to a branch profits tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty between the United States and such non-U.S. holder's country of residence;

- the non-U.S. holder is an individual who is present in the U.S. for a period or periods aggregating 183 days or more during the taxable year in which the sale, exchange, or other taxable disposition occurs and certain other conditions are met, in which case the non-U.S. holder will be subject to U.S. federal income tax at a flat 30% rate (or such lower rate as is specified by an applicable income tax treaty between the United States and such non-U.S. holder's country of residence) on the net gain derived from the sale, exchange, or other taxable disposition, which gain may be offset by U.S. source capital losses (even though the non-U.S. holder is not considered a resident of the U.S.) provided that the non-U.S. holder has timely filed U.S. federal income tax returns reporting those losses; or

- our Class A common stock is a "United States real property interest" by reason of our status as a "United States real property holding corporation," or USRPHC, for U.S. federal income tax purposes during the five-year period preceding such sale, exchange or other taxable disposition (or the non-U.S. holder's holding period, if shorter).

Generally, a corporation is a USRPHC only if the fair market value of its U.S. real property interests equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests plus its other assets used or held for use in a trade or business. We believe we are not now and we do not anticipate becoming a USRPHC. However, there can be no assurance that we are not now a USRPHC or will not become one in the future. Even if we are or become a USRPHC, for so long as our Class A common stock is "regularly traded," as defined by applicable U.S. Treasury regulations, on an established securities market, sales of our Class A common stock generally will not be subject to tax for non-U.S. holders that have not held more than 5% of our Class A common stock, actually or constructively, during the five-year period preceding such non-U.S. holder's sale, exchange or other taxable disposition of our Class A common stock (or the non-U.S. holder's holding period, if shorter). If we are determined to be a USRPHC and the foregoing exception does not apply, then the non-U.S. holder generally will be taxed on its net gain derived from the disposition at the graduated U.S. federal income tax rates applicable to U.S. persons. No assurance can be provided that our Class A common stock will be regularly traded on an established securities market for purposes of the rule described above.

Information Reporting and Backup Withholding

Generally, we or certain financial middlemen must report annually to the IRS and to each non-U.S. holder the gross amount of dividends and other distributions on our Class A common stock paid to the non-U.S. holder and the amount of tax withheld, if any, with respect to those

distributions. Pursuant to applicable income tax treaties or other agreements, the IRS may make these reports available to tax authorities in the non-U.S. holder's country of residence or incorporation.

A non-U.S. holder may be subject to backup withholding with respect to dividends paid on shares of our Class A common stock, unless, generally, the non-U.S. holder certifies under penalties of perjury (usually on IRS Form W-8BEN or W-8BEN-E) that the non-U.S. holder is not a U.S. person or otherwise establishes an exemption. The backup withholding rate is currently 28%. Dividends that are paid to non-U.S. holders subject to the withholding of U.S. federal income tax, as described above under the heading "Distributions on Class A Common Stock," generally will be exempt from U.S. backup withholding.

Additional rules relating to information reporting requirements and backup withholding with respect to payments of the proceeds from the disposition of shares of our Class A common stock are as follows:

- If the proceeds are paid to or through the U.S. office of a broker, the proceeds generally will be subject to backup withholding and information reporting, unless the non-U.S. holder certifies under penalties of perjury (usually on IRS Form W-8BEN or W-8BEN-E) that the non-U.S. holder is not a U.S. person and satisfies certain other requirements or otherwise establishes an exemption.

- If the proceeds are paid to or through a non-U.S. office of a broker that is not a U.S. person and is not a foreign person with certain specified U.S. connections, which we refer to below as a "U.S.-related person," information reporting and backup withholding generally will not apply.

- If the proceeds are paid to or through a non-U.S. office of a broker that is a U.S. person or a U.S.-related person, the proceeds generally will be subject to information reporting (but not to backup withholding), unless the non-U.S. holder certifies under penalties of perjury (usually on IRS Form W-8BEN or W-8BEN-E) that the non-U.S. holder is not a U.S. person. A "U.S.-related person" includes (i) an entity classified as a "controlled foreign corporation" for U.S. federal income tax purposes, (ii) a foreign person, 50% or more of whose gross income from certain periods is effectively connected with a U.S. trade or business, or (iii) a foreign partnership if at any time during its tax year (a) one or more of its partners are U.S. persons who, in the aggregate, hold more than 50% of the income or capital interests of the partnership or (b) the foreign partnership is engaged in a U.S. trade or business.

Backup withholding is not an additional tax. Any amounts withheld from a non-U.S. holder under the backup withholding rules may be allowed as a refund or a credit against the non-U.S. holder's U.S. federal income tax liability, if any, provided that the non-U.S. holder timely furnishes the required information to the IRS. Non-U.S. holders should consult their own tax advisors regarding the application of the information reporting and backup withholding rules to them.

Foreign Account Tax Compliance Act

Sections 1471 to 1474 of the Code (commonly referred to as the Foreign Account Tax Compliance Act, or FATCA) generally impose withholding tax on certain types of payments made to "foreign financial institutions" (as defined in the Code) and other non-U.S. entities unless those institutions and entities meet additional certification, information reporting and other requirements. FATCA generally imposes a 30% withholding tax on dividends on, or gross proceeds from the sale or other disposition of, our Class A common stock paid to a foreign financial institution unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, (i) undertake to identify accounts held by certain U.S. persons (including certain equity and debt

holders of such institution) or by U.S.-owned foreign entities, (ii) annually report certain information about such accounts, and (iii) withhold 30% on payments to account holders whose actions prevent it from complying with these reporting and other requirements. In addition, subject to certain exceptions, FATCA imposes a 30% withholding tax on the same types of payments to a "non-financial foreign entity" (as defined in the Code) unless the entity certifies that it does not have any substantial U.S. owners (which generally include any U.S. persons who directly or indirectly own more than 10% of the entity) or furnishes identifying information regarding each such substantial U.S. owner or agrees to report that information to the IRS. These withholding taxes will be imposed on dividends paid on our Class A common stock and, after December 31, 2018, on gross proceeds from sales or other dispositions of our Class A common stock. Withholding under FATCA generally will not be reduced or limited by bilateral income tax treaties. However, intergovernmental agreements between the U.S. and other countries with respect to the implementation of FATCA and non-U.S. laws, regulations and other authorities enacted or issued with respect to those intergovernmental agreements may modify the FATCA requirements described above. Non-U.S. holders should consult their own tax advisors regarding the possible implications of FATCA on their investment in our Class A common stock and the entities through which they hold our Class A common stock, including, without limitation, the process and deadlines for meeting the applicable requirements to prevent the imposition of the 30% withholding tax under FATCA.

Federal Estate Tax

Class A common stock owned or treated as owned at the time of death by an individual who is not a citizen or resident of the United States (as specifically defined for U.S. federal estate tax purposes) are considered U.S. situs assets and will be included in the individual's gross estate for U.S. federal estate tax purposes and, therefore, may be subject to U.S. federal estate tax, unless an applicable estate tax or other treaty between the United States and such individual's country of residence provides otherwise.

The preceding discussion of U.S. federal tax considerations is for information only. It is not tax advice. Each prospective investor should consult its own tax advisor regarding the particular U.S. federal, state and local and non-U.S. tax consequences of purchasing, holding and disposing of our Class A common stock, including the consequences of any proposed change in applicable laws.

UNDERWRITING (CONFLICTS OF INTEREST)

We, the selling stockholders, and the underwriters named below have entered into an underwriting agreement with respect to the shares being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of shares indicated in the following table. Goldman Sachs & Co. LLC and Allen & Company LLC are the representatives of the underwriters.

Underwriters	Number of Shares
Goldman Sachs & Co. LLC	
Allen & Company LLC	
RBC Capital Markets, LLC	
JMP Securities LLC	
Raymond James & Associates, Inc.	
William Blair & Company, L.L.C.	
Total	

The underwriters are committed to take and pay for all of the shares being offered, if any are taken, other than the shares covered by the option described below unless and until this option is exercised.

The underwriters have an option to buy up to an additional shares of Class A common stock from the company and the selling stockholders to cover sales by the underwriters of a greater number of shares than the total number set forth in the table above. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following tables show the per share and total underwriting discounts and commissions to be paid to the underwriters by us and the selling stockholders. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

Paid by the Company

	No Exercise	Full Exercise
Per Share	$	$
Total	$	$

Paid by the Selling Stockholders

	No Exercise	Full Exercise
Per Share	$	$
Total	$	$

Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to $ per share from the initial public offering price. After the initial offering of the shares, the representatives may change the offering price and the other selling terms. The offering of the shares by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

We, our officers, directors, and holders of substantially all of our common stock, including the selling stockholders, have agreed with the underwriters, subject to certain exceptions, not to

dispose of or hedge any of their common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of this prospectus continuing through the date 180 days after the date of this prospectus, except with the prior written consent of Goldman Sachs & Co. LLC. This agreement does not apply to any existing employee benefit plans. See "Shares Eligible for Future Sale" for a discussion of certain transfer restrictions.

Prior to this offering, there has been no public market for the shares. The initial public offering price has been negotiated among us and the representatives. Among the factors to be considered in determining the initial public offering price of the shares, in addition to prevailing market conditions, will be our historical performance, estimates of our business potential and earnings prospects, an assessment of our management, and the consideration of the above factors in relation to market valuation of companies in related businesses.

We have applied to list our Class A common stock on the NASDAQ Global Select Market under the symbol "CARG." In order to meet one of the requirements for listing our Class A common stock on the NASDAQ Global Select Market, the underwriters have undertaken to sell lots of 100 or more shares to a minimum of 400 beneficial holders.

In connection with the offering, the underwriters may purchase and sell shares of Class A common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering, and a short position represents the amount of such sales that have not been covered by subsequent purchases. A "covered short position" is a short position that is not greater than the amount of additional shares for which the underwriters' option described above may be exercised. The underwriters may cover any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to cover the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase additional shares pursuant to the option described above. "Naked" short sales are any short sales that create a short position greater than the amount of additional shares for which the option described above may be exercised. The underwriters must cover any such naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the Class A common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of Class A common stock made by the underwriters in the open market prior to the closing of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of our stock, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the Class A common stock. As a result, the price of the Class A common stock may be higher than the price that otherwise might exist in the open market. The underwriters are not required to engage in these activities and may end any of these activities at any time. These transactions may be effected on NASDAQ, in the over-the-counter market, or otherwise.

We and the selling stockholders estimate that our share of the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately $.

We and the selling stockholders have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended, or the Securities Act.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage, and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to us and to persons and entities with relationships with us, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, directors and employees may purchase, sell, or hold a broad array of investments and actively traded securities, derivatives, loans, commodities, currencies, credit default swaps, and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities or instruments of the issuer (directly, as collateral securing other obligations or otherwise) or persons and entities with relationships with the issuer. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long or short positions in such assets, securities, and instruments.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive, or a Relative Member State, an offer to the public of our common shares may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of our common shares may be made at any time under the following exemptions under the Prospectus Directive:

- To any legal entity which is a qualified investor as defined in the Prospectus Directive;
- To fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the Representatives for any such offer; or
- In any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer or shares of our Class A common stock shall result in a requirement for the publication by us of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to public" in relation to our common shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and our common shares to be offered so as to enable an investor to decide to purchase our common shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (as amended), including by Directive 2010/73/EU and includes any relevant implementing measure in the Relevant Member State.

This European Economic Area selling restriction is in addition to any other selling restrictions set out below.

United Kingdom

In the United Kingdom, this prospectus is only addressed to and directed at qualified investors who are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order); or (ii) high net worth entities and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as relevant persons). Any investment or investment activity to which this prospectus relates is available only to relevant persons and will only be engaged with relevant persons. Any person who is not a relevant person should not act or relay on this prospectus or any of its contents.

Canada

The securities may be sold in Canada only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions, and Ongoing Registrant Obligations. Any resale of the securities must be made in accordance with an exemption form, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Hong Kong

The shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong), or the Companies (Winding Up and Miscellaneous Provisions) Ordinance, or which do not constitute an invitation to the public within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) Securities and Futures Ordinance, or (ii) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" in Hong Kong as defined in the Securities and Futures Ordinance and any rules made thereunder.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined under Section 4A of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA) under Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA ,or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to conditions set forth in the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person that is a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor, the securities (as defined in Section 239(1) of the SFA) of that corporation shall not be transferable for 6 months after that corporation has acquired the shares under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer in that corporation's securities pursuant to Section 275(1A) of the SFA, (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore, or Regulation 32.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person that is a trust (where the trustee is not an accredited investor (as defined in Section 4A of the SFA)) whose sole purpose is to hold investments and each beneficiary of the trust is an accredited investor, the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for 6 months after that trust has acquired the shares under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer that is made on terms that such rights or interest are acquired at a consideration of not less than $200,000 (or its equivalent in a foreign currency) for each transaction (whether such amount is to be paid for in cash or by exchange of securities or other assets), (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32.

Japan

The securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended), or the FIEA. The securities may not be offered or sold, directly or indirectly, in Japan or to or for the benefit of any resident of Japan (including any person resident in Japan or any corporation or other entity organized under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to or for the benefit of any resident of Japan, except pursuant to an exemption from the registration requirements of the FIEA and otherwise in compliance with any relevant laws and regulations of Japan.

Conflicts of Interest

Allen & Company LLC, an underwriter in this offering, and its associated persons, including Ian Smith, a member of our board of directors, beneficially own 71,685 shares of our outstanding Series A preferred stock, 1,128,994 shares of our outstanding Series B preferred stock, and 163,331 shares of our outstanding Series C preferred stock, collectively representing 13.5% of our outstanding preferred stock, which shares of preferred stock will automatically convert into 8,184,061 shares of Class A common stock at the closing of the offering. Because Allen & Company LLC is an underwriter in this offering and because Allen & Company LLC and its associated persons beneficially own more than 10% of our outstanding preferred stock, Allen & Company LLC is deemed to have a "conflict of interest" under Rule 5121 of the Financial Industry Regulatory Authority, Inc., or FINRA. Accordingly, this offering will be conducted in accordance with the applicable provisions of Rule 5121, which requires, among other things, that a "qualified independent underwriter" as defined by Rule 5121 has participated in the preparation of, and has exercised the usual standards of "due diligence" with respect to the registration statement and this prospectus. Goldman Sachs & Co. LLC has agreed to act as qualified independent underwriter for this offering and to undertake the legal responsibilities and liabilities of an underwriter under the Securities Act, specifically including those inherent in Section 11 of the Securities Act. Goldman Sachs & Co. LLC will not receive any additional fees for serving as qualified independent underwriter in connection with this offering. We have agreed, subject to certain terms and conditions, to indemnify Goldman Sachs & Co. LLC against certain liabilities incurred in connection with acting as a qualified independent underwriter in this offering, including liabilities under the Securities Act. Pursuant to Rule 5121, Allen & Company LLC will not confirm any sales to any account over which it exercises discretionary authority without the specific written approval of the account holder.

LEGAL MATTERS

The validity of the shares of Class A common stock offered hereby will be passed upon for us by Morgan, Lewis & Bockius LLP, Boston, Massachusetts. As of the date of this prospectus, taking into account the automatic conversion of all shares of our convertible preferred stock outstanding as of June 30, 2017 into 20,188,226 shares of our Class A common stock and 40,376,452 shares of our Class B common stock, which Class B common stock will subsequently convert into 40,376,452 shares of our Class A common stock, attorneys with Morgan, Lewis & Bockius LLP beneficially own an aggregate of 358,776 shares of our Class A common stock. The underwriters are being represented by Wilmer Cutler Pickering Hale and Dorr LLP, Boston, Massachusetts, in connection with this offering.

EXPERTS

The consolidated financial statements of CarGurus, Inc. at December 31, 2015 and 2016, and for the years then ended, appearing in this prospectus and registration statement have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act of 1933, as amended, with respect to the shares of Class A common stock offered by this prospectus. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement, some of which is contained in exhibits to the registration statement as permitted by the rules and regulations of the SEC. For further information with respect to us and our Class A common stock, we refer you to the registration statement, including the exhibits filed as a part of the registration statement. Statements contained in this prospectus concerning the contents of any contract or any other document are not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement, please see the copy of the contract or document that has been filed. Each statement is this prospectus relating to a contract or document filed as an exhibit is qualified in all respects by the filed exhibit. You may obtain copies of this information by mail from the Public Reference Section of the SEC, 100 F Street, N.E., Room 1580, Washington, D.C. 20549, at prescribed rates. You may obtain information on the operation of the public reference rooms by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet website that contains reports, proxy statements and other information about issuers, like us, that file electronically with the SEC. The address of that website is www.sec.gov.

As a result of this offering, we will become subject to the information and reporting requirements of the Securities Exchange Act of 1934, as amended, and, in accordance with this law, will file periodic reports, proxy statements and other information with the SEC. These periodic reports, proxy statements and other information will be available for inspection and copying at the SEC's public reference facilities and the website of the SEC referred to above. We also maintain a website at www.cargurus.com. Upon closing of this offering, you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. Information contained on our website is not a part of this prospectus and the inclusion of our website address in this prospectus is an inactive textual reference only.

CARGURUS, INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of
CarGurus, Inc.

We have audited the accompanying consolidated balance sheets of CarGurus, Inc. as of December 31, 2015 and 2016, and the related consolidated statements of operations, comprehensive (loss) income, convertible preferred stock and stockholders' equity (deficit) and cash flows for the years then ended. 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. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and 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 CarGurus, Inc. at December 31, 2015 and 2016, and the consolidated results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

Boston, Massachusetts
June 21, 2017

CarGurus, Inc.

Consolidated Balance Sheets

(in thousands, except share and per share data)

	At December 31,		At June 30, 2017	
	2015	2016	Actual	Pro Forma
			(unaudited)	
Assets				
Current assets				
Cash and cash equivalents	$ 61,363	$ 29,476	$ 33,309	
Restricted cash	500	—	—	
Investments	—	44,774	48,000	
Accounts receivable, net of allowance for doubtful accounts of $75, $164, and $183, respectively	5,729	6,653	8,992	
Prepaid income taxes	621	1,815	—	
Prepaid expenses and other current assets	931	2,789	5,510	
Total current assets	69,144	85,507	95,811	
Property and equipment, net	7,147	12,780	15,897	
Restricted cash	1,000	2,044	2,044	
Deferred tax assets	490	—	—	
Other long-term assets	—	—	1,854	
Total assets	$ 77,781	$ 100,331	$ 115,606	
Liabilities, convertible preferred stock, and stockholders' (deficit) equity				
Current liabilities				
Accounts payable	$ 10,476	$ 16,426	$ 18,000	
Accrued expenses	3,930	8,384	8,500	
Deferred revenue	1,474	3,330	4,581	
Accrued income taxes	—	—	2,071	
Deferred rent	513	910	1,125	
Total current liabilities	16,393	29,050	34,277	
Deferred rent, net of current portion	4,141	5,673	6,126	
Deferred tax liabilities	—	292	701	
Other non-current liabilities	—	590	748	
Total liabilities	20,534	35,605	41,852	
Commitments and contingencies (Note 4)				
Convertible preferred stock (Note 5)	73,378	132,698	132,698	—
Stockholders' equity:				
Class A common stock, $0.001 par value; 120,020,700 shares authorized; 14,879,954, 14,022,132, and 14,080,616 shares issued and outstanding at December 31, 2015 and 2016 and June 30, 2017 (actual), respectively, and 74,645,294 shares issued and outstanding at June 30, 2017 (pro forma)	15	14	14	75
Class B common stock, $0.001 par value; 80,013,800 shares authorized; 29,759,908, 28,044,264, and 28,161,232 shares issued and outstanding at December 31, 2015 and 2016 and June 30, 2017 (actual), respectively, and 28,161,232 shares issued and outstanding at June 30, 2017 (pro forma)	30	28	28	28
Additional paid-in capital	2,434	3,714	4,032	138,566
Accumulated deficit	(18,610)	(71,698)	(63,145)	(65,042)
Accumulated other comprehensive (loss) income	—	(30)	127	127
Total stockholders' (deficit) equity	(16,131)	(67,972)	(58,944)	73,754
Total liabilities, convertible preferred stock, and stockholders' (deficit) equity	$ 77,781	$ 100,331	$ 115,606	$ 115,606

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

CarGurus, Inc.

Consolidated Statements of Operations

(in thousands, except share and per share data)

	Year Ended December 31,		Six Months Ended June 30,	
	2015	2016	2016	2017
			(unaudited)	
Revenue	$ 98,588	$ 198,141	$ 84,241	$ 143,275
Cost of revenue[1]	4,234	9,575	3,819	7,647
Gross profit	94,354	188,566	80,422	135,628
Operating expenses:				
Sales and marketing	81,877	154,125	68,313	104,604
Product, technology, and development	8,235	11,453	5,150	8,357
General and administrative	5,801	12,783	5,618	9,092
Depreciation and amortization	969	1,634	633	1,196
Total operating expenses	96,882	179,995	79,714	123,249
(Loss) income from operations	(2,528)	8,571	708	12,379
Other (expense) income, net	(12)	374	153	217
(Loss) income before income taxes	(2,540)	8,945	861	12,596
(Benefit from) provision for income taxes	(904)	2,448	340	4,043
Net (loss) income	$ (1,636)	$ 6,497	$ 521	$ 8,553
Reconciliation of net (loss) income to net (loss) income attributable to common stockholders:				
Net (loss) income	$ (1,636)	$ 6,497	$ 521	$ 8,553
Deemed dividend to preferred stockholders	(15,930)	(32,087)	—	—
Net income attributable to participating securities	—	—	(293)	(5,045)
Net (loss) income attributable to common stockholders — basic	$ (17,566)	$ (25,590)	$ 228	$ 3,508
Net (loss) income	$ (1,636)	$ 6,497	$ 521	$ 8,553
Deemed dividend to preferred stockholders	(15,930)	(32,087)	—	—
Net income attributable to participating securities	—	—	(285)	(4,853)
Net (loss) income attributable to common stockholders — diluted	$ (17,566)	$ (25,590)	$ 236	$ 3,700
Net (loss) income per share attributable to common stockholders: (Note 2)				
Basic	$ (0.41)	$ (0.58)	$ 0.01	$ 0.08
Diluted	$ (0.41)	$ (0.58)	$ —	$ 0.08
Weighted-average number of shares of common stock used in computing net (loss) income per share attributable to common stockholders:				
Basic	43,141,236	44,138,922	44,651,235	42,122,339
Diluted	43,141,236	44,138,922	48,026,295	46,182,359
Pro forma net (loss) income per share attributable to common stockholders (unaudited): (Note 2)				
Basic		$ (0.24)		$ 0.08
Diluted		$ (0.24)		$ 0.08
Pro forma weighted-average number of shares of common stock used in computing pro forma net (loss) income per share attributable to common stockholders (unaudited):				
Basic		104,703,600		102,687,017
Diluted		104,703,600		106,747,037

[1] Includes depreciation and amortization expense for the years ended December 31, 2015 and 2016 and for the six months ended June 30, 2016 and 2017 of $153, $438, $203 and $391, respectively.

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

CarGurus, Inc.

Consolidated Statements of Comprehensive (Loss) Income

(in thousands)

	Year Ended December 31,		Six Months Ended June 30,	
	2015	2016	2016	2017
			(unaudited)	
Net (loss) income	$ (1,636)	$ 6,497	$ 521	$ 8,553
Other comprehensive (loss) income:				
Foreign currency translation adjustment	—	(30)	(19)	157
Comprehensive (loss) income	$ (1,636)	$ 6,467	$ 502	$ 8,710

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

CarGurus, Inc.

Consolidated Statements of Convertible Preferred Stock and Stockholders' Equity (Deficit)

(in thousands, except share data)

	Series A Preferred Stock		Series B Preferred Stock		Series C Preferred Stock		Series D Preferred Stock		Series E Preferred Stock		Member Units		Class A Common Stock		Class B Common Stock		Additional Paid-in	Accumulated Other Comprehensive	Retained Earnings (Accumulated
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Loss	Deficit)
Balance at December 31, 2014	—	$ —	—	$ —	—	$ —	—	$ —	—	$ —	14,764,149	$ 5,864	—	$ —	—	$ —	$ 175	$ —	$ 1,839
Issuance of member units upon exercise of unit options	—	—	—	—	—	—	—	—	—	—	1,017,583	59	—	—	—	—	—	—	—
Conversion from LLC to Corporation	3,333,000	1,750	3,329,497	2,600	1,648,978	1,400	—	—	—	—	(15,781,732)	(5,923)	14,940,514	15	29,881,028	30	1,185	—	(1,057)
Net loss	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(1,636)
Issuance of Series D convertible preferred stock, net of issuance costs of $130	—	—	—	—	—	—	1,673,105	67,872	—	—	—	—	—	—	—	—	—	—	—
Repurchase of stock	(283,394)	(149)	(33,443)	(26)	(81,123)	(69)	—	—	—	—	—	—	(64,556)	—	(129,112)	—	—	—	(17,756)
Issuance of common stock upon exercise of stock options	—	—	—	—	—	—	—	—	—	—	—	—	3,996	—	7,992	—	8	—	—
Tax benefit related to exercise of stock options	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	26	—	—
Stock-based compensation expense	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1,040	—	—
Balance at December 31, 2015	3,049,606	1,601	3,296,054	2,574	1,567,855	1,331	1,673,105	67,872	—	—	—	—	14,879,954	15	29,759,908	30	2,434	—	(18,610)
Net income	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	6,497
Issuance of Series E convertible preferred stock, net of issuance costs of $280	—	—	—	—	—	—	—	—	1,107,202	59,732	—	—	—	—	—	—	—	—	—
Repurchase of stock	(224,903)	(118)	(357,568)	(279)	(17,243)	(15)	—	—	—	—	—	—	(899,046)	(1)	(1,798,092)	(2)	—	—	(59,585)
Issuance of common stock upon exercise of stock options and vesting of restricted stock units	—	—	—	—	—	—	—	—	—	—	—	—	41,224	—	82,448	—	137	—	—
Tax benefit related to exercise of stock options	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	821	—	—
Stock-based compensation expense	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	322	—	—
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(30)	—
Balance at December 31, 2016	2,824,703	1,483	2,938,486	2,295	1,550,612	1,316	1,673,105	67,872	1,107,202	59,732	—	—	14,022,132	14	28,044,264	28	3,714	(30)	(71,698)
Net income (unaudited)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	8,553
Issuance of common stock upon exercise of stock options (unaudited)	—	—	—	—	—	—	—	—	—	—	—	—	58,484	—	116,968	—	168	—	—
Stock-based compensation expense (unaudited)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	150	—	—
Foreign currency translation adjustment (unaudited)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	157	—
Balance at June 30, 2017 (unaudited)	2,824,703	1,483	2,938,486	2,295	1,550,612	1,316	1,673,105	67,872	1,107,202	59,732	—	—	14,080,616	14	28,161,232	28	4,032	127	(63,145)
Conversion of convertible preferred stock into Class A common stock (unaudited)	(2,824,703)	(1,483)	(2,938,486)	(2,295)	(1,550,612)	(1,316)	(1,673,105)	(67,872)	(1,107,202)	(59,732)	—	—	60,564,678	61	—	—	132,637	—	—
Stock-based compensation expense to be recognized upon closing of the proposed IPO (unaudited)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1,897	—	(1,897)
Pro forma balance at June 30, 2017 (unaudited)	—	$ —	—	$ —	—	$ —	—	$ —	—	$ —	—	$ —	74,645,294	$ 75	28,161,232	$ 28	$ 138,566	$ 127	$ (65,042)

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

CarGurus, Inc.

Consolidated Statements of Cash Flows

(in thousands)

	Year Ended December 31,		Six Months Ended June 30,	
	2015	2016	2016	2017
			(unaudited)	
Operating Activities				
Net (loss) income	$ (1,636)	$ 6,497	$ 521	$ 8,553
Adjustments to reconcile net (loss) income to net cash provided by operating activities:				
Depreciation and amortization	1,122	2,072	836	1,587
Unrealized currency loss on foreign denominated transactions	—	—	4	128
Deferred taxes	(649)	782	82	410
Provision for doubtful accounts	284	508	231	380
Stock-based compensation expense	1,040	322	148	150
Excess tax benefit related to exercise of stock options	(26)	(821)	—	—
Changes in operating assets and liabilities:				
Accounts receivable, net	(716)	(1,432)	134	(2,720)
Prepaid expenses, prepaid income taxes, and other current assets	(820)	(2,226)	(535)	(890)
Accounts payable	6,104	5,811	2,542	1,200
Accrued expenses	2,469	4,118	489	(2,855)
Deferred revenue	1,089	1,856	1,273	1,251
Deferred rent	4,654	1,927	178	668
Accrued income taxes	—	—	311	2,071
Other non-current liabilities	—	590	368	157
Net cash provided by operating activities	12,915	20,004	6,582	10,090
Investing Activities				
Purchases of property and equipment	(6,353)	(5,846)	(1,682)	(1,976)
Capitalization of website development costs	(1,262)	(1,372)	(473)	(947)
Investments in certificates of deposit	—	(59,774)	(33,000)	(30,000)
Maturities of certificates of deposit	—	15,000	—	26,774
Net cash used in investing activities	(7,615)	(51,992)	(35,155)	(6,149)
Financing Activities				
Proceeds from issuance of preferred stock, net of issuance costs	67,872	59,732	—	—
Proceeds from exercise of unit options and stock options	67	137	74	168
Excess tax benefit related to exercise of stock options	26	821	—	—
Payment of deferred initial public offering costs	—	—	—	(305)
Cash paid for repurchase of preferred stock, common stock, and vested options	(18,000)	(60,000)	—	—
Net cash provided by financing activities	49,965	690	74	(137)
Impact of foreign currency on cash, cash equivalents, and restricted cash	—	(45)	(32)	29
Net increase (decrease) in cash, cash equivalents, and restricted cash	55,265	(31,343)	(28,531)	3,833
Cash, cash equivalents, and restricted cash at beginning of period	7,598	62,863	62,863	31,520
Cash, cash equivalents, and restricted cash at end of period	$ 62,863	$ 31,520	$ 34,332	$ 35,353
Supplemental disclosure of cash flow information:				
Cash paid for income taxes, net of refunds	$ 316	$ 2,045	$ 6	$ 647
Cash paid for interest	$ 17	$ 26	$ 13	$ 12
Supplemental disclosure of non-cash investing and financing activities:				
Unpaid purchases of property and equipment	$ —	$ 476	$ 1,432	$ 2,271
Unpaid deferred initial public offering costs	—	—	—	$ 1,549

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

CarGurus, Inc.

Notes to Consolidated Financial Statements

Years ended December 31, 2015 and 2016 and the six months ended June 30, 2016 and 2017

(in thousands, except share and per share data, unless otherwise noted)

1. Organization and Business Description

CarGurus, Inc., or the Company, is a global, online automotive marketplace connecting buyers and sellers of new and used cars. Using proprietary technology, search algorithms, and innovative data analytics, the Company provides information and analysis that create a differentiated automotive search experience for consumers. The Company's marketplace empowers users worldwide with unbiased third-party validation on pricing, dealer reputation, and other useful information that aids them in finding "Great Deals from Great Dealers."

The Company is headquartered in Cambridge, Massachusetts and was incorporated in the state of Delaware on June 26, 2015. The Company operates principally in the United States and has also launched marketplaces in Canada, the United Kingdom, and Germany. The Company has wholly owned subsidiaries in the United States, Ireland, and the United Kingdom.

Prior to June 26, 2015, the Company operated as CarGurus LLC and was organized on November 10, 2005 as a limited liability company under the laws of the Commonwealth of Massachusetts. Prior to the conversion into a Delaware corporation, the liability of the members was limited to their respective capital contributions. No member of the Company was personally liable for any obligations of the Company and the Company would dissolve only by (a) the unanimous election of the members to dissolve the Company, or (b) the occurrence of a distribution event, as defined in the Company's second amended and restated operating agreement. In connection with the conversion into a Delaware corporation, the Class A unitholders received an equal number of shares of Class B common stock, the Class B unitholders received an equal number of shares of Series A convertible preferred stock, or Series A Preferred Stock, the Class C unitholders received an equal number of shares of Series B convertible preferred stock, or Series B Preferred Stock, and the Class D unitholders received an equal number of shares of Series C convertible preferred stock, or Series C Preferred Stock. In connection with this conversion, the Company also reclassified members' retained earnings of $1,057, accumulated under CarGurus LLC, to additional paid-in capital of CarGurus, Inc.

The Company is subject to a number of risks and uncertainties common to companies in similar industries and stages of development including, but not limited to, rapid technological changes, competition from substitute products and services from larger companies, customer concentration, management of international activities, protection of proprietary rights, patent litigation, and dependence on key individuals.

2. Summary of Significant Accounting Policies

The accompanying consolidated financial statements reflect the application of certain significant accounting policies as described below and elsewhere in these notes to the consolidated financial statements. The Company believes that a significant accounting policy is one that is both important to the portrayal of the Company's financial condition and results, and requires management's most difficult, subjective, or complex judgments, often as the result of the need to make estimates about the effect of matters that are inherently uncertain.

CarGurus, Inc.

Notes to Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

Basis of Presentation

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, or GAAP. Any reference in these notes to applicable guidance is meant to refer to the authoritative U.S. generally accepted accounting principles as found in the Accounting Standards Codification, or ASC, and Accounting Standards Update, or ASU, of the Financial Accounting Standards Board, or FASB.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All material intercompany accounts and transactions have been eliminated in consolidation.

Unaudited Pro Forma Presentation

The unaudited pro forma consolidated balance sheet as of June 30, 2017 and the unaudited pro forma consolidated statement of convertible preferred stock and stockholders' equity for the six months ended June 30, 2017 reflect the automatic conversion of all outstanding shares of convertible preferred stock, based on the shares of convertible preferred stock outstanding at June 30, 2017, into 20,188,226 shares of Class A common stock and 40,376,452 shares of Class B common stock, and the subsequent conversion of such shares of Class B common stock into 40,376,452 shares of Class A common stock, which conversions will occur upon the closing of a Qualified IPO of the Company's common stock, as defined in Note 5.

Additionally, as discussed further below, certain stock-based awards, specifically restricted stock units, or RSUs, granted by the Company are subject to both a service-based vesting condition and a performance-based vesting condition achieved upon a liquidity event, defined as either a change in control or an initial public offering, or IPO. As no shares of common stock will be issued in settlement of the RSUs until six months after the completion of an IPO, these shares have not been included in the pro forma balance sheet disclosures of shares outstanding. Although the performance-based vesting condition will be satisfied upon the completion of an IPO, under the terms of the awards, the settlement of such RSUs and the issuance of common stock with respect to such RSUs, will occur six months after the completion of an IPO. Although the RSUs will be settled six months following an IPO, as the vesting condition occurs on the date of the IPO, this does not affect the expense attribution period for the RSUs for which the service condition has been met as of the date of an IPO. Accordingly, the unaudited pro forma consolidated balance sheet as of June 30, 2017 and the unaudited pro forma consolidated statement of convertible preferred stock and stockholder's equity for the six months ended June 30, 2017 gives effect to stock-based compensation expense of $1,897 associated with these RSUs which would be recorded upon the completion of an IPO, for which the service condition was met as of June 30, 2017. As this is a one-time, non-recurring, stock-based compensation charge on the date of the IPO, this expense has not been included in the disclosure of unaudited pro forma basic and diluted net (loss) income per share.

Unaudited pro forma basic and diluted net (loss) income per share have been computed using the weighted-average number of shares of common stock outstanding after giving pro forma

CarGurus, Inc.

Notes to Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

effect to the conversion of all shares of convertible preferred stock into shares of Class A common stock, as if such conversions had occurred as of the date of original issuance.

Unaudited Interim Financial Information

The accompanying interim consolidated balance sheet as of June 30, 2017; the consolidated statements of operations, comprehensive income, and cash flows for the six months ended June 30, 2016 and 2017; and the consolidated statement of convertible preferred stock and stockholders' deficit for the six months ended June 30, 2017 are unaudited. The unaudited interim consolidated financial statements have been prepared in accordance with GAAP. In the opinion of the Company's management, the unaudited interim consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and include all adjustments consisting of normal recurring adjustments and accruals necessary for the fair presentation of the Company's financial position at June 30, 2017 and its results of operations, comprehensive income, and its cash flows for the six months ended June 30, 2016 and 2017. The results for the six months ended June 30, 2017 are not necessarily indicative of the results expected for the year ending December 31, 2017, or any future period.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Significant estimates relied upon in preparing these consolidated financial statements include revenue recognition and revenue reserves, contingent liabilities, allowances for doubtful accounts, expected future cash flows used to evaluate the recoverability of long-lived assets, the expensing and capitalization of product, technology, and development costs for website development and internal-use software, the determination of the fair value of stock awards issued, stock-based compensation expense, and the recoverability of the Company's net deferred tax assets and related valuation allowance.

Although the Company regularly assesses these estimates, actual results could differ materially from these estimates. Changes in estimates are recorded in the period in which they become known. The Company bases its estimates on historical experience and various other assumptions that it believes to be reasonable under the circumstances. Actual results may differ from management's estimates if these results differ from historical experience, or other assumptions do not turn out to be substantially accurate, even if such assumptions are reasonable when made.

Subsequent Events Considerations

The Company considers events or transactions that occur after the balance sheet date but prior to the issuance of the financial statements to provide additional evidence for certain estimates or to identify matters that require additional disclosure. Subsequent events have been evaluated as required. See Note 11.

CarGurus, Inc.

Notes to Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition

The Company derives its revenue from two primary sources: marketplace subscription revenue, which consists of listing and display advertising subscriptions from dealers, and advertising and other revenue, which consists primarily of display advertising revenue from auto manufacturers and other auto-related brand advertisers.

The Company recognizes revenue when all of the following conditions are satisfied: (1) there is persuasive evidence of an arrangement; (2) the service has been provided to the customer; (3) the collection of fees is reasonably assured; and (4) the amount of fees to be paid by the customer is fixed or determinable.

The Company offers two types of marketplace listing products to dealers, Enhanced or Featured Listing, which require a paid subscription under subscription contracts with initial terms ranging from one month to one year. Contracts for customers generally auto-renew on a monthly basis and are cancellable by dealers with 30-days' notice after the initial term. In addition, the arrangement allows the dealers to access a dashboard to track sales leads and manage its account. Customers do not have the right to take possession of the Company's software. The Company recognizes revenue in accordance with ASC 605, *Revenue Recognition*. The Company recognizes revenue on a monthly basis as revenue is earned. These contracts generally provide the customer with an unlimited amount of automobile inventory they can advertise.

In addition to listing dealers' inventory on its marketplace, the Company periodically enters into multiple-element service arrangements that provide dealers with Enhanced or Featured Listing products, as well as other advertising and customer acquisition products including display advertising, which appears on its marketplace and on other sites on the Internet and requires a paid subscription under contracts with initial terms ranging from one month to one year. Contracts for customers generally auto-renew on a monthly basis and are cancellable by dealers with 30-days' notice after the initial term.

The Company assesses arrangements with multiple deliverables under ASU No. 2009-13, Revenue Recognition (Topic 605), *Multiple-Deliverable Revenue Arrangements — a Consensus of the FASB Emerging Issues Task Force*. Pursuant to ASU 2009-13, in order to treat deliverables in a multiple-element arrangement as separate units of accounting, the deliverables must have stand-alone value upon delivery. If the deliverables have stand-alone value upon delivery, the Company accounts for each deliverable separately. The Company has concluded that each element in the arrangement has stand-alone value as the individual services can be sold separately. In addition, there is no right of refund once a service has been delivered. Therefore, the Company has concluded each element of the arrangement is a separate unit of accounting. While these arrangements are considered multiple element-arrangements, the recognition of the units of accounting follow a consistent ratable recognition given the pattern over which services are provided.

Advertising and other revenue consists primarily of non-dealer display advertising revenue from auto manufacturers and other auto-related brand advertisers sold on a cost per thousand impression, or CPM, basis. Impressions are the number of times an advertisement is loaded on a web page. Pricing is primarily based on advertisement size and position on the Company's mobile

2. Summary of Significant Accounting Policies (Continued)

applications and websites, and fees are generally billed monthly. The Company recognizes such revenue as impressions are delivered.

The Company does not provide minimum impression guarantees or other types of minimum guarantees in its contracts with customers.

The Company sells advertising directly to auto manufacturers and other auto-related brand advertisers, as well as indirectly through revenue sharing arrangements with advertising exchange partners. Company-sold advertising is not subject to revenue sharing arrangements. Company-sold advertising revenue is recognized based on the gross amount charged to the advertiser. Partner-sold advertising revenue is recognized based on the net amount of revenue received from the content partners.

Revenue from advertising sold directly by the Company to auto manufacturers and other auto-related brand advertisers is recorded on a gross basis predominately because the Company is the primary obligor responsible for fulfilling advertisement delivery, including the acceptability of the services delivered. The Company enters into contractual arrangements directly with advertisers, and is directly responsible for the fulfillment of the contractual terms and any remedy for issues with such fulfillment. The Company also has latitude in establishing the selling price with the advertiser, as the Company sells advertisements at a rate determined at its sole discretion.

Advertising revenue subject to revenue sharing agreements between the Company and advertising exchange partners is recognized based on the net amount of revenue received from the partner predominately because the advertising partner, and not the Company, is the primary obligor responsible for fulfillment, including the acceptability of the services delivered. In partner-sold advertising arrangements, the advertising partner has a direct contractual relationship with the advertiser. There is no contractual relationship between the Company and the advertiser for partner-sold transactions. When an advertising exchange partner sells advertisements, the partner is responsible for fulfilling the advertisements, and accordingly, the Company has determined the advertising partner is the primary obligor. Additionally, the Company does not have any latitude in establishing the price with the advertiser for partner-sold advertising.

Revenue is presented net of any taxes collected from customers.

The Company establishes sales allowances at the time of revenue recognition based on its history of adjustments and credits provided to its customers. Sales allowances relate primarily to credits issued for service interruption. In assessing the adequacy of the sales allowance, the Company evaluates its history of adjustments and credits made through the date of the issuance of the financial statements. Estimated sales adjustments and credits and ultimate losses may vary from actual results which could be material to the financial statements; however, to date, actual sales allowances have been materially consistent with the Company's estimates. Sales allowances are recorded as a reduction to revenue in the consolidated statements of operations.

Deferred Revenue

Deferred revenue primarily consists of payments received in advance of revenue recognition from the Company's marketplace revenue and is recognized as the revenue recognition criteria are met. The Company generally invoices its customers monthly. Accordingly, the deferred revenue balances do not represent the total contract value of annual or multiyear subscription agreements.

CarGurus, Inc.

Notes to Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

Deferred revenue that is expected to be recognized during the succeeding 12-month period and is recorded as current deferred revenue and the remaining portion is recorded as noncurrent in the consolidated balance sheets. All deferred revenue was recorded as current for all periods presented.

Cost of Revenue

Cost of revenue primarily consists of costs related to supporting and hosting the Company's product offerings. These costs include salaries, benefits, incentive compensation and stock-based compensation expense related to the customer support team, and third-party service provider costs such as data center and networking expenses, allocated overhead, depreciation and amortization expense associated with the Company's property and equipment, and amortization of capitalized website development costs.

Concentration of Credit Risk and Significant Customers

The Company has no significant off-balance sheet risk, such as foreign exchange contracts, option contracts, or other foreign hedging arrangements. Financial instruments that potentially expose the Company to concentrations of credit risk consist primarily of cash, cash equivalents, investments, and trade accounts receivable. The Company maintains its cash, cash equivalents, and investments principally with accredited financial institutions of high credit standing. Although the Company deposits its cash and investments with multiple financial institutions, its deposits, at times, may exceed federally insured limits.

Credit risk with respect to accounts receivable is dispersed due to the large number of customers. The Company routinely assesses the creditworthiness of its customers. The Company generally has not experienced any material losses related to receivables from individual customers, or groups of customers. The Company does not require collateral. Due to these factors, no additional credit risk beyond amounts provided for collection losses is believed by management to be probable in the Company's accounts receivable.

For the year ended December 31, 2015, one customer accounted for 14% of total revenue. For the year ended December 31, 2016, and the six months ended June 30, 2017, no individual customer accounted for more than 10% of total revenue.

As of December 31, 2015, one customer accounted for 51% of net accounts receivable. As of December 31, 2016, two customers accounted for 24% and 15% of net accounts receivable, respectively. As of June 30, 2017, three customers accounted for 17%, 14%, and 11% of net accounts receivable, respectively. No other individual customer accounted for more than 10% of net accounts receivable at December 31, 2015 or 2016, or June 30, 2017.

Cash, Cash Equivalents, and Investments

The Company considers all highly liquid investments with an original maturity of three months or less at the date of purchase to be cash equivalents. Investments not classified as cash equivalents with maturities less than one year from the balance sheet date are classified as short-term investments, while investments with maturities in excess of one year from the balance sheet date are classified as long-term investments. Management determines the appropriate

CarGurus, Inc.

Notes to Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

classification of investments at the time of purchase, and re-evaluates such determination at each balance sheet date.

Cash and cash equivalents primarily consist of cash on deposit with banks, and amounts held in interest-bearing money market accounts. The Company did not have any cash equivalents at December 31, 2015. Cash equivalents are carried at cost, which approximates their fair market value.

The Company's investment policy, which was approved by the Company's board of directors, or the Board, permits investments in fixed income securities denominated and payable in U.S. dollars, including U.S. government and agency securities, non-U.S. government securities, money market instruments, commercial paper, certificates of deposit, corporate bonds, and asset-backed securities.

As of December 31, 2016 and June 30, 2017, investments consisted of U.S. certificates of deposits, or CDs, with maturities ranging from three to twelve months. The Company did not have any investments at December 31, 2015. The Company classifies CDs with readily determinable market values as held-to-maturity, because it is the Company's intention to hold such investments until they mature. As such, investments were recorded at amortized cost at December 31, 2016 and June 30, 2017. The Company adjusts the cost of investments for amortization of premiums and accretion of discounts to maturity. The Company includes such amortization and accretion in interest income (expense).

Realized gains and losses from sales of the Company's investments are included in other (expense) income, net. There were no realized gains or losses on investments for the year ended December 31, 2016 or the six months ended June 30, 2017.

The Company reviews investments for other-than-temporary impairment whenever the fair value of an investment is less than the amortized cost and evidence indicates that an investment's carrying amount is not recoverable within a reasonable period of time. Other-than-temporary impairments of investments are recognized in the consolidated statements of operations if the Company has experienced a credit loss, has the intent to sell the investment, or if it is more likely than not that the Company will be required to sell the investment before recovery of the amortized cost basis. Evidence considered in this assessment includes reasons for the impairment, compliance with the Company's investment policy, the severity and duration of the impairment, and changes in value subsequent to the end of the period. As of December 31, 2016 and June 30, 2017, the Company determined that no other-than-temporary impairments were required to be recognized in the consolidated statements of operations.

Restricted Cash

At December 31, 2015 and 2016, and June 30, 2017, restricted cash was $1,500, $2,044, and $2,044, respectively, and was held at a financial institution in an interest-bearing cash account as collateral for two letters of credit related to the contractual provisions of the Company's building lease security deposits. As of December 31, 2015, of the $1,500 of restricted cash, $500 was classified under current assets as this amount was released in 2016 based on the terms of the lease agreement. As of December 31, 2016 and June 30, 2017, the restricted cash is classified as a long-term asset.

CarGurus, Inc.

Notes to Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are recorded based on the amount due from the customer and do not bear interest. The Company offsets gross trade accounts receivable with an allowance for doubtful accounts. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in the Company's existing accounts receivable and is based upon historical loss patterns, the number of days that billings are past due, and an evaluation of the potential risk of loss associated with specific accounts. Account balances are charged against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. The Company does not have any off-balance sheet credit exposure related to its customers. Provisions for allowances for doubtful accounts are recorded in general and administrative expense.

The Company considers current economic trends when evaluating the adequacy of the allowance for doubtful accounts. If circumstances relating to specific customers change, or unanticipated changes occur in the general business environment, the Company's estimates of the recoverability of receivables could be further adjusted.

Below is a summary of the changes in the Company's allowance for doubtful accounts for the years ended December 31, 2015 and 2016, and the six months ended June 30, 2017:

	Balance at Beginning of Period	Provision	Write-offs, net of recoveries	Balance at End of Period
Year ended December 31, 2015	$ 30	$ 284	$ (239)	$ 75
Year ended December 31, 2016	75	508	(419)	164
Six months ended June 30, 2017	164	380	(361)	183

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of the lease term or the estimated useful life of the related asset. The estimated useful lives of the Company's property and equipment are as follows:

	Estimated Useful Life (In Years)
Computer equipment	3
Software	3
Website development costs	3
Furniture and fixtures	5
Leasehold improvements	Lesser of asset life or lease term

Expenditures for maintenance and repairs are charged to expense as incurred, whereas major betterments are capitalized as additions to property and equipment. The Company reviews its property and equipment whenever events or changes in circumstances indicate that the carrying value of certain assets might not be recoverable. In these instances, the Company recognizes an

CarGurus, Inc.

Notes to Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

impairment loss when it is probable that the estimated cash flows are less than the carrying value of the asset.

Foreign Currency Translation

The reporting currency of the Company is the U.S. dollar. The functional currency of the Company's foreign subsidiaries is the local currency of each subsidiary. All assets and liabilities in the balance sheets of entities whose functional currency is a currency other than the U.S. dollar are translated into U.S. dollar equivalents at exchange rates as follows: (1) asset and liability accounts at period-end rates; (2) income statement accounts at weighted-average exchange rates for the period; and (3) stockholders' equity accounts at historical exchange rates. The resulting translation adjustments are excluded from income (loss) and reflected as a separate component of stockholders' equity (deficit). Foreign currency transaction gains and losses are included in net income (loss) for the period. The Company may periodically have certain intercompany foreign currency transactions that are deemed to be of a long-term investment nature; exchange adjustments related to those transactions are made directly to a separate component of stockholders' equity (deficit).

Capitalized Website and Software Development Costs

The Company capitalizes certain costs associated with the development of its websites and internal-use software products after the preliminary project stage is complete, and until the software is ready for its intended use. Research and development costs incurred during the preliminary project stage or costs incurred for data conversion activities, training, maintenance, and general and administrative or overhead costs are expensed as incurred. Capitalization begins when the preliminary project stage is complete; management, with the relevant authority, authorizes and commits to the funding of the software project; it is probable the project will be completed; the software will be used to perform the functions intended; and certain functional and quality standards have been met. Qualified costs incurred during the operating stage of the Company's software applications relating to upgrades and enhancements are capitalized to the extent it is probable that they will result in added functionality, while costs that cannot be separated between maintenance of, and minor upgrades and enhancements to, internal-use software are expensed as incurred.

Capitalized website development costs and software development costs are amortized on a straight-line basis over their estimated useful life of three years. Management evaluates the useful lives of these assets on an annual basis and tests for impairment whenever events or changes in circumstances occur that could impact the recoverability of these assets.

During the years ended December 31, 2015 and 2016, the Company capitalized $1,262 and $1,372 of website development costs, respectively. The Company recorded amortization expense associated with its capitalized website development costs of $153 and $343 for the years ended December 31, 2015 and 2016, respectively.

During the six months ended June 30, 2016 and 2017, the Company capitalized $473 and $947, respectively, of website development costs. The Company recorded amortization expense associated with its capitalized website development costs of $171 and $291 for the six months ended June 30, 2016 and 2017, respectively.

CarGurus, Inc.

Notes to Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

Impairment of Long-Lived Assets

The Company evaluates the recoverability of long-lived assets, such as property and equipment, for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. During this review, the Company re-evaluates the significant assumptions used in determining the original cost and estimated lives of long-lived assets. Although the assumptions may vary from asset to asset, they generally include operating results, changes in the use of the asset, cash flows, and other indicators of value. Management then determines whether the remaining useful life continues to be appropriate, or whether there has been an impairment of long-lived assets based primarily upon whether expected future undiscounted cash flows are sufficient to support the assets' recovery. Recoverability of these assets is measured by comparison of the carrying amount of the asset to the future undiscounted cash flows the asset is expected to generate. If the asset is considered to be impaired, the amount of any impairment is measured as the difference between the carrying value and the fair value of the impaired asset.

For the years ended December 31, 2015 and 2016 and the six months ended June 30, 2017, the Company did not identify any impairment of its long-lived assets.

Income Taxes

The Company accounts for income taxes in accordance with the asset and liability method. Under this method, deferred tax assets and liabilities are recognized based on temporary differences between the financial reporting and income tax bases of assets and liabilities using statutory rates. In addition, this method requires a valuation allowance against net deferred tax assets if, based upon the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

The Company accounts for uncertain tax positions recognized in the consolidated financial statements by prescribing a more-likely-than-not threshold for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The Company has no recorded liabilities for uncertain tax positions as of December 31, 2015 or 2016, or June 30, 2017.

Disclosure of Fair Value of Financial Instruments

The carrying amounts of the Company's financial instruments, which include cash and cash equivalents, investments, accounts receivable, accounts payable, and accrued expenses, approximated their fair values at December 31, 2015 and 2016, and at June 30, 2017 due to the short-term nature of these instruments.

The Company has evaluated the estimated fair value of financial instruments using available market information. The use of different market assumptions, estimation methodologies, or both, could have a significant effect on the estimated fair value amounts. See below for further discussion.

Fair Value Measurements

ASC 820, *Fair Value Measurements and Disclosures*, establishes a three-level valuation hierarchy for instruments measured at fair value that distinguishes between assumptions based on

CarGurus, Inc.

Notes to Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

market data (observable inputs) and the Company's own assumptions (unobservable inputs). Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the inputs that market participants would use in pricing the asset or liability, and are developed based on the best information available in the circumstances.

ASC 820 identifies fair value as the exchange price, or exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants based on the highest and best use of the asset or liability. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. The Company uses valuation techniques to measure fair value that maximize the use of observable inputs and minimize the use of unobservable inputs. These inputs are prioritized as follows:

Level 1 — Quoted unadjusted prices for identical instruments in active markets.

Level 2 — Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations in which all observable inputs and significant value drivers are observable in active markets.

Level 3 — Model-derived valuations in which one or more significant inputs or significant value drivers are unobservable, including assumptions developed by the Company.

The valuation techniques that may be used to measure fair value are as follows:

Market Approach — Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

Income Approach — Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about those future amounts, including present value techniques, option pricing models, and excess earnings method.

Cost Approach — Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost).

As of December 31, 2015, the Company did not have any assets or liabilities measured at fair value on a recurring basis using observable inputs (Level 1), significant other observable inputs (Level 2), or on a recurring basis using significant unobservable inputs (Level 3). The following table

CarGurus, Inc.

Notes to Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

presents, for each of the fair value levels, the Company's assets that are measured at fair value on a recurring basis at December 31, 2016 and at June 30, 2017:

	December 31, 2016			
	Quoted Prices in Active Markets for Identical Assets (Level 1 Inputs)	Significant Other Observable Inputs (Level 2 Inputs)	Significant Unobservable Inputs (Level 3 Inputs)	Total
Assets:				
Investments:				
Certificates of deposit	$ —	$ 44,774	$ —	$ 44,774
Total	$ —	$ 44,774	$ —	$ 44,774

	June 30, 2017 (unaudited)			
	Quoted Prices in Active Markets for Identical Assets (Level 1 Inputs)	Significant Other Observable Inputs (Level 2 Inputs)	Significant Unobservable Inputs (Level 3 Inputs)	Total
Assets:				
Cash equivalents:				
Money market funds	$ 20,591	$ —	$ —	$ 20,591
Investments:				
Certificates of deposit	—	48,000	—	48,000
Total	$ 20,591	$ 48,000	$ —	$ 68,591

The Company measures eligible assets and liabilities at fair value with changes in value recognized in earnings. Fair value treatment may be elected either upon initial recognition of an eligible asset or liability or, for an existing asset or liability, if an event triggers a new basis of accounting. The Company did not elect to remeasure any of its existing financial assets or liabilities, and did not elect the fair value option for any financial assets and liabilities transacted in the years ended December 31, 2015 or 2016 or the six months ended June 30, 2017.

Stock-Based Compensation

For stock-based awards issued under the Company's stock-based compensation plans, which are more fully described in Note 6, the fair value of each award is estimated on the date of grant, and, up through the year ended December 31, 2016, an estimated forfeiture rate was used when calculating stock-based compensation expense for the period. For service-based awards, the Company recognizes compensation expense on a straight-line basis over the requisite service period of the award.

CarGurus, Inc.

Notes to Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

Certain awards granted by the Company historically are subject to service-based vesting conditions and a performance-based vesting condition achieved upon a liquidity event, defined as either a change of control or an IPO. As a result, no compensation cost related to stock-based awards with these performance conditions has been recognized through December 31, 2016 or June 30, 2017, as the Company has determined that a liquidity event was not probable at December 31, 2015 or 2016 or June 30, 2017. The Company will record the expense for these awards using the accelerated attribution method over the remaining service period when management determines that achievement of the liquidity event is probable.

Given the absence of an active market for the Company's common stock, the Board, the members of which the Company believes have extensive business, finance, and venture capital experience, was required to estimate the fair value of the Company's common stock at the time of each grant of a stock-based award. The Company and the Board utilized various valuation methodologies in accordance with the framework of the American Institute of Certified Public Accountants' Technical Practice Aid, *Valuation of Privately-Held Company Equity Securities Issued as Compensation*, to estimate the fair value of its common stock. Each valuation methodology includes estimates and assumptions that require the Company's judgment. These estimates and assumptions include a number of objective and subjective factors in determining the value of the Company's common stock at each grant date, including the following factors: (1) prices paid for the Company's convertible preferred stock, which the Company had sold to outside investors in arm's-length transactions, and the rights, preferences, and privileges of the Company's convertible preferred stock and common stock; (2) valuations performed by an independent valuation specialist; (3) the Company's stage of development and revenue growth; (4) the fact that the grants of stock-based awards involved illiquid securities in a private company; and (5) the likelihood of achieving a liquidity event for the common stock underlying the stock-based awards, such as an IPO or sale of the Company, given prevailing market conditions.

The Company believes this methodology to be reasonable based upon the Company's internal peer company analyses, and further supported by several arm's-length transactions involving the Company's convertible preferred stock. As the Company's common stock is not actively traded, the determination of fair value involves assumptions, judgments, and estimates. If different assumptions were made, stock-based compensation expense, consolidated net income (loss), and consolidated net income (loss) per share could have been significantly different.

For RSUs issued under the Company's stock-based compensation plans, the fair value of each grant is calculated based on the estimated fair value of the Company's common stock on the date of grant. The Company estimates the fair value of most stock option awards on the date of grant using the Black-Scholes option-pricing model. Certain stock option awards that have an exercise price that is materially above the current estimated fair market value of the Company's stock are considered to be "deeply out of the money," and are valued at the date of grant using a binomial lattice option-pricing model.

The fair value of each option grant issued under the Company's stock-based compensation plans that is not considered "deeply out of the money," was estimated using the Black-Scholes option-pricing model. As there is no public market for its common stock, the Company determined the volatility for options granted based on an analysis of reported data for a peer group of companies that issued options with substantially similar terms. The expected volatility of granted

CarGurus, Inc.

Notes to Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

options has been determined using a weighted-average of the historical volatility measures of this peer group of companies. The expected life of options has been determined utilizing the "simplified method." The simplified method is based on the average of the vesting tranches and the contractual life of each grant. The risk-free interest rate is based on a treasury instrument whose term is consistent with the expected life of the stock options. The Company has not paid, and does not anticipate paying, cash dividends on its common stock; therefore, the expected dividend yield is assumed to be zero. In addition, the Company applied an estimated forfeiture rate of 5% in determining the expense recorded in the accompanying consolidated statements of operations for the years ended December 31, 2015 and 2016.

In March 2016, the FASB issued ASU 2016-09, *Compensation — Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting* (ASU 2016-09). The guidance identifies areas for simplification involving several aspects of accounting for share-based payments, including income tax consequences, classification of awards as either equity or liabilities, an option to make a policy election to recognize gross stock-based compensation expense with actual forfeitures recognized as they occur, as well as certain classification changes on the statement of cash flows. The Company adopted ASU 2016-09 on January 1, 2017 and elected to account for forfeitures when they occur, on a modified retrospective basis. The cumulative effect adjustment related to the Company's accounting policy change for forfeitures was not material. In accordance with the adoption of this guidance, the tax effect of differences between tax deductions related to stock compensation and the corresponding financial statement expense compensation will no longer be recorded to additional paid-in capital in the balance sheet. Instead, such amounts will be recorded to tax expense. During the six months ended June 30 2017, the Company recorded a tax benefit of $373 related to differences (shortfalls) in stock-based compensation deductions realized in the first quarter and the corresponding amount of expense recognized for financial statement purposes. The Company also elected to prospectively apply the change in presentation of excess tax benefits, wherein excess tax benefits recognized on stock-based compensation expense is now classified as an operating activity in the consolidated statements of cash flows. The Company did not adjust the classifications of excess tax benefits in its consolidated statements of cash flows for the six months ended June 30, 2016 or for the years ended December 31, 2015 or 2016. The adoption did not have any other material impact on the Company's consolidated financial statements.

The weighted-average fair value of options granted during the years ended December 31, 2015 and 2016 was $0.46 and $0.90, respectively. No options were granted during the six months ended June 30, 2017. The weighted-average assumptions utilized to determine the fair value of options granted are presented in the following table:

	Year Ended December 31,	
	2015	2016
Expected dividend yield	—	—
Expected volatility	64%	49%
Risk-free interest rate	1.73%	1.57%
Expected term (in years)	6.05	6.07

CarGurus, Inc.

Notes to Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

See Note 6 for a summary of the stock option activity for the year ended December 31, 2016 and the six months ended June 30, 2017.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense, which is included within sales and marketing expense in the consolidated statements of operations, was approximately $61,865, $112,167, $50,022, and $76,185 for the years ended December 31, 2015 and 2016 and the six months ended June 30, 2016 and 2017, respectively.

Leases

The Company categorizes leases at their inception as either operating or capital leases. On certain lease arrangements, the Company may receive rent holidays or other incentives. The Company recognizes lease costs on a straight-line basis once control of the space is achieved, without regard to deferred payment terms, such as rent holidays, that defer the commencement date of required payments or escalating payment amounts. The difference between required lease payments and rent expense has been recorded as deferred rent. Additionally, incentives received are treated as a reduction of costs over the term of the agreement, as they are considered an inseparable part of the lease agreement.

Net Income (Loss) Per Share

Net income (loss) per share information is determined using the two-class method, which includes the weighted-average number of shares of common stock outstanding during the period and other securities that participate in dividends (a participating security). The Company considers the convertible preferred stock to be participating securities because they include rights to participate in dividends with the common stock.

Under the two-class method, basic net income (loss) per share attributable to common stockholders is computed by dividing the net income (loss) attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period. Diluted net income (loss) per share attributable to common stockholders is computed using the more dilutive of (1) the two-class method or (2) the if-converted method. The Company allocates net income first to preferred stockholders based on dividend rights under the Company's certificate of incorporation and then to preferred and common stockholders based on ownership interests. Net losses are not allocated to preferred stockholders as they do not have an obligation to share in the Company's net losses.

The Company has two classes of common stock outstanding for all periods presented: Class A common stock and Class B common stock. As more fully described in Note 5, the rights of the holders of Class A and Class B common stock are identical, except with respect to voting and conversion. Each share of Class A common stock is entitled to one vote per share and each share of Class B common stock is entitled to ten votes per share. Each share of Class B common stock may be converted into one share of Class A common stock at any time at the option of the stockholder, and will be automatically converted into one share of Class A common stock upon a sale or transfer, subject to certain limited exceptions. Upon either the death or voluntary termination

CarGurus, Inc.

Notes to Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

of the Company's Chief Executive Officer, all outstanding shares of Class B common stock shall automatically be converted into one share of Class A common stock.

The Company allocates undistributed earnings attributable to common stock between the common stock classes on a one-to-one basis when computing net income (loss) per share. As a result, basic and diluted net income (loss) per share of Class A common stock and share of Class B common stock are equivalent.

Diluted net income (loss) per share gives effect to all potentially dilutive securities. Potential dilutive securities consist of shares of common stock issuable upon the exercise of stock options, shares of common stock issuable upon the vesting of RSUs, and shares of common stock issuable upon the conversion of the outstanding convertible preferred stock. The dilutive effect of these common stock equivalents is reflected in diluted earnings per share by application of the treasury stock method; however, outstanding RSUs, which are contingently issuable upon the achievement of a liquidity event, have been excluded from the dilutive share calculation as it was not probable the vesting criteria for these awards would be met in any of the periods presented.

For the years ended December 31, 2015 and 2016, the net loss attributable to common stockholders is divided by the weighted-average number of shares of common stock outstanding during the period to calculate diluted earnings per share. The dilutive effect of common stock equivalents has been excluded from the calculation as their effect would have been anti-dilutive due to the net losses incurred for the periods. For the six months ended June 30, 2016 and 2017, the two-class method was used in the computation of diluted net income per share, as the result was more dilutive.

CarGurus, Inc.

Notes to Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

The following table presents a reconciliation of the numerator and denominator used in the calculation of basic and diluted net (loss) income per share:

	Year Ended December 31,		Six Months Ended June 30,	
	2015	2016	2016	2017
			(unaudited)	
Numerator:				
Net (loss) income	$ (1,636)	$ 6,497	$ 521	$ 8,553
Deemed dividend to preferred stockholders	(15,930)	(32,087)	—	—
Net income attributable to participating securities	—	—	(293)	(5,045)
Net (loss) income attributable to common stockholders — basic	$ (17,566)	$ (25,590)	$ 228	$ 3,508
Net (loss) income	$ (1,636)	$ 6,497	$ 521	$ 8,553
Deemed dividend to preferred stockholders	(15,930)	(32,087)	—	—
Net income attributable to participating securities	—	—	(285)	(4,853)
Net (loss) income attributable to common stockholders — diluted	$ (17,566)	$ (25,590)	$ 236	$ 3,700
Denominator:				
Weighted-average number of shares of common stock used in computing net (loss) income per share attributable to common stockholders — basic	43,141,236	44,138,922	44,651,235	42,122,339
Dilutive effect of share equivalents resulting from stock options	—	—	3,375,060	4,060,020
Weighted-average number of shares of common stock used in computing net (loss) income per share — diluted	43,141,236	44,138,922	48,026,295	46,182,359
Net (loss) income per share attributable to common stockholders:				
Basic	$ (0.41)	$ (0.58)	$ 0.01	$ 0.08
Diluted	$ (0.41)	$ (0.58)	$ —	$ 0.08

The following potentially dilutive common stock equivalents have been excluded from the calculation of diluted weighted-average shares outstanding for the years ended December 31, 2015

CarGurus, Inc.

Notes to Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

and 2016 and the six months ended June 30, 2016 and 2017, as their effect would have been anti-dilutive for the periods presented:

	Year Ended December 31,		Six Months Ended June 30,	
	2015	2016	2016	2017
			(unaudited)	
Stock options outstanding	5,626,710	5,698,812	1,172,940	1,224,477
Restricted stock units outstanding	553,986	1,580,094	817,986	2,369,802
Convertible preferred stock	9,586,620	10,094,108	—	—

Unaudited Pro Forma Net Income Per Share

Unaudited pro forma basic and diluted net income per share have been computed using the weighted-average number of shares of common stock outstanding after giving pro forma effect to the conversion of all shares of convertible preferred stock into common stock, as if such conversions had occurred as of the date of original issuance.

CarGurus, Inc.

Notes to Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

A reconciliation of the pro forma net (loss) income per share is as follows:

	Year Ended December 31, 2016	Six Months Ended June 30, 2017
	(unaudited)	
Numerator:		
Net (loss) income	$ 6,497	$ 8,553
Deemed dividend to preferred stockholders	(32,087)	—
Net (loss) income attributable to common stockholders — basic and diluted	$ (25,590)	$ 8,553
Denominator:		
Weighted-average number of shares of common stock used in computing net (loss) income per share attributable to common stockholders — basic	44,138,922	42,122,339
Adjustment for assumed conversion of convertible preferred stock	60,564,678	60,564,678
Weighted-average number of shares of common stock used in computing pro forma net (loss) income per share — basic	104,703,600	102,687,017
Dilutive effect of share equivalents resulting from stock options and restricted stock units	—	4,060,020
Weighted-average number of shares of common stock used in computing net (loss) income per share — diluted	104,703,600	106,747,037
Pro forma net (loss) income per share attributable to common stockholders:		
Basic	$ (0.24)	$ 0.08
Diluted	$ (0.24)	$ 0.08

Comprehensive (Loss) Income

Comprehensive (loss) income is defined as the change in stockholders' equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. Comprehensive (loss) income consists of net (loss) income and other comprehensive (loss) income, which includes certain changes in equity that are excluded from net (loss) income. Specifically, cumulative foreign currency translation adjustments are included in accumulated other comprehensive (loss) income. As of December 31, 2015 and 2016, and June 30, 2017, accumulated other comprehensive (loss) income is presented separately on the consolidated balance sheets and consists entirely of cumulative foreign currency translation adjustments.

Contingent Liabilities

The Company has certain contingent liabilities that arise in the ordinary course of business activities. The Company accrues for loss contingencies when losses become probable and are

CarGurus, Inc.

Notes to Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

reasonably estimable. If the reasonable estimate of the loss is a range and no amount within the range is a better estimate, the minimum amount of the range is recorded as a liability. The Company does not accrue for contingent losses that, in its judgment, are considered to be reasonably possible, but not probable; however, it discloses the range of such reasonably possible losses.

Deferred IPO Issuance Costs

Stock issuance costs, which primarily consist of direct incremental legal and accounting fees relating to the IPO, are capitalized. The deferred issuance costs will be offset against IPO proceeds upon the consummation of the Company's proposed offering. In the event the IPO is terminated, or delayed more than 90 days, deferred offering costs will be expensed. As of December 31, 2015 and 2016, there were no deferred IPO issuance costs recorded. As of June 30, 2017, $1.9 million of deferred issuance costs were recorded in other long-term assets in the accompanying consolidated balance sheet.

Emerging Growth Company Status

The Company is an "emerging growth company," as defined in the Jumpstart Our Business Startups Act, or JOBS Act, and may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies." The Company may take advantage of these exemptions until the Company is no longer an "emerging growth company." Section 107 of the JOBS Act provides that an "emerging growth company" can take advantage of the extended transition period afforded by the JOBS Act for the implementation of new or revised accounting standards. The Company has elected to use the extended transition period for complying with new or revised accounting standards and as a result of this election, its financial statements may not be comparable to companies that comply with public company effective dates. The Company may take advantage of these exemptions up until the last day of the fiscal year following the fifth anniversary of an offering or such earlier time that it is no longer an emerging growth company. The Company would cease to be an emerging growth company if it has more than $1.07 billion in annual revenue, has more than $700.0 million in market value of its stock held by non-affiliates (and it has been a public company for at least 12 months, and has filed one annual report on Form 10-K), or it issues more than $1.0 billion of non-convertible debt securities over a three-year period.

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the FASB or other standard setting bodies and adopted by the Company as of the specified effective date. Unless otherwise discussed, the Company believes that the impact of recently issued standards that are not yet effective will not have a material impact on its financial position or results of operations upon adoption.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* (ASU 2014-09), which modifies how all entities recognize revenue, and consolidates into one ASC Topic (ASC Topic 606, *Revenue from Contracts with Customers*) the current guidance found in ASC Topic 605, and various other revenue accounting standards for specialized

CarGurus, Inc.

Notes to Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

transactions and industries. ASU 2014-09 outlines a comprehensive five-step revenue recognition model based on the principle that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 may be applied using either a full retrospective approach, under which all years included in the financial statements will be presented under the revised guidance, or a modified retrospective approach, under which financial statements will be prepared under the revised guidance for the year of adoption, but not for prior years. Under the latter method, entities will recognize a cumulative catch-up adjustment to the opening balance of retained earnings at the effective date for contracts that still require performance by the entity at the date of adoption.

In August 2015, the FASB issued ASU 2015-14, *Revenue from Contracts with Customers (Topic 606): Deferral of Effective Date* (ASU 2015-14), which defers the effective date of ASU 2014-09 by one year. ASU 2014-09 is now effective for public entities for annual reporting periods beginning after December 15, 2017, including interim periods within those annual reporting periods. The Company has developed an implementation plan to adopt this new guidance. As part of this plan, the Company is currently assessing the impact of the new guidance on its results of operations. Based on the Company's procedures performed to date, nothing has come to its attention that would indicate that the adoption of ASU 2014-09 will have a material impact on its revenue recognition; however, further analysis is required and the Company will continue to evaluate this assessment throughout 2017. While the Company is still evaluating the impact that this guidance will have on its financial statements and related disclosures, the Company's preliminary assessment is that there will be an impact relating to the accounting for costs to acquire a contract. Under ASU 2015-14, the Company will be required to capitalize certain costs, primarily commission expense to sales representatives, on its consolidated balance sheet and amortize such costs over the period of performance for the underlying customer contracts. The Company is still evaluating the impact of capitalizing costs to execute a contract.

For non-public entities, the guidance is effective for annual periods beginning after December 15, 2018. Non-public entities are permitted to adopt the standard as early as annual reporting periods beginning after December 15, 2016 and interim periods therein. The Company currently expects to apply the modified retrospective method of adoption; however, it has not yet finalized its transition method, but expects to do so upon completion of further analysis.

In April 2015, the FASB issued ASU No. 2015-05, *Intangibles — Goodwill and Other — Internal-Use Software (Subtopic 350-40), Customer's Accounting for Fees Paid in a Cloud Computing Arrangement* (ASU 2015-05). ASU 2015-05 provides guidance to customers about whether a cloud computing arrangement includes a software license. If a cloud computing arrangement includes a software license, then the customer should account for the software license element of the arrangement consistent with the acquisition of other software licenses. If a cloud computing arrangement does not include a software license, the customer should account for the arrangement as a service contract. The guidance will not change GAAP for a customer's accounting for service contracts. The ASU aims to reduce complexity and diversity in practice. The Company adopted this standard prospectively on January 1, 2016 and the adoption did not have a material impact on its consolidated financial statements.

CarGurus, Inc.

Notes to Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

In November 2015, the FASB issued ASU No. 2015-17, *Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes* (ASU 2015-17). The amendment requires entities with a classified balance sheet to present all deferred tax assets and liabilities as noncurrent. For non-public companies, the ASU is effective for annual periods, including interim periods within those annual periods, beginning after December 15, 2017. Early adoption is permitted. The Company retrospectively adopted ASU 2015-17 on January 1, 2016 and the adoption did not have a material impact on its consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)* (ASU 2016-02). ASU 2016-02 requires a lessee to recognize most leases on the balance sheet but recognize expenses on the income statement in a manner similar to current practice. The update states that a lessee will recognize a lease liability for the obligation to make lease payments and a right-to-use asset for the right to use the underlying assets for the lease term. Leases will continue to be classified as either financing or operating, with classification affecting the recognition, measurement, and presentation of expenses and cash flows arising from a lease. For public entities, the new standard is effective for interim and annual periods beginning on or after January 1, 2019, with early adoption permitted. For non-public entities, the new standard is effective for annual periods beginning after December 15, 2019, with early adoption permitted. The Company is evaluating the impact this new guidance may have on its consolidated financial statements.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments* (ASU 2016-15). ASU 2016-15 is intended to add or clarify guidance on the classification of certain cash receipts and payments in the statement of cash flows and to eliminate the diversity in practice related to such classifications. For public entities, the guidance in ASU 2016-15 is required for annual reporting periods beginning after December 15, 2017, with early adoption permitted. For non-public entities, the guidance is effective for annual reporting periods beginning after December 15, 2018, with early adoption permitted. The Company is currently in the process of evaluating the impact and timing of adoption of the ASU 2016-15 on its consolidated financial statements.

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash* (ASU 2016-18). ASU 2016-18 requires that the statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Entities will also be required to reconcile such total to amounts on the balance sheet and disclose the nature of the restrictions. For public entities, the guidance is effective for annual reporting periods beginning after December 15, 2017, with early adoption permitted. For non-public entities, the amendments in ASU 2016-18 are effective for annual periods beginning after December 15, 2018, with early adoption permitted. The Company adopted this standard effective January 1, 2016, and applied the guidance using a retrospective transition method to each period presented.

CarGurus, Inc.

Notes to Consolidated Financial Statements (Continued)

3. Balance Sheet Components

The following is a summary of cash, cash equivalents, and investments as of December 31, 2016 and June 30, 2017. The Company did not have any cash equivalents or investments as of December 31, 2015.

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
December 31, 2016:				
Cash and cash equivalents due in 90 days or less	$ 29,476	$ —	$ —	$ 29,476
Investments:				
Certificates of deposit due in one year or less	44,774			44,774
Total cash, cash equivalents, and investments	$ 74,250	$	$	$ 74,250

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
June 30, 2017 (unaudited):				
Cash and cash equivalents due in 90 days or less	$ 33,309	$ —	$ —	$ 33,309
Investments:				
Certificates of deposit due in one year or less	48,000			48,000
Total cash, cash equivalents, and investments	$ 81,309	$	$	$ 81,309

Property and equipment consists of the following:

	At December 31,		At June 30,
	2015	2016	2017
			(unaudited)
Computer equipment	$ 1,138	$ 2,001	$ 2,308
Software	—	114	174
Website development costs	1,308	2,680	3,627
Furniture and fixtures	1,898	3,386	4,443
Leasehold improvements	4,452	8,202	10,654
Construction in Progress	—	119	—
	8,796	16,502	21,206
Less accumulated depreciation	(1,649)	(3,722)	(5,309)
Property and equipment, net	$ 7,147	$ 12,780	$ 15,897

Depreciation and amortization expense, which includes amortization expense associated with capitalized internal-use software and website development costs, was $1,122 and $2,072 for the years ended December 31, 2015 and 2016, respectively, and was $836 and $1,587 for the six months ended June 30, 2016 and 2017, respectively.

CarGurus, Inc.

Notes to Consolidated Financial Statements (Continued)

3. Balance Sheet Components (Continued)

Accrued expenses consists of the following:

	At December 31,		At June 30,
	2015	2016	2017
			(unaudited)
Accrued bonuses	$ 2,455	$ 4,662	$ 2,699
Accrued commissions	901	1,305	1,257
Other accrued expenses	574	2,417	4,544
	$ 3,930	$ 8,384	$ 8,500

4. Commitments and Contingencies

Operating Leases

The Company leases its facilities under non-cancelable operating leases with various expiration dates through January 2024. Future minimum rental commitments under the Company's operating leases at December 31, 2016 are as follows:

Year Ending December 31,	Operating Lease Commitments
2017	$ 6,437
2018	6,666
2019	6,766
2020	6,866
2021	6,966
2022 and thereafter	8,439
	$ 42,140

At December 31, 2015, the Company had deferred rent and rent incentives of $4,654, of which $513 and $4,141, respectively, is classified as a short-term liability and a long-term liability in the accompanying consolidated balance sheets. As of December 31, 2016, the Company had deferred rent and rent incentives of $6,583, of which $910 and $5,673, respectively, is classified as a short-term liability and a long-term liability in the corresponding consolidated balance sheet. As of June 30, 2017, the Company had deferred rent and rent incentives of $7,251, of which $1,125 and $6,126, respectively, is classified as a short-term liability and a long-term liability in the corresponding consolidated balance sheet. Rent expense related to the operating leases for the years ended December 31, 2015 and 2016 was $2,700 and $3,678, respectively. Rent expense related to the operating leases for the six months ended June 30, 2016 and 2017, was $1,495 and $2,915, respectively.

Litigation

The Company, from time to time, may be party to litigation arising in the ordinary course of business. The Company was not subject to any material legal proceedings during the years ended

CarGurus, Inc.

Notes to Consolidated Financial Statements (Continued)

4. Commitments and Contingencies (Continued)

December 31, 2015 and 2016 and during the six months ended June 30, 2017, and, to the best of its knowledge, no material legal proceedings are currently pending or threatened.

Guarantees and Indemnification Obligations

In the ordinary course of business, the Company enters into agreements with its customers that are consistent with industry practice with respect to licensing, infringement, indemnification, and other standard provisions. The Company does not, in the ordinary course, agree to indemnification obligations for the Company under its contracts with customers. Based on historical experience and information known at December 31, 2016 and June 30, 2017, the Company has not incurred any costs for guarantees or indemnities.

5. Convertible Preferred Stock and Stockholders' Equity

On June 26, 2015, the Company converted from a Massachusetts limited liability company to a Delaware corporation and changed its legal name to CarGurus, Inc. At the date of the conversion, the Class A unitholders received an equal number of shares of Class B common stock, the Class B unitholders received an equal number of shares of Series A Preferred Stock, the Class C unitholders received an equal number of shares of Series B Preferred Stock, the Class D unitholders received an equal number of shares of Series C Preferred Stock. All outstanding Class A unit options received an equal number of options that are exercisable into Class A common stock and Class B common stock (see Note 6).

On June 21, 2017, the Company amended and restated its Certificate of Incorporation pursuant to the Third Amended and Restated Certificate of Incorporation. Under the Third Amended and Restated Certificate of Incorporation, the total number of shares of all classes of stock which the Company shall have authority to issue is (i) 120,020,700 shares of Class A common stock, par value $0.001 per share, (ii) 80,013,800 shares of Class B common stock, par value $0.001 per share, and (iii) 11,091,782 shares of Preferred Stock, par value $0.001 per share, of which 3,333,000 shares are designated Series A Preferred Stock, 3,329,497 shares are designated Series B Preferred Stock, 1,648,978 shares are designated Series C Preferred Stock, 1,673,105 shares are designated Series D convertible preferred stock, or Series D Preferred Stock, and 1,107,202 shares are designated Series E convertible preferred stock, or Series E Preferred Stock. The Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock, and Series E Preferred Stock are referred to collectively as the Preferred Stock.

Upon the effectiveness of the Third Amended and Restated Certificate of Incorporation, (i) each share of Class A common stock issued and outstanding was recapitalized, reclassified, and reconstituted into two fully paid and non-assessable shares of outstanding Class A common stock and four fully paid and non-assessable shares of outstanding Class B common stock, and (ii) each share of Class B common stock of the Corporation issued and outstanding was recapitalized, reclassified, and reconstituted into two (2) fully paid and non-assessable shares of outstanding Class A common stock and four (4) fully paid and non-assessable shares of outstanding Class B common stock.

Further, upon the effectiveness of the Third Amended and Restated Certificate of Incorporation, the number of shares of common stock as to which each outstanding option to purchase common stock is exercisable for and each outstanding RSU is convertible into was adjusted such that upon

CarGurus, Inc.

Notes to Consolidated Financial Statements (Continued)

5. Convertible Preferred Stock and Stockholders' Equity (Continued)

exercise of outstanding stock options or vesting of outstanding RSUs, each holder will receive two fully paid and non-assessable shares of Class A common stock and four fully paid and non-assessable shares of Class B common stock in respect of each share of common stock previously underlying such option or RSU. The exercise price per share of common stock underlying each outstanding option was adjusted upon the effectiveness of the Third Amended and Restated Certificate of Incorporation to be one-sixth of the exercise price per share in effect immediately prior to such adjustment and the fair market value per share of common stock issuable upon settlement of such RSU was adjusted to be one-sixth of the fair market value per share in effect immediately prior to the recapitalization.

All share and per share data shown in the accompanying consolidated financial statements and related notes have been retroactively revised to reflect the share recapitalization.

Common Stock

Each share of Class A common stock entitles the holder to one vote for each share on all matters submitted to a vote of the Company's stockholders at all meetings of stockholders and written actions in lieu of meetings. Each share of Class B common stock entitles the holder to ten votes for each share on all matters submitted to a vote of the Company's stockholders at all meetings of stockholders and written actions in lieu of meetings.

Holders of common stock are entitled to receive dividends, when and if declared by the Board.

Each share of Class B common stock is convertible into one share of Class A common stock at the option of the holder at any time. Automatic conversion shall occur upon the occurrence of a Transfer, as defined in the Third Amended and Restated Certificate of Incorporation, of such share of Class B common stock. Upon either the death or voluntary termination of the Company's Chief Executive Officer, all shares of Class B common stock shall automatically be converted into one share of Class A common stock.

Preferred Stock

On July 7, 2015, the Company completed a Series D Preferred Stock financing in the amount of $67,872, net of issuance costs of approximately $128. In connection with this issuance, the Company used a portion of the proceeds received, approximately $18,000, to repurchase and retire certain outstanding shares of Series A, Series B, and Series C Preferred Stock and common stock, as well as certain vested stock options from existing stockholders. The difference between the amount implicitly paid to repurchase the various classes of Preferred Stock and the corresponding carrying value of the underlying shares ($15,930) was treated as a deemed dividend and was recorded against retained earnings. As the shares of common stock were repurchased for constructive retirement, the excess purchase price over the corresponding par value was charged directly to retained earnings.

On August 23, 2016, the Company completed a Series E Preferred Stock financing in the amount of $59,732, net of issuance costs of approximately $268. In connection with this issuance, the Company used the proceeds received to repurchase and retire certain outstanding shares of Series A, Series B, and Series C Preferred Stock and common stock, as well as certain vested

CarGurus, Inc.

Notes to Consolidated Financial Statements (Continued)

5. Convertible Preferred Stock and Stockholders' Equity (Continued)

stock options and restricted stock units from existing stockholders. The difference between the amount implicitly paid to repurchase the various classes of Preferred Stock and the corresponding carrying value of the underlying shares ($32,087) was treated as a deemed dividend and was recorded against retained earnings. As the shares of common stock were repurchased for constructive retirement, the excess purchase price over the corresponding par value was charged directly to retained earnings.

The Company's Preferred Stock at December 31, 2015 was as follows:

	Original Issue Price Per Share	Shares Authorized	Outstanding	Liquidation Amount	Carrying Value
Series A Preferred Stock	$ 0.525053	3,333,000	3,049,606	$ 1,601	$ 1,601
Series B Preferred Stock	$ 0.780899	3,329,497	3,296,054	2,574	2,574
Series C Preferred Stock	$ 0.849012	1,648,978	1,567,855	1,331	1,331
Series D Preferred Stock	$ 40.642989	1,673,105	1,673,105	68,000	67,872
		9,984,580	9,586,620	$ 73,506	$ 73,378

The Company's Preferred Stock at December 31, 2016 and June 30, 2017 was as follows:

	Original Issue Price Per Share	Shares Authorized	Outstanding	Liquidation Amount	Carrying Value
Series A Preferred Stock	$ 0.525053	3,333,000	2,824,703	$ 1,483	$ 1,483
Series B Preferred Stock	$ 0.780899	3,329,497	2,938,486	2,295	2,295
Series C Preferred Stock	$ 0.849012	1,648,978	1,550,612	1,316	1,316
Series D Preferred Stock	$ 40.642989	1,673,105	1,673,105	68,000	67,872
Series E Preferred Stock	$ 54.190650	1,107,202	1,107,202	60,000	59,732
		11,091,782	10,094,108	$ 133,094	$ 132,698

Prior to the effectiveness of the Third Amended and Restated Certificate of Incorporation, the rights, preferences, and privileges of the Preferred Stock as of December 31, 2016 were as follows:

Dividends

The holders of the Preferred Stock are entitled to receive dividends, when and as declared by the Board and out of funds legally available, payable in preference and priority to any payment of any dividend on common stock, based upon the number of shares of common stock into which the shares of Preferred Stock held by such holder are convertible at the date of record. No dividends or other distributions will be made with respect to the common stock until all declared dividends on the Preferred Stock have been paid. Through December 31, 2016 and June 30, 2017, no dividends have been declared or paid by the Company.

CarGurus, Inc.

Notes to Consolidated Financial Statements (Continued)

5. Convertible Preferred Stock and Stockholders' Equity (Continued)

Liquidation Preference

In the event of any voluntary or involuntary liquidation, dissolution, or winding up of the Company, the holders of the Series A, Series B, Series C, Series D, and Series E Preferred Stock shall be entitled to receive, on a preferred basis prior and in preference to any distribution to the holders of common stock, an amount of cash per share equal to the greater of (i) the Original Issue Price of the Series A, Series B, Series C, Series D, and Series E Preferred Stock, respectively, plus any dividends declared but unpaid thereon, or (ii) such amount per share as would have been payable had all shares of Preferred Stock been converted into Class B common stock immediately prior to such liquidation, dissolution, or winding up of the Company.

Thereafter, the remaining assets available for distribution shall be distributed among the holders of common stock, pro rata, based on the number of shares held by each such holder.

If the funds available upon liquidation are insufficient to satisfy in full the Preferred Stock liquidation amount, the assets of the Company shall be shared ratably among the holders of the Preferred Stock based upon their respective amounts, which would be payable with respect to the shares held by them if amounts were paid in full.

As the shares of Preferred Stock may become redeemable upon a liquidation event that is outside of the control of the Company, the liquidation value of the Preferred Stock has been classified outside of permanent equity.

Conversion

Each share of the Preferred Stock, at the option of the holder, is convertible into a number of fully paid and non-assessable shares of Class B common stock as determined by dividing the respective Original Issue Price of the Series A, Series B, Series C, Series D, and Series E Preferred Stock by the conversion price in effect at the time. The conversion price of Series A, Series B, Series C, Series D, and Series E Preferred Stock is $0.525053 per share, $0.780899, $0.849012 per share, $40.642989 per share, and $54.19065 per share, respectively, and is subject to adjustment in accordance with anti-dilution provisions contained in the Company's Second Amended and Restated Certificate of Incorporation.

Conversion is automatic immediately upon the closing of a qualified initial public offering resulting in net proceeds to the Company of at least $75.0 million at an offering price of at least $5.00 per share of Class A common stock.

The Company performs assessments of all terms and features of its Preferred Stock in order to identify any potential embedded features that would require bifurcation or any beneficial conversion features. As part of this analysis, the Company assessed the economic characteristics and risks of its Preferred Stock, including conversion, liquidation, and redemption features, as well as dividend and voting rights. Based on the Company's determination that each series of its Preferred Stock is an "equity host," the Company determined that the features of the Preferred Stock are most closely associated with an equity host, and, although the Preferred Stock includes conversion features, such conversion features do not require bifurcation as a derivative liability.

CarGurus, Inc.

Notes to Consolidated Financial Statements (Continued)

5. Convertible Preferred Stock and Stockholders' Equity (Continued)

Voting

The holders of the Preferred Stock are entitled to vote, together with the holders of voting common stock, on all matters submitted to stockholders for a vote. Each holder of Preferred Stock is entitled to ten votes for each whole share of Class B common stock into which the shares of Preferred Stock held by such holder are convertible at the date of record.

Upon the effectiveness of the Third Amended and Restated Certificate of Incorporation, the rights and preferences of the Preferred Stock were amended as follows:

Conversion

Each share of the Preferred Stock, at the option of the holder, is convertible into a number of fully paid and non-assessable shares of common stock as determined by dividing the respective Original Issue Price of the Series A, Series B, Series C, Series D, and Series E Preferred Stock by the conversion price in effect at the time, one third of which number of shares of common stock shall be shares of Class A common stock and two thirds of which number of shares of common stock shall be shares of Class B common stock. The conversion price of Series A, Series B, Series C, Series D, and Series E Preferred Stock was amended to be $0.0875088 per share, $0.1301498 per share, $0.1415020 per share, $6.7738315 per share, and $9.0317750 per share, respectively, and is subject to adjustment in accordance with anti-dilution provisions contained in the Company's Third Amended and Restated Certificate of Incorporation. Further, upon a Qualified IPO, as defined in the Company's Third Amended and Restated Certificate of Incorporation, each outstanding share of Preferred Stock will automatically convert into two shares of Class A common stock and four shares of Class B common stock, and all shares of Class B common stock issued thereupon or previously issued upon any conversion of Preferred Stock will further automatically convert, on a share for share basis, into Class A common stock.

At December 31, 2016 and June 30, 2017, 20,188,226 shares of Class A common stock and 40,376,452 shares of Class B common stock, respectively, were reserved for conversion of the outstanding Preferred Stock.

Voting

The holders of the Preferred Stock are entitled to vote, together with the holders of common stock, on all matters submitted to stockholders for a vote. Each holder of Preferred Stock is entitled to one vote for each whole share of Class A common stock into which the shares of Preferred Stock held by such holder are convertible at the date of record and ten votes for each whole share of Class B common stock into which the shares of Preferred Stock held by such holder are convertible at the date of record.

Qualified IPO

The term Qualified IPO was amended in the Company's Third Amended and Restated Certificate of Incorporation to mean a public offering resulting in net proceeds to the Company and selling stockholders of at least $75.0 million in the aggregate, at an offering price of at least $0.83 per share of Class A common stock.

CarGurus, Inc.

Notes to Consolidated Financial Statements (Continued)

6. Stock-based Compensation

Equity Incentive Plans

At December 31, 2016, the Company had one stock-based compensation plan, which merged the Company's two prior stock-based compensation plans: the 2006 Equity Incentive Plan, or the 2006 Plan, and the Amended and Restated 2015 Equity Incentive Plan, or the 2015 Plan.

The 2006 Plan provided for the issuance of non-qualified stock options and restricted stock units to the Company's employees, officers, directors, consultants, and advisors, up to an aggregate of 3,444,668 shares of the Company's Class B common stock. In conjunction with the effectiveness of the 2015 Plan, the Board voted that no further stock options or other equity-based awards may be granted under the 2006 Plan.

In 2015, the Board adopted the 2015 Plan, which became effective on June 26, 2015. The Plan is intended to be an incentive stock option plan within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended, or the Code, but not all awards are required to be incentive options. The 2015 Plan was amended and restated effective August 6, 2015 to permit the granting of RSUs under the 2015 Plan, remove Class B common stock from the pool of shares available for issuance under the 2015 Plan and make certain other desired changes. The 2015 Plan was further amended and restated at October 15, 2015 to add a ten-year term and to make certain other desired changes.

The 2015 Plan provides for the granting of incentive stock options, or ISOs, non-qualified stock options, restricted stock, and RSUs to employees and non-employees to purchase up to 603,436 shares of common stock. The exercise price of the ISOs cannot be less than the fair market value of the common stock on the date of grant, or less than 110% of the fair market value in the case of employees holding 10% or more of the voting stock of the Company. Options generally vest over a four-year period, and expire ten years from the original date of grant.

The 2015 Plan was further amended and restated effective August 22, 2016 to merge the 2006 Plan into the 2015 Plan, to increase the number of shares of Class A common stock that may be issued under the 2015 Plan, and to lengthen the term of the 2015 Plan to expire on the tenth anniversary of the 2015 Plan. Pursuant to the further amendment and restatement of the 2015 Plan, prior to giving effect to the recapitalization that occurred on June 21, 2017, there were (i) 618,691 shares of Class A common stock, plus (ii) 802,562 shares of Class B common stock authorized under the 2015 Plan, as amended and restated; provided, however, that (1) the number of shares of Class A common stock may be increased, on a share for share basis, by the number of shares of Class B common stock that are (a) subject to outstanding options granted under the 2006 Plan that expire, terminate, or are cancelled for any reason without having been exercised, (b) surrendered in payment of the exercise price of outstanding options granted under the 2006 Plan or (c) withheld in satisfaction of tax withholding upon exercise of outstanding options granted under the 2006 Plan, and the number of shares of Class B common stock reserved under the amended and restated 2015 Plan will be decreased, on a corresponding share for share basis, (2) no new awards of Class B common stock will be granted under the amended and restated 2015 Plan, and (3) except with respect to outstanding options granted under the 2006 Plan that are exercised on or after the date hereof, no Class B common stock will be issued under the 2015 Plan.

At December 31, 2016 and June 30, 2017, 1,158,048 shares and 657,912 shares, respectively, were available for issuance under the 2015 Plan.

CarGurus, Inc.

Notes to Consolidated Financial Statements (Continued)

6. Stock-based Compensation (Continued)

In connection with the recapitalization that occurred on June 21, 2017, the 2015 Plan was further amended and restated to account for each outstanding common stock option being adjusted such that each share of common stock underlying such option became two shares of Class A common stock and four shares of Class B common stock underlying such option, and each outstanding RSU being adjusted such that each share of common stock issuable upon settlement of such RSU became two shares of Class A common stock and four shares of Class B common stock issuable upon settlement of such RSU. Pursuant to the 2015 Plan as further amended in connection with the recapitalization, there were (i) 3,181,740 shares of Class A common stock and (ii) 5,161,644 shares of Class B common stock authorized under the 2015 Plan.

The following is a summary of the stock option activity for all stock-based compensation plans during the year ended December 31, 2016 and the six months ended June 30, 2017:

	Common Stock	Weighted-Average Exercise Price for Equity	Weighted-Average Contractual Life (In Years)	Aggregate Intrinsic Value[2]
Outstanding, December 31, 2015	5,626,710	$ 0.99	7.6	$ 15,051
Granted	689,400	6.77		
Exercised	(123,672)	0.77		
Forfeited and cancelled	(493,626)	1.76		
Outstanding, December 31, 2016	5,698,812	$ 1.63	6.9	23,893
Granted (unaudited)	—	—		
Exercised (unaudited)	(175,452)	0.95		
Forfeited and cancelled (unaudited)	(312,192)	1.70		
Outstanding, June 30, 2017 (unaudited)	5,211,168	$ 1.65	6.5	51,240
Options exercisable at December 31, 2016	3,424,704	$ 0.56	6.0	17,360
Options vested, or expected to vest at December 31, 2016[1]	5,412,474	$ 1.62	7.1	22,732
Options exercisable at June 30, 2017 (unaudited)	3,679,068	$ 0.90	5.9	38,923

(1) This represents the number of vested options at December 31, 2016, plus the number of unvested options expected to vest at December 31, 2016, based on the unvested options outstanding at December 31, 2016, adjusted for the estimated forfeiture rate.

(2) The aggregate intrinsic value was calculated based on the positive difference, if any, between the estimated fair value of our common stock on December 31, 2015 and 2016 and June 30, 2017, respectively, or the date of exercise, as appropriate, and the exercise price of the underlying options.

The Company has entered into RSU agreements with certain of its employees pursuant to the 2015 Plan. The RSUs are subject to both a service-based vesting condition and a performance-based vesting condition based on a liquidity event, defined as either a change in control or an IPO.

CarGurus, Inc.

Notes to Consolidated Financial Statements (Continued)

6. Stock-based Compensation (Continued)

Upon achievement of both the service-based vesting condition and the performance-based vesting condition achieved upon a liquidity event, the holder will receive two shares of the Company's Class A common stock and four shares of the Company's Class B common stock for each unit vested. Although the performance based vesting condition will be satisfied upon a liquidity event, under the terms of the awards, the settlement of such RSUs and the issuance of common stock with respect to such RSUs, will occur six months after the completion such event.

The following is a summary of the RSU activity during the year ended December 31, 2016, and the six months ended June 30, 2017:

	Number of shares	Weighted-Average Grant Date Fair Value	Aggregate Intrinsic Value
Outstanding, December 31, 2015	553,986	$ 2.05	$ 1,768
Granted	1,038,408	3.89	4,035
Cancelled	(12,300)	2.83	58
Outstanding, December 31, 2016	1,580,094	$ 3.25	8,754
Granted (unaudited)	848,634	6.26	5,309
Cancelled (unaudited)	(58,926)	4.44	261
Outstanding, June 30, 2017 (unaudited)	2,369,802	$ 4.29	27,205

For the years ended December 31, 2015 and 2016, and the six months ended June 30, 2016 and 2017, total stock-based compensation expense was $1,040, $322, $148 and $150, respectively. Total stock-based compensation expense was allocated as follows:

	Year Ended December 31,		Six Months Ended June 30, (unaudited)	
	2015	2016	2016	2017
Cost of revenue	$ 4	$ 18	$ 8	$ 10
Sales and marketing expense	67	163	76	73
Product, technology, and development expense	883	104	48	48
General and administrative expense	86	37	16	19
	$ 1,040	$ 322	$ 148	$ 150

As of December 31, 2016 and June 30, 2017, there was approximately $828 and $627, respectively, of unrecognized stock-based compensation expense, related to unvested stock-based awards subject to service-based vesting conditions, which is expected to be recognized over a weighted-average period of 2.9 and 2.3 years, respectively.

As of December 31, 2016 and June 30, 2017, there was approximately $5,129 and $10,165, respectively, of unrecognized stock-based compensation, related to unvested stock-based awards, subject to both a service-based vesting condition and a performance-based vesting condition

CarGurus, Inc.

Notes to Consolidated Financial Statements (Continued)

6. Stock-based Compensation (Continued)

achieved upon a liquidity event. The weighted-average recognition period is not determinable until the time a liquidity event is considered probable of occurring.

Common Stock Reserved for Future Issuance

At December 31, 2016, the Company had reserved the following shares of voting common stock for future issuance:

Common stock options outstanding	5,698,812
Restricted stock units outstanding	1,580,094
Shares available for issuance under the 2015 Plan	1,158,048
Preferred Stock outstanding	60,564,678
Total shares of authorized common stock reserved for future issuance	69,001,632

7. Income Taxes

The domestic and foreign components of (loss) income before income taxes are as follows:

	Year Ended December 31,	
	2015	2016
United States	$ (2,540)	$ 8,919
Foreign	—	26
(Loss) income before income taxes	$ (2,540)	$ 8,945

The (benefit from) provision for income taxes contained the following components:

	Year Ended December 31,	
	2015	2016
Current provision:		
Federal	$ (276)	$ 1,440
State	21	223
Foreign	—	3
	(255)	1,666
Deferred (benefit) provision:		
Federal	(544)	880
State	(105)	(98)
Foreign	—	—
	(649)	782
Income tax (benefit) provision	$ (904)	$ 2,448

CarGurus, Inc.

Notes to Consolidated Financial Statements (Continued)

7. Income Taxes (Continued)

The Company's effective tax rate for the year ended December 31, 2015 is greater than the U.S. federal statutory rate primarily due to state income taxes. The Company's effective tax rate for the year ended December 31, 2016 is lower than the U.S. federal statutory rate primarily due to research and development income tax credits, which was partially offset by state income taxes.

	Year Ended December 31,	
	2015	2016
U.S. federal taxes at statutory rate	34.0%	35.0%
State taxes, net of federal benefit	3.6	4.5
Nondeductible expenses	(1.4)	2.0
Foreign rate differential	—	(0.1)
Credits	—	(15.0)
Other	(0.6)	1.0
Total	35.6%	27.4%

The approximate income tax effect of each type of temporary difference and carryforward as of December 31, 2015 and 2016 is as follows:

	As of December 31,	
	2015	2016
Deferred tax assets:		
Net operating loss carryforwards	$ 37	$ —
Credit carryforwards	—	141
Stock-based compensation	75	67
Landlord allowance on leasehold improvements	1,011	1,468
Deferred rent	685	968
Accruals and reserves	206	612
	2,014	3,256
Deferred tax liability:		
Fixed assets	(1,524)	(3,548)
	(1,524)	(3,548)
Net deferred tax assets (liabilities)	$ 490	$ (292)

The Company uses the asset and liability method to account for income taxes in accordance with ASC 740, *Income Taxes*. Under this method, deferred income taxes are recognized for the future tax consequences of differences between the tax and financial accounting bases of assets and liabilities at each reporting period. Deferred income taxes are based on enacted tax laws and statutory tax rates applicable to the period in which these differences are expected to affect taxable income. A valuation allowance is established when necessary to reduce deferred tax assets to the amounts expected to be realized.

CarGurus, Inc.

Notes to Consolidated Financial Statements (Continued)

7. Income Taxes (Continued)

The Company has not provided a valuation allowance against its net deferred tax assets at December 31, 2015 and 2016. Based upon the level of historical U.S. earnings and future projections over the period in which the net deferred tax assets are deductible, at this time, management believes it is more likely than not that the Company will realize the benefits of these deductible differences.

As of December 31, 2016, the Company has federal and state tax credit carryforwards of approximately $68 and $112, respectively, available to reduce future tax liabilities that expire at various dates through 2036. Utilization of the tax credit carryforwards may be subject to an annual limitation due to ownership change limitations that have occurred previously or that could occur in the future, as provided by Section 382 of the Code, or Section 382, as well as similar state provisions. Ownership changes may limit the amount of tax credit carryforwards that can be utilized annually to offset future taxable income and tax, respectively. In general, an ownership change, as defined by Section 382, results from transactions that increase the ownership of five percent stockholders in the stock of a corporation by more than 50 percent in the aggregate over a three-year period.

The Company previously adopted the provision for uncertain tax positions under ASC 740, *Income Taxes*. The adoption did not have an impact on the Company's retained earnings balance. At December 31, 2015 and 2016, the Company had no recorded liabilities for uncertain tax positions and had no accrued interest or penalties related to uncertain tax positions.

The Company permanently reinvests the earnings, if any, of its foreign subsidiaries and, therefore, does not provide for U.S. income taxes that could result from the distribution of those earnings to the U.S. parent. As of December 31, 2016, the amount of unrecognized deferred U.S. taxes on these earnings would be de minimis.

The Company and its subsidiaries are subject to various U.S. federal, state, and foreign income taxes. The Company is currently open to examination under the statute of limitations by the Internal Revenue Service and state jurisdictions for the tax years ended 2013 through 2016. Currently, there are no income tax audits in process.

8. Segment and Geographic Information

The Company has two reportable segments, United States and International. Segment information is presented in the same manner as the Company's chief operating decision maker, or CODM, reviews the Company's operating results in assessing performance and allocating resources. The CODM reviews revenue and operating income (loss) for each reportable segment as a proxy for the operating performance of the Company's United States and International operations. The Company's chief executive officer is the CODM on behalf of both reportable segments.

The United States segment derives revenues from marketplace subscriptions, advertising services, and other revenues from customers within the United States. The International segment derives revenues from marketplace subscriptions, advertising services, and other revenues from customers outside of the United States. A majority of our operational overhead expenses, including technology and personnel costs, and other general and administrative costs associated with running our business, are incurred in the United States and not allocated to the international segment. Assets and costs discretely incurred by reportable segments, including depreciation and

CarGurus, Inc.

Notes to Consolidated Financial Statements (Continued)

8. Segment and Geographic Information (Continued)

amortization, are included in the calculation of reportable segment (loss) income from operations. Segment operating income (loss) does not reflect the transfer pricing adjustments related to the Company's foreign subsidiaries, which are recorded for statutory reporting purposes. Asset information is assessed and reviewed on a global basis.

Information regarding the Company's operations by segment and geographical area is presented below:

	Year Ended December 31,		Six Months Ended June 30,	
	2015	2016	2016	2017
			(unaudited)	
Segment revenue:				
United States	$ 98,566	$ 195,824	$ 83,760	$ 139,560
International	22	2,317	481	3,715
Total revenue	$ 98,588	$ 198,141	$ 84,241	$ 143,275

	Year Ended December 31,		Six Months Ended June 30,	
	2015	2016	2016	2017
			(unaudited)	
Segment (loss) income from operations:				
United States	$ 637	$ 27,461	$ 8,467	$ 24,280
International	(3,165)	(18,890)	(7,759)	(11,901)
Total (loss) income from operations	$ (2,528)	$ 8,571	$ 708	$ 12,379

As of December 31, 2015 and 2016, and June 30, 2017, property and equipment held outside the United States was not material.

9. Components of Other (Expense) Income, Net

The components of other (expense) income, net, are as follows:

	Year Ended December 31,		Six Months Ended June 30,	
	2015	2016	2016	2017
			(unaudited)	
Interest income	$ —	$ 416	$ 170	$ 357
Interest expense	(12)	(26)	(13)	(12)
Foreign exchange losses	—	(16)	(4)	(128)
Other (expense) income, net	$ (12)	$ 374	$ 153	$ 217

CarGurus, Inc.

Notes to Consolidated Financial Statements (Continued)

10. Employee benefit plans

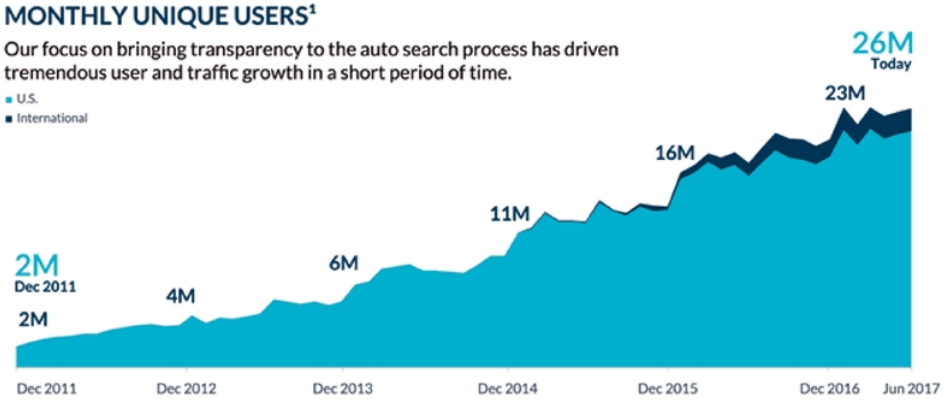
The Company maintains a defined contribution savings plan covering all eligible U.S. employees under Section 401(k) of the Code. Company contributions to the plan may be made at the discretion of the executive team. During the years ended December 31, 2015 and 2016, the Company did not make any employer contributions to the plan.

11. Subsequent Events

The Company has completed an evaluation of all subsequent events after the audited balance sheet date of December 31, 2016 through June 21, 2017, the date these financial statements were submitted to the SEC, and after the unaudited balance sheet date of June 30, 2017 through August 24, 2017, the date these financial statements were submitted to the SEC, to ensure that these financial statements include appropriate disclosure of events both recognized in the financial statements as of December 31, 2016 and June 30, 2017, and events which occurred subsequently but were not recognized in the financial statements. The Company has concluded that no subsequent events have occurred that require disclosure, except as disclosed within these consolidated financial statements.

MONTHLY UNIQUE USERS[1]

Our focus on bringing transparency to the auto search process has driven tremendous user and traffic growth in a short period of time.



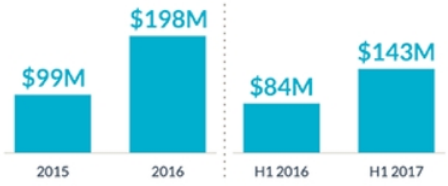
Source: Google Analytics as of June 2017
1. We define a monthly unique user as an individual who has visited our website within a calender month, based on data as measured by Google Analytics.

PAYING DEALERS[2]

000s

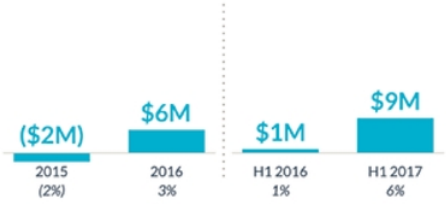
Note: Number of paying dealers at end of period.
2. Paying dealers are the number of dealers subscribing to one of our Enhanced or Featured Listing products at the end of a defined period.

REVENUE



NET (LOSS) INCOME

% Margin




1BG Z71
Great Faces. Great Places.
Louisiana
SOD 185
Sportsman's Paradise
D 1095 N
71 OHIO
TREASURE STATE
2-37601A
MONTANA - 10
CarGurus
West Virginia
NJX 705
Wild, Wonderful
ALASKA
DYR 778
73-IND
16129A
TRAIL 3
CURRY
GLG-196
New Mexico
Through and including , 2017 (the 25th day after the date of this prospectus), all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

PART II

INFORMATION NOT REQUIRED IN THE PROSPECTUS

Unless otherwise indicated, all references to "CarGurus," the "Company," the "Registrant," "we," "us" and "our" refer to CarGurus, Inc. and, where appropriate, our consolidated subsidiaries.

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth all expenses to be paid by the Registrant, other than underwriting discounts and commissions, in connection with this offering. All amounts shown are estimates except for the SEC registration fee, the FINRA filing fee, and the exchange listing fee.

SEC registration fee	$ 11,590
FINRA filing fee	15,500
Exchange listing fee	*
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Transfer agent and registrar fees and expenses	*
Miscellaneous	*
Total	*

* To be filed by amendment.

Item 14. Indemnification of Directors and Officers.

The Registrant's amended and restated certificate of incorporation that will become effective upon the closing of this offering contains provisions that eliminate, to the maximum extent permitted by the General Corporation Law of the State of Delaware, the personal liability of the Registrant's directors and executive officers for monetary damages for breach of their fiduciary duties as directors or officers. The Registrant's amended and restated certificate of incorporation and amended and restated bylaws provide that the Registrant must indemnify its directors and executive officers and may indemnify its employees and other agents to the fullest extent permitted by the General Corporation Law of the State of Delaware.

Sections 145 and 102(b)(7) of the General Corporation Law of the State of Delaware provide that a corporation may indemnify any person made a party to an action by reason of the fact that he or she was a director, executive officer, employee, or agent of the corporation or is or was serving at the request of a corporation against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful, except that, in the case of an action by or in right of the corporation, no indemnification may generally be made in respect of any claim as to which such person is adjudged to be liable to the corporation.

The Registrant plans to enter into indemnification agreements with its directors and executive officers, in addition to the indemnification provided for in its amended and restated certificate of incorporation and bylaws, and intends to enter into indemnification agreements with any new directors and executive officers in the future.

The Registrant intends to purchase, prior to the closing of this offering, and maintain insurance on behalf of each and any person who is or was a director or officer of the Registrant against any

loss arising from any claim asserted against him or her and incurred by him or her in any such capacity, subject to certain exclusions.

The Underwriting Agreement (Exhibit 1.1 hereto) provides for indemnification by the underwriters of the Registrant and its executive officers and directors, and by the Registrant of the underwriters, for certain liabilities, including liabilities arising under the Securities Act.

See also the undertakings set out in response to Item 17 herein.

Item 15. Recent Sales of Unregistered Securities.

The following sets forth information regarding all unregistered securities sold since January 1, 2014. All share and per share information has been retroactively revised to reflect the share recapitalization that occurred on June 21, 2017, pursuant to which (i) each share of common stock then issued and outstanding was recapitalized, reclassified and reconstituted into two fully paid and non-assessable shares of outstanding Class A common stock and four fully paid and non-assessable shares of outstanding Class B common stock, (ii) each outstanding common stock option was adjusted such that, (a) each share of common stock underlying such option became two shares of Class A common stock and four shares of Class B common stock and (b) the exercise price per share of common stock underlying such option was adjusted to be one-sixth of the exercise price per share in effect immediately prior to the recapitalization, and (iii) each outstanding RSU was adjusted such that (a) each share of common stock issuable upon settlement of such RSU became two shares of Class A common stock and four shares of Class B common stock and (b) the fair market value per share of common stock issuable upon settlement of such RSU was adjusted to be one-sixth of the fair market value per share in effect immediately prior to the recapitalization;

Conversion of All Outstanding Units to Shares of Common Stock and Shares of Preferred Stock

On June 26, 2015, the Registrant converted from a Massachusetts limited liability company to a Delaware corporation. We refer to this as the "Conversion." In connection with and as a result of the Conversion:

- 7,470,257 outstanding Class A Units were converted into 14,940,514 shares of Class A common stock and 29,881,028 shares of Class B common stock;
- 3,333,000 outstanding Class B Units were converted into 3,333,000 shares of Series A preferred stock;
- 3,329,497 outstanding Class C Units were converted into 3,329,497 shares of Series B preferred stock; and
- 1,648,978 outstanding Class D Units were converted into 1,648,978 shares of Series C preferred stock.

Preferred Stock Issuances

In July 2015, the Registrant sold to 17 accredited investors an aggregate of 1,673,105 shares of its Series D preferred stock at a purchase price per share of $40.642989 resulting in aggregate gross proceeds of approximately $68 million.

In August 2016, the Registrant sold to 20 accredited investors an aggregate of 1,107,202 shares of its Series E preferred stock at a purchase price per share of $54.19065 resulting in aggregate gross proceeds of approximately $60 million.

2006 Equity Incentive Plan Related Issuances

The Registrant, under the Registrant's 2006 Equity Incentive Plan, which we refer to as the 2006 Plan:

- granted restricted stock and stock options to purchase an aggregate of 2,193,318 shares of common stock at exercise prices ranging from $0.145 to $0.16 per share; and
- sold an aggregate of 6,805,536 shares of its common stock pursuant to option exercises at prices ranging from $0.0166667 to $0.16 per share.

2015 Equity Incentive Plan Related Issuances

The Registrant, under the Registrant's 2015 Equity Incentive Plan, as amended, which we refer to as the 2015 Plan:

- granted stock options to purchase an aggregate of 1,455,540 shares of common stock at an exercise price of $6.77367 per share;
- sold an aggregate of 38,004 shares of its common stock pursuant to option exercises at a price of $6.77367 per share; and
- issued an aggregate amount of 2,441,028 RSUs relating to 2,441,028 shares of common stock.

None of the foregoing transactions involved any underwriters, underwriting discounts or commissions, or any public offering, and the Registrant believes that each such transaction was exempt from the registration requirements of the Securities Act in reliance on either Section 3(a)(9) of the Securities Act, Rule 701 promulgated under the Securities Act, as transactions pursuant to a compensatory benefit plan approved by the Registrant's board of directors, Section 4(a)(2) of the Securities Act, as transactions by an issuer not involving a public offering, or in transactions which did not constitute sales of securities under the Securities Act. Each recipient of securities issued in the transactions that were deemed to be exempt in reliance upon Section 4(a)(2) of the Securities Act acquired the securities for investment only and not with a view to, or for resale in connection with, any distribution thereof, and appropriate legends were affixed to the share certificates issued in each such transaction. In each case, the recipient received adequate information regarding the Registrant or had adequate access, through his or her relationship with the Registrant, to information about the Registrant.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits.

See the Exhibit Index on the page immediately following the Signature Page for a list of exhibits filed as part of this registration statement on Form S-1, which Exhibit Index is incorporated herein by reference.

(b) Financial Statement Schedules.

All other schedules have been omitted because the information required to be presented in them is not applicable or is shown in the consolidated financial statements or related notes.

Item 17. Undertakings.

The Registrant hereby undertakes to provide to the underwriters at the closing as specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933, as amended, and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933, as amended, and will be governed by the final adjudication of such issue.

The Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, as amended, the information omitted from a form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in the form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act of 1933, as amended, shall be deemed to be part of this registration statement at the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, as amended, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

EXHIBIT INDEX

Exhibit Number	Exhibit Title
1.1*	Form of Underwriting Agreement.
3.1	Third Amended and Restated Certificate of Incorporation of the Registrant, as currently in effect.
3.2*	Form of Amended and Restated Certificate of Incorporation of the Registrant, to be in effect upon the closing of this offering.
3.3	Bylaws of the Registrant, as currently in effect.
3.4*	Form of Amended and Restated Bylaws of the Registrant, to be in effect upon closing of the offering.
4.1*	Specimen Class A common stock certificate of the Registrant.
4.2	Amended and Restated Investors' Rights Agreement, dated August 23, 2016, by and among the Registrant and certain of its stockholders.
5.1*	Opinion of Morgan, Lewis & Bockius LLP.
10.1	Form of Indemnification Agreement between the Registrant and each of its directors and executive officers.
10.2#	Amended and Restated 2006 Equity Incentive Plan and forms of agreements thereunder.
10.3#	Amended and Restated 2015 Equity Incentive Plan and forms of agreements thereunder.
10.4#*	2017 Omnibus Incentive Compensation Plan and forms of agreements thereunder.
10.5#	Offer Letter, dated March 17, 2006, by and between the Registrant and Langley Steinert.
10.6#	Offer Letter, dated August 10, 2015, by and between the Registrant and Jason Trevisan.
10.7#	Offer Letter, dated October 24, 2014, by and between the Registrant and Samuel Zales.
10.8	Lease, dated as of October 8, 2014, by and between the Registrant and BCSP Cambridge Two Property LLC.
10.9	Office Lease Agreement, dated as of March 11, 2016, by and between 55 Cambridge Parkway, LLC and the Registrant.
10.10	First Amendment to Lease, dated as of July 30, 2016 by and between 55 Cambridge Parkway, LLC and the Registrant.
21.1	List of Subsidiaries of the Registrant.
23.1	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm.
23.2*	Consent of Morgan, Lewis & Bockius LLP (included in Exhibit 5.1).
24.1	Power of Attorney (included on page II-6).

* To be filed by amendment.

\# Indicates a management contract or compensatory plan.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Cambridge, Commonwealth of Massachusetts, on September 15, 2017.

CARGURUS, INC.

By: /s/ LANGLEY STEINERT

Langley Steinert
Chief Executive Officer, President, and Chairman

SIGNATURES AND POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Langley Steinert and Jason Trevisan, jointly and severally, as his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign this registration statement on Form S-1 and any or all amendments (including post-effective amendments) thereto and any new registration statement with respect to the offering contemplated thereby filed pursuant to Rule 462(b) of the Securities Act of 1933, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises hereby ratifying and confirming all that said attorney-in-fact and agent, or his substitute, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement on Form S-1 has been signed by the following persons in the capacities and on the dates indicated below:

Signature	Title	Date
/s/ LANGLEY STEINERT Langley Steinert	Chief Executive Officer, President, and Chairman (Principal Executive Officer)	September 15, 2017
/s/ JASON TREVISAN Jason Trevisan	Chief Financial Officer and Treasurer (Principal Financial Officer and Principal Accounting Officer)	September 15, 2017
/s/ STEPHEN KAUFER Stephen Kaufer	Director	September 15, 2017
/s/ ANASTASIOS PARAFESTAS Anastasios Parafestas	Director	September 15, 2017
/s/ DAVID PARKER David Parker	Director	September 15, 2017
/s/ SIMON ROTHMAN Simon Rothman	Director	September 15, 2017
/s/ IAN SMITH Ian Smith	Director	September 15, 2017

THIRD AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
CARGURUS, INC.

(Pursuant to Sections 242 and 245 of the
General Corporation Law of the State of Delaware)

CarGurus, Inc., a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the "**General Corporation Law**"),

DOES HEREBY CERTIFY:

1. That the name of this corporation is CarGurus, Inc., and that this corporation was originally incorporated pursuant to the General Corporation Law on June 26, 2015.

2. The corporation filed a Second Amended and Restated Certificate of Incorporation with the Secretary of State of Delaware on August 22, 2016.

3. That the Board of Directors duly adopted resolutions proposing to amend and restate the Second Amended and Restated Certificate of Incorporation of this corporation, declaring said amendment and restatement to be advisable and in the best interests of this corporation and its stockholders, and authorizing the appropriate officers of this corporation to solicit the consent of the stockholders therefor, which resolution setting forth the proposed amendment and restatement is as follows:

RESOLVED, that the Second Amended and Restated Certificate of Incorporation of this corporation be amended and restated in its entirety to read as follows:

FIRST: The name of this corporation is CarGurus, Inc. (the "**Corporation**").

SECOND: The address of the registered office of the Corporation in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle 19801. The name of its registered agent at such address is The Corporation Trust Company.

THIRD: The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law.

FOURTH: Effective upon the filing of this Third Amended and Restated Certificate of Incorporation (the "**Certificate of Incorporation**") with the Secretary of State of the State of Delaware (the "**Effective Time**"), the following recapitalization (the "**Recapitalization**") shall occur: (i) each share of Class A Common Stock (as defined below) of the Corporation issued and outstanding immediately prior to the Effective Time shall be recapitalized, reclassified and reconstituted into two (2) fully paid and non-assessable shares of outstanding Class A Common Stock and four (4) fully paid and non-assessable shares of outstanding Class B Common Stock (as defined below) and (ii) each share of Class B Common

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Stock of the Corporation issued and outstanding immediately prior to the Effective Time shall be recapitalized, reclassified and reconstituted into two (2) fully paid and non-assessable shares of outstanding Class A Common Stock and four (4) fully paid and non-assessable shares of outstanding Class B Common Stock. The Recapitalization shall occur automatically without any further action by the holders of the shares of Common Stock and Preferred Stock (as defined below) affected thereby; each outstanding stock certificate that, immediately prior to such Recapitalization, represented one or more shares of capital stock subject to the Recapitalization shall, upon and after the Recapitalization, be deemed to represent the number and type of shares of capital stock into which the original shares of capital stock represented thereby were recapitalized, reclassified and reconstituted into, without the need for surrender or exchange thereof. The Corporation shall, upon the request of any such holder and upon receipt of such holder's outstanding certificate, issue and deliver to such holder new certificates representing the applicable shares of capital stock. All rights, preferences and privileges of the Common Stock and the Preferred Stock and other terms herein, including without limitation, authorized share amounts, securities issuable upon conversion, conversion prices, and dollar amounts per share have been adjusted to reflect the Recapitalization (that is, all numeric references and other provisions included in this Certificate of Incorporation have already given effect to, and no further adjustment shall be made on account of, the Recapitalization).

The total number of shares of all classes of stock which the Corporation shall have authority to issue is (i) 120,020,700 shares of Class A Common Stock, par value $0.001 per share ("**Class A Common Stock**"), (ii) 80,013,800 shares of Class B Common Stock, par value $0.001 per share ("**Class B Common Stock**"), and (iii) 11,091,782 shares of preferred stock, par value $0.001 per share ("**Preferred Stock**"). The Class A Common Stock and Class B Common Stock are sometimes referred to herein collectively as the "**Common Stock**".

The following is a statement of the designations and the powers, privileges and rights, and the qualifications, limitations or restrictions thereof in respect of each class of capital stock of the Corporation.

A. PROVISIONS APPLICABLE TO ALL COMMON STOCK

The Common Stock shall have the following rights, preferences, powers, privileges and restrictions, qualifications and limitations. Unless otherwise indicated, references to "Sections" or "Subsections" in this Part A of this Article FOURTH refer to sections and subsections of Part A of this Article FOURTH.

1. General. The voting, dividend and liquidation rights of the holders of the Common Stock are subject to and qualified by the rights, powers and preferences of the holders of the Preferred Stock set forth herein.

2. Voting.

2.1 Class A Common Stock. The holders of the Class A Common Stock are entitled to one (1) vote for each share of Class A Common Stock held at all meetings of stockholders (and written actions in lieu of meetings).

2.2 Class B Common Stock. The holders of the Class B Common Stock are entitled to ten (10) votes for each share of Class B Common Stock held at all meetings of stockholders (and written actions in lieu of meetings).

2.3 General. There shall be no cumulative voting. Except as expressly provided by this Certificate of Incorporation or as provided by law, the holders of shares of Class A Common Stock and Class B Common Stock shall at all times vote together as a single class on all matters (including the election of directors) submitted to vote or for the consent of the stockholders of the Corporation. The number of authorized shares of Class A Common Stock or Class B Common Stock may be increased or decreased (but not below the number of such shares thereof then outstanding) by (in addition to any vote of the holders of one or more series of Preferred Stock that may be required by the terms of the Certificate of Incorporation) the affirmative vote of the holders of shares of capital stock of the Corporation representing a majority of the votes represented by all outstanding shares of capital stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law.

3. Dividends. The holders of Common Stock shall be entitled to receive, when and if declared by the Board of Directors, out of the assets of the Corporation which are by law available therefor, dividends payable either in cash, in property or in shares of capital stock, subject to any preferential dividend rights of any then outstanding Preferred Stock set forth in Part C of this Article FOURTH. No dividend shall be declared or paid on shares of any class of Common Stock unless the same dividend with the same record date and payment date shall be declared or paid on the shares of each class of Common Stock; provided, however, that in the event that dividends payable in shares of Common Stock or rights to acquire Common Stock are declared, such dividends may be payable as follows: (i) as shares of (or rights to acquire shares of) Class A Common Stock in respect of outstanding shares of Class A Common Stock; and (ii) as shares of (or rights to acquire shares of) Class B Common Stock in respect of outstanding shares of Class B Common Stock; in each case if and only if a dividend payable in accordance with the foregoing clauses (i) and (ii) is paid at the same rate and with the same record date and payment date.

4. Liquidation. Upon the liquidation, dissolution or winding up of the Corporation or the occurrence of a Deemed Liquidation Event (as defined below), the assets of the Corporation shall be distributed as provided in Section 2 of Part C of this Article FOURTH.

5. Subdivisions or Combinations. If after the Recapitalization the Corporation in any manner subdivides or combines the outstanding shares of Class A Common Stock or Class B Common Stock, then the outstanding shares of all Common Stock will be subdivided or combined in the same proportion and manner.

6. Equal Status. Except as expressly set forth in this Article FOURTH, Class A Common Stock and Class B Common Stock shall have the same rights and powers, rank equally, and share ratably with and be identical in all respects and as to all matters to each other class of Common Stock.

7. Reservation of Stock. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Class A Common Stock, solely for the purpose of

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effecting the conversion of the shares of Class B Common Stock (and the shares of Class B Common Stock into which the Preferred Stock are convertible), such number of shares of Class A Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Class B Common Stock (and the shares of Class B Common Stock into which the Preferred Stock are convertible) into shares of Class A Common Stock.

8. Certain Transactions.

8.1 Merger or Consolidation. In the case of any distribution or payment in respect of the shares of Class A Common Stock or Class B Common Stock upon the consolidation or merger of the Corporation with or into any other entity, such distribution or payment that the holders of shares of Class A Common Stock or Class B Common Stock have the right to receive, or the right to elect to receive, shall be made ratably on a per share basis among the holders of the Class A Common Stock or Class B Common Stock as a single class; provided, however, that shares of such classes may receive, or have the right to elect to receive, different or disproportionate consideration in connection with such consolidation or merger if the only difference in the per share consideration to the holders of the Class A Common Stock and Class B Common Stock is that any securities distributed to the holder of a share of Class B Common Stock have ten (10) times the voting power of any securities distributed to the holder of a share of Class A Common Stock.

8.2 Third-Party Tender or Exchange Offers. The Corporation may not enter into any agreement pursuant to which a third party may by tender or exchange offer acquire any shares of Class A Common Stock or Class B Common Stock, nor may the Corporation or the Board of Directors (or any committee thereof) recommend that holders tender shares of Class A Common Stock or Class B Common Stock into any third party tender or exchange offer,

unless the holders of (a) the Class A Common Stock shall have the right to receive, or the right to elect to receive, the same form of consideration and the same amount of consideration on a per share basis as the holders of the Class B Common Stock would receive, or have the right to elect to receive, as applicable and (b) the Class B Common Stock shall have the right to receive, or the right to elect to receive, the same form of consideration and the same amount of consideration on a per share as the holders of the Class A Common Stock would receive, or have the right to elect to receive, as applicable; provided, however, that shares of such classes may receive, or have the right to elect to receive, different or disproportionate consideration in connection with such tender or exchange offer if the only difference in the per share consideration to the holders of the Class A Common Stock and Class B Common Stock is that any securities distributed to the holder of a share of Class B Common Stock have ten (10) times the voting power of any securities distributed to the holder of a Class A Common Stock.

B. SPECIAL PROVISIONS APPLICABLE TO CLASS B COMMON STOCK

In addition to the rights, preferences, powers, privileges and restrictions, qualifications and limitations set forth in Part A of this Article FOURTH, the Class B Common Stock shall have the following rights, preferences, powers, privileges and restrictions, qualifications and limitations. Unless otherwise indicated, references to "Sections" or "Subsections" in this Part B of this Article FOURTH refer to sections and subsections of Part B of this Article FOURTH.

1. Conversion.

1.1 Each share of Class B Common Stock shall be convertible into one (1) fully paid and nonassessable share of Class A Common Stock at the option of the holder thereof at any time upon written notice to the Corporation. Before any holder of Class B Common Stock shall be entitled to convert any shares of such Class B Common Stock, such holder shall surrender the certificate or certificates therefor (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate), duly endorsed, at the principal corporate office of the Corporation or of any transfer agent for the Class B Common Stock, and shall give written notice to the Corporation at its principal corporate office, of the election to convert the same and shall state therein the name or names in which the certificate or certificates for shares of Class A Common Stock are to be issued. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Class B Common Stock, or to the nominee or nominees or such holder, a certificate or certificates for the number of shares of Class A Common Stock to which such holder shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior the close of business on the date of such surrender of the shares of Class B Common Stock to be converted, and the person or persons entitled to receive the shares of Class A Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Class A Common Stock as of such date. Each share of Class B Common Stock that is converted pursuant to this Subsection 1.1 shall be retired by the Corporation and shall not be available for reissuance.

1.2 Each share of Class B Common Stock that is subject, after the Effective Time, to a Transfer described in this subsection, other than a Permitted Transfer (as defined in Section 3), shall be automatically, without further action by the holder thereof, converted into one (1) fully paid and nonassessable share of Class A Common Stock upon the occurrence of such Transfer of such share of Class B Common Stock. Each outstanding stock certificate that, immediately prior to such Transfer, represented one or more shares of Class B Common Stock subject to such Transfer shall, upon and after such Transfer, be deemed to represent an equal number of shares of Class A Common Stock, without the need for surrender or exchange thereof. The Corporation shall, upon the request of each such holder and upon receipt of such holder's outstanding certificate, issue and deliver to such holder new certificates representing such holder's shares of Class A Common Stock. Each share of Class B Common Stock that is converted pursuant to this Subsection 1.2 shall be retired by the Corporation and shall not be available for reissuance.

1.3 The Corporation may, from time to time, establish such policies and procedures, not in violation of applicable law or the other provisions of this Certificate of Incorporation, relating to the conversion of the Class B Common Stock into Class A Common Stock and the dual class common stock structure contemplated by this Certificate of Incorporation, including without limitation the issuance of stock certificates in connection with any such conversion, as it may deem necessary or advisable. If the Corporation has reason to believe that a Transfer giving rise to a conversion of shares of Class B Common Stock into Class A Common Stock has occurred but has not theretofore been reflected on the books of the Corporation, the Corporation may request that the holder of such shares furnish affidavits or other evidence to the Corporation as it reasonably deems necessary to determine whether a conversion of shares of Class B Common Stock to Class A Common Stock has occurred, and if

such holder does not within ten (10) days after the date of such request furnish sufficient evidence to the Corporation (in the manner provided in the request) to enable the Corporation to determine that no such conversion has occurred, any such shares of Class B Common Stock, to the extent not previously converted, shall be automatically converted into shares of Class A Common Stock and the same shall thereupon be registered on the books and records of the Corporation.

2. Founder Mandatory Conversion. At 12:01 a.m. in New York City, New York on the first day falling after the Founder Mandatory Conversion Trigger Date (i) each outstanding share of Class B Common Stock shall automatically be converted into one (1) fully paid and nonassessable share of Class A Common Stock, (ii) each share of Class B Common Stock that is converted pursuant to this Section 2 shall be retired by the Corporation and shall not be available for reissuance, (iii) any rights of the Preferred Stock to convert into shares of Class B Common Stock pursuant to this Certificate of Incorporation shall instead be a right to convert into shares of Class A Common Stock, (iv) any outstanding Options or Convertible Securities which, directly or indirectly, are exchangeable for, convertible into or otherwise grant the right to subscribe for, purchase or acquire shares of Class B Common Stock shall instead be a right to be exchanged for, convert into or otherwise subscribe for, purchase or acquire shares of Class A Common Stock and (v) the Corporation shall thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Class B Common Stock to zero. Each outstanding stock certificate that, immediately prior to such conversion, represented one or more shares of Class B Common Stock subject to such conversion shall, upon and after such conversion, be deemed to represent an equal number of shares of Class A Common Stock, without the need for surrender or exchange thereof. The Corporation shall, upon the request of a stockholder and upon receipt of such stockholder's outstanding certificate, issue and deliver to such stockholder new certificates representing such stockholder's shares of Class A Common Stock. Upon such conversion of shares of Class B Common Stock into shares of Class A Common Stock pursuant to this Section 2, any reference to Class B Common Stock in this Certificate of Incorporation will instead be a reference to Class A Common Stock.

3. Definitions. For purposes of this Part B of this Article FOURTH:

3.1 "Advisory Investor" shall mean a mutual fund, pension fund, pooled investment vehicle or separate account advised by an investment advisor registered under the Investment Adviser's Act of 1940, as amended.

3.2 "Family Member" shall mean with respect to any natural person who is a Qualified Stockholder, the spouse, parents, grandparents, lineal descendants, siblings and lineal descendants of siblings of such Qualified Stockholder.

3.3 "Founder Mandatory Conversion Trigger Date" shall mean the first date after the Effective Time that either of the following shall occur: (a) the death of Langley Steinert, (b) Langley Steinert's voluntary termination of (i) all employment with the Corporation and (ii) all service on the Board of Directors of the Corporation.

3.4 "IPO Date" shall mean the first closing date of the sale of the Class A Common Stock of the Corporation in an underwritten public offering pursuant to an effective

registration statement under the Securities Act of 1933, as amended.

3.5 "Permitted Entity" shall mean with respect to a Qualified Stockholder (a) the estate of such Qualified Stockholder, (b) a Permitted Trust (as defined below) principally for the benefit of (i) such Qualified Stockholder, (ii) one or more Family Members of such Qualified Stockholder and/or (iii) any other Permitted Entity of such Qualified Stockholder, (c) any general partnership, limited partnership, limited liability company, corporation or other entity exclusively owned by (i) such Qualified Stockholder, (ii) one or more Family Members of such Qualified Stockholder and/or (iii) any other Permitted Entity of such Qualified Stockholder or (d) an Advisory Investor; provided that this clause (d) shall not apply with respect to any Transfer made after the consummation of a Qualified IPO.

3.6 "Permitted Transfer" shall mean, and be restricted to, any Transfer of a share of Class B Common Stock:

3.6.1 by a Qualified Stockholder to (i) one or more Family Members of such Qualified Stockholder, or (ii) any Permitted Entity of such Qualified Stockholder; or

3.6.2 by a Permitted Entity of a Qualified Stockholder to (i) such Qualified Stockholder or one or more Family Members of such Qualified Stockholder, (ii) any other Permitted Entity of such Qualified Stockholder or (iii) any individual, general partnership, limited partnership, limited liability company, corporation or other entity which has an interest in such Permitted Entity.

3.7 "Permitted Transferee" shall mean a transferee of shares of Class B Common Stock received in a Transfer that constitutes a Permitted Transfer.

3.8 "Permitted Trust" shall mean a bona fide trust where each trustee is (a) a Qualified Stockholder, (b) a Family Member, (c) a professional in the business of providing trustee services, including private professional fiduciaries, trust companies and bank trust departments, or (d) a party designated by the Qualified Stockholder or by a Family Member of such Qualified Stockholder.

3.9 "Qualified Stockholder" shall mean (a) the registered holder of a share of Class B Common Stock; (b) the initial registered holder of any shares of Class B Common Stock that are originally issued by the Corporation pursuant to the exercise or conversion of options or warrants or settlement of restricted stock units ("RSUs"); (c) each natural person who Transferred shares of or equity awards for Class B Common Stock (including any option or warrant exercisable or convertible into or any RSU that can be settled in shares of Class B Common Stock) to a Permitted Entity that is or becomes a Qualified Stockholder pursuant to clauses (a) or (b) of this Subsection 3.9; and (d) a Permitted Transferee.

3.10 "Transfer" of a share of Class B Common Stock shall mean any sale,

assignment, transfer, conveyance, hypothecation or other transfer or disposition of such share or any legal or beneficial interest in such share, whether or not for value and whether voluntary or involuntary or by operation of law, including, without limitation, (i) a transfer of a share of Class B Common Stock to a broker or other nominee (regardless of whether there is a corresponding change in beneficial ownership), or (ii) the transfer after the IPO Date of, or entering after the IPO Date into a binding agreement with respect to, Voting Control (as defined below) over such share by proxy or otherwise; provided, however, that the following shall not be considered a "Transfer" within the meaning of this Article FOURTH:

3.10.1 the granting of a revocable proxy to officers or directors of the Corporation at the request of the Board of Directors in connection with actions to be taken at an annual or special meeting of stockholders;

3.10.2 entering into a voting trust, agreement or arrangement (with or without granting a proxy) solely with stockholders who, at the time entered into, are holders of Class B Common Stock that (A) is entered into after the IPO Date and (i) is disclosed either in a Schedule 13D filed with the Securities and Exchange Commission or in writing to the Secretary of the Corporation, (ii) either has a term not exceeding one (1) year or is terminable by the holder of the shares subject thereto at any time and (iii) does not involve any payment of cash, securities, property or other consideration to the holder of the shares subject thereto other than the mutual promise to vote shares in a designated manner or (B) is entered into prior to the IPO Date;

3.10.3 the pledge of shares of Class B Common Stock by a stockholder that creates a mere security interest in such shares pursuant to a bona fide loan or indebtedness transaction for so long as such stockholder continues to exercise Voting Control over such pledged shares; provided, however, that a foreclosure on such shares or other similar action by the pledgee shall constitute a "Transfer" unless such foreclosure or similar action qualifies as a "Permitted Transfer"; or

3.10.4 any distribution or transfer of Class B Common Stock, in accordance with Sections 3.2(d) and (e) of the Second Amended and Restated Stockholders' Agreement by and among the Corporation and the parties thereto, as it may be amended from time to time (the "**Stockholders'**

Agreement"), provided, that, if the Stockholders' Agreement is terminated, then any distribution or transfer of Class B Common Stock, in accordance with Sections 3.2(d) and (e) of the Stockholders' Agreement in effect immediately prior to the termination thereof.

A "Transfer" shall also be deemed to have occurred with respect to a share of Class B Common Stock beneficially held by (i) an entity that is a Permitted Entity, if there occurs any act or circumstance that causes such entity to no longer be a Permitted Entity or (ii) an entity that is a Qualified Stockholder (other than an Advisory Investor), if there occurs a Transfer on a cumulative basis of a majority of the voting power of the voting securities of such entity or any direct or indirect Parent of such entity, other than a Transfer to parties that are holders of voting securities of any such entity or Parent of such entity. For purposes hereof, "Parent" of an entity shall mean any entity that directly or indirectly owns or controls a majority of the voting power of the voting securities of such entity.

3.11 "Voting Control" shall mean, with respect to a share of Class B Common Stock, the power (whether exclusive or shared) to vote or direct the voting of such share by proxy, voting agreement or otherwise.

C. PREFERRED STOCK

Preferred Stock may be issued from time to time in one or more series, each such series to consist of such number of shares and to have such terms, rights, powers and preferences, and the qualifications and limitations with respect thereto, as stated or expressed herein. 3,333,000 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series A Preferred Stock**," 3,329,497 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series B Preferred Stock**," 1,648,978 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series C Preferred Stock**," 1,673,105 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series D Preferred Stock**," and 1,107,202 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series E Preferred Stock**," with each series having the following rights, preferences, powers, privileges and restrictions, qualifications and limitations. Unless otherwise indicated, references to "Sections" or "Subsections" in this Part C of this Article FOURTH refer to sections and subsections of Part C of this Article FOURTH.

1. Dividends. The holders of the Preferred Stock shall be entitled to receive, out of the assets of the Corporation which are by law available therefor, dividends payable either in cash, in property or in shares of capital stock, only when, as and if such dividends are declared by the Board of Directors; provided, however, that no dividends shall be authorized without the affirmative vote of a majority of the directors elected by the holders of the Preferred Stock. The Corporation shall not declare, pay or set aside any dividends on shares of any other class or series of capital stock of the Corporation (other than dividends on shares of Common Stock payable in shares of Common Stock) unless (in addition to the obtaining of any consents required elsewhere in the Certificate of Incorporation) the holders of a majority of each of the Series A Preferred Stock, the Series B Preferred Stock, the Series C Preferred Stock, the Series D Preferred Stock and the Series E Preferred Stock voting together as a single class, have voted to

approve the payment of such dividend. Upon approval of any dividend, the holders of the Preferred Stock then outstanding shall simultaneously receive a dividend on each outstanding share of Preferred Stock in an amount at least equal to the product of (i) the dividend payable on each share of such class or series determined, if applicable, as if all shares of such class or series had been converted into Common Stock in accordance with their terms and (ii) the number of shares of Common Stock issuable upon conversion of a share of Preferred Stock, in each case calculated on the record date for determination of holders entitled to receive such dividend.

2. Liquidation, Dissolution or Winding Up; Certain Mergers, Consolidations and Asset Sales.

2.1 Preferential Payments to Holders of Preferred Stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event (as defined below), the holders of shares of each series of Preferred Stock then outstanding shall be entitled, on a pari passu basis, to be paid out of the assets of the Corporation available for distribution to its stockholders before any payment shall be made to the holders of Common Stock by reason of their ownership thereof, an amount per share equal to the greater of (i) the Original Issue Price (as defined below) of the applicable series of Preferred Stock, plus any dividends declared but unpaid thereon or (ii) such amount per share as would have been payable had all shares of such series of Preferred Stock been converted into Common Stock pursuant to Section 4 immediately prior to such liquidation, dissolution, winding up or Deemed Liquidation Event. If upon any such liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, the assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of each series of Preferred Stock the full amount to which they shall be entitled under this Subsection 2.1, the holders of shares of Preferred Stock shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

2.2 Payments to Holders of Common Stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, after the payment of all preferential amounts required to be paid to the holders of shares of Preferred Stock, the remaining assets of the Corporation available for distribution to its stockholders shall be distributed among the holders of shares of Common Stock, pro rata based on the number of shares held by each such holder. The aggregate amount payable to the stockholders of the Corporation pursuant to Subsection 2.1 and this Subsection 2.2 is hereinafter referred to as the "**Liquidation Amount**."

2.3 Deemed Liquidation Events.

2.3.1 Definition. Each of the following events shall be deemed to be a liquidation of the Corporation for purposes of this Section 2 (a "**Deemed Liquidation Event**") unless the holders of at least seventy-five percent (75%) of the then outstanding shares of Preferred Stock (voting together as a single class and on an as-converted basis)

(the "**Requisite Investors**"), including the holders of at least sixty-five percent (65%) of the then outstanding shares of Series E Preferred Stock (but, solely for purposes of the provisions of Section 4.4.2, fifty-five percent (55%) of the then outstanding shares of Series E Preferred Stock) (collectively, the "**Supermajority Investors**"), elect otherwise by written notice given to the Corporation at least 10 days prior to the effective date of any such event:

(a) a merger or consolidation in which

(i) the Corporation is a constituent party or

(ii) a subsidiary of the Corporation is a constituent party and the Corporation issues shares of its capital stock pursuant to such merger or consolidation,

except any such merger or consolidation involving the Corporation or a subsidiary in which the shares of capital stock of the Corporation outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for shares of capital stock that represent, immediately following such merger or consolidation, a majority, by voting power, of the capital stock of (1) the surviving or resulting corporation or (2) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, the parent corporation of such surviving or resulting corporation (provided that, for the purpose of this Subsection 2.3.1, all shares of Common Stock issuable upon exercise of Options (as defined below) outstanding immediately prior to such merger or consolidation or upon conversion of Convertible Securities (as defined below) outstanding immediately prior to such merger or consolidation shall be deemed to be outstanding immediately prior to such merger or consolidation and, if applicable, converted or exchanged in such merger or consolidation on the same terms as the actual outstanding shares of Common Stock are converted or exchanged);

(b) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Corporation or any subsidiary of the Corporation of all or substantially all the assets or intellectual property of the Corporation and its subsidiaries taken as a whole, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Corporation; or

(c) the acquisition by any person or group of related persons in one or a series of related transactions of shares of capital stock of the Corporation that represent, immediately following any such transaction, at least a majority, by voting power, of the Corporation's capital stock; provided, however, that any such transaction involving the Corporation, the principal purpose of which is to raise capital for the Corporation, shall not constitute a "Deemed Liquidation Event."

2.3.2 Effecting a Deemed Liquidation Event.

(a) The Corporation shall not have the power to effect a Deemed Liquidation Event referred to in Subsection 2.3.1(a)(i) unless the agreement or plan of merger or consolidation for such transaction (the "**Merger Agreement**") provides that the consideration payable to the stockholders of the Corporation shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2.1 and 2.2.

(b) In the event of a Deemed Liquidation Event referred to in Subsection 2.3.1(a)(ii) or 2.3.1(b), if the Corporation does not effect a dissolution of the Corporation under the General Corporation Law within 90 days after such Deemed Liquidation Event, then (i) the Corporation shall send a written notice to each holder of Preferred Stock no later than the 90th day after the Deemed Liquidation Event advising such holders of their right (and the requirements to be met to secure such right) pursuant to the terms of the following clause (ii) to require the redemption of such shares of Preferred Stock, and (ii) if the Requisite Investors so request in a written instrument delivered to the Corporation not later than 120 days after such Deemed Liquidation Event, the Corporation shall use the consideration received by the Corporation for such Deemed Liquidation Event (net of any retained liabilities associated with the assets sold or technology licensed, as determined in good faith by the Board of Directors of the Corporation), together with any other assets of the Corporation available for distribution to its stockholders (the "**Available Proceeds**"), to the extent legally available therefor, on the 150th day after such Deemed Liquidation Event, to redeem all outstanding shares of capital stock of the Corporation at a price per share for each series equal to the Liquidation Amounts applicable to such stock. Notwithstanding the foregoing, in the event of a redemption pursuant to the preceding sentence, if the Available Proceeds are not sufficient to redeem all outstanding shares of capital stock, the

Corporation shall redeem a pro rata portion of each holder's shares of Preferred Stock or Common Stock, as applicable, to the fullest extent of such Available Proceeds, based on the respective amounts which would otherwise be payable in respect of the shares to be redeemed if the Available Proceeds were sufficient to redeem all such shares, and shall redeem the remaining shares to have been redeemed as soon as practicable after the Corporation has funds legally available therefor. Prior to the distribution or redemption provided for in this Subsection 2.3.2(b), the Corporation shall not expend or dissipate the consideration received for such Deemed Liquidation Event, except to discharge expenses incurred in connection with such Deemed Liquidation Event or in the ordinary course of business.

2.3.3 Amount Deemed Paid or Distributed. The amount deemed paid or distributed to the holders of capital stock of the Corporation upon any such voluntary or involuntary liquidation, dissolution or winding up of the Corporation, Deemed Liquidation Event or redemption pursuant to Subsection 2.3.2(b) shall be the cash or the value of the property, rights or securities paid or distributed to such holders by the Corporation or the acquiring person, firm or other entity. The value of such property, rights or securities shall be determined in good faith by the Board of Directors of the Corporation.

2.3.4 Allocation of Escrow. In the event of a Deemed Liquidation Event pursuant to Subsection 2.3.1(a)(i), if any portion of the consideration payable to the stockholders of the Corporation is placed into escrow and/or is payable to the stockholders of the Corporation subject to contingencies, the Merger Agreement shall provide that (a) the portion of such consideration that is not placed in escrow and not subject to any contingencies (the "**Initial Consideration**") shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2.1 and 2.2 as if the Initial Consideration were the only consideration payable in connection with such Deemed Liquidation Event and (b) any additional consideration which becomes payable to the stockholders of the Corporation upon release from escrow or satisfaction of contingencies shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2.1 and 2.2 after taking into account the previous payment of the Initial Consideration as part of the same transaction.

3. Voting.

3.1 General. On any matter presented to the stockholders of the Corporation for their action or consideration at any meeting of stockholders of the Corporation (or by written consent of stockholders in lieu of meeting), each holder of outstanding shares of Preferred Stock shall be entitled to cast one vote for each whole share of Class A Common Stock *plus* ten (10) votes for each whole share of Class B Common Stock into which the shares of Preferred Stock held by such holder are convertible as of the record date for determining stockholders entitled to vote on such matter. Except as provided by law or by the other provisions of this Certificate of Incorporation, holders of Preferred Stock shall vote together with the holders of Common Stock as a single class.

3.2 Board of Directors. The Board of Directors shall set the number of directors. The holders of record of the shares of the Series A Preferred Stock, the Series B Preferred Stock and the Series C Preferred Stock, exclusively and as separate classes, shall each be entitled to elect one director of the Corporation (the "**Preferred Directors**") and the holders of record of the shares of Class A Common Stock and Class B Common Stock, voting together as a single class, shall be entitled to elect two directors of the Corporation (the "**Common Directors**"). Any director elected as provided in the previous sentence of Subsection 3.2 may be removed without cause by, and only by, the affirmative vote of the holders of the shares of the class or series of capital stock entitled to elect such director or directors, given either at a special meeting of such stockholders duly called for that purpose or pursuant to a written consent of stockholders. If the holders of shares of Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Common Stock or Preferred Stock, as the case may be, fail to elect a sufficient number of directors to fill all directorships for which they are entitled to elect directors, voting exclusively and as a separate class, pursuant to the second sentence of Subsection 3.2, then any directorship

not so filled shall remain vacant until such time as the holders of the Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock or Common Stock, as the case may be, elect a person to fill such directorship by vote or written consent in lieu of a meeting; and no such directorship may be filled by stockholders of the Corporation other than by the stockholders of the Corporation that are entitled to elect a person to fill such directorship, voting exclusively and as a separate class. The holders of record of the shares of Common Stock and of any other class or series of voting stock (including the Preferred Stock), exclusively and voting together as a single class, shall be entitled to elect the balance of the total number of directors of the Corporation. At any meeting held for the purpose of electing a director, the presence in person or by proxy of the holders of a majority of the outstanding shares of the class or series entitled to elect such director shall constitute a quorum for the purpose of electing such director. Except as otherwise provided in this Subsection 3.2, a vacancy in any directorship filled by the holders of any class or series shall be filled only by vote or written consent in lieu of a meeting of the holders of such class or series or by any remaining director or directors elected by the holders of such class or series pursuant to this Subsection 3.2.

3.3 Preferred Stock Protective Provisions. At any time when at least 4,992,290 shares of Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Preferred Stock) are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, do (or permit any subsidiary to do) any of the following without (in addition to any other vote required by law or the Certificate of Incorporation) the written consent or affirmative vote of the Board of Directors, including a majority of the Preferred Directors:

(a) authorize or issue any additional shares of capital stock of the Corporation or any of its subsidiaries that equals, or may equal upon conversion or otherwise, more than 1 percent of the outstanding shares of Common Stock of the Corporation at the time of issuance;

(b) make any loan, guaranty or indemnity by the Corporation to support the liabilities or obligations of any person other than a subsidiary of the Corporation;

(c) merge, reorganize or consolidate or effect a Deemed Liquidation Event with or into or permit any subsidiary to merge, reorganize or consolidate with or into any other entity or entities;

(d) sell, abandon, transfer, lease or otherwise dispose of all or substantially all of the Corporation's or any of its subsidiary's assets or properties, or liquidate, dissolve or wind up the business and affairs of the Corporation or any subsidiary; or

(e) purchase, lease or otherwise acquire or sell all or substantially all of the capital stock or of a substantial portion of the assets or business of another entity.

3.4 Series A Preferred Stock Protective Provisions. At any time when at least 1,666,500 shares of Series A Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A Preferred Stock) are outstanding, the Corporation shall not, without first obtaining the approval (by vote or written consent) of the holders of at least a majority of the then outstanding

Series A Preferred Stock (without the participation of the holders of Common Stock), by merger or otherwise (other than an underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, covering the offer and sale of the Class A Common Stock of the Corporation, with a public offering price of not less than $0.83 per share (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Common Stock) and net proceeds to the Corporation and selling stockholders of not less than $75,000,000 in the aggregate (a "**Qualified IPO**")):

3.4.1 alter or change the rights, preferences or privileges of the Series A Preferred Stock and the holders of such stock;

3.4.2 increase or decrease the authorized number of shares of Series A Preferred Stock;

3.4.3 amend this Certificate of Incorporation so as to adversely affect the rights and preferences of the Series A Preferred Stock and the holders of such stock as set forth herein; or

3.4.4 take any action that involves the creation, authorization, sale or issuance of any interest or security of the Corporation that is senior to the Series A Preferred Stock;

provided that none of the foregoing in this Subsection 3.4 shall be construed to require the consent of the holders of Series A Preferred Stock for the issuance by the Corporation of any interest or security that is junior to or pari passu with the Series A Preferred Stock.

3.5 Series B Preferred Stock Protective Provisions. At any time when at least 1,664,749 shares of Series B Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series B Preferred Stock) are outstanding, the Corporation shall not, without first obtaining the approval (by vote or written consent) of the holders of at least a majority of the then outstanding Series B Preferred Stock (without the participation of the holders of Common Stock), by merger or otherwise (other than a Qualified IPO):

3.5.1 alter or change the rights, preferences or privileges of the Series B Preferred Stock and the holders of such stock;

3.5.2 increase or decrease the authorized number of shares of Series B Preferred Stock;

3.5.3 amend this Certificate

of Incorporation so as to adversely affect the rights, privileges and preferences of the Series B Preferred Stock and the holders of such stock as set forth herein;

3.5.4 take any action that involves the creation, authorization, sale or issuance of any interest or security of the Corporation that is senior to the Series B Preferred Stock; or

3.5.5 redeem, purchase or otherwise acquire (or pay into or set aside for a sinking fund for such purpose) any Common Stock or Series A Preferred Stock other than in accordance with the redemption provisions of this Certificate of Incorporation; provided, however, that this restriction shall not apply to the repurchase of Common Stock approved by the Board of Directors from employees, officers, directors, consultants or other persons performing services for the Corporation or any subsidiary at the lower of cost or fair market value; provided, further, that this restriction shall not apply to any of the following: (a) the repurchase by the Corporation of up to $60,000,000 worth of Common Stock, Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock, and vested options and restricted stock units to purchase Common Stock in connection with a tender offer to be conducted by the Corporation shortly after the initial sale of Series E Preferred Stock, at a purchase price per share equal to the purchase price for the Series E Preferred Stock, whereby the initial offer is on a pro rata basis to such stockholders and vested option and time-vested restricted unit holders with the Board of Directors deciding as to stockholders

having an oversubscription right as to any portion of the tender not otherwise allocated through the pro rata subscription, (b) if the Corporation repurchases less than $50,000,000 of securities pursuant to the tender offer referred to in clause (a) above, the repurchase by the Corporation, within ninety (90) days of the expiration of the tender offer referred to in clause (a) above, of such number of shares of Series E Preferred Stock at a purchase price of $54.19 per share and in an amount equal to no more than $50,000,000 minus the dollar amount paid by the Corporation pursuant to the tender offer referred to in clause (a), or (c) the repurchase by the Corporation of Common Stock, Preferred Stock (including Series E Preferred Stock),

time-vested restricted stock units and vested options to purchase Common Stock pursuant to a tender offer substantially similar to the tender offer in clause (a) (exclusive of the amount tendered), with the purchase price per share applicable to Common Stock appropriately adjusted to reflect the Recapitalization, (1) following an equity financing, or (2) following an equity and debt financing where the equity financing represents at least thirty percent (30%) of the total financing, where, in either case, the purchase price per share is equal to the purchase price per share for the capital stock in such equity or equity and debt financing, the initial offer is on a pro rata basis in accordance with (i) the number of shares of capital stock owned or held by each holder of Common Stock, Preferred Stock, time-vested restricted stock units and vested options to purchase Common Stock, on an issued and outstanding basis (assuming exercise of any such vested options or conversion of any such restricted stock units into shares of stock) relative to (ii) the number of shares of capital stock owned or held by each holder of Common Stock, Preferred Stock, time-vested restricted stock units and vested options to purchase Common Stock being offered the right to participate in such tender offer on an issued and outstanding basis (assuming exercise of any such vested options or conversion of any such restricted stock units into shares of stock), and the terms of any oversubscription right are determined by the Board of Directors;

provided that none of the foregoing in this Subsection 3.5 shall be construed to require the consent of the holders of Series B Preferred Stock for the issuance by the Corporation of any interest or security that is junior to or pari passu with the Series B Preferred Stock.

3.6 Series C Preferred Stock Protective Provisions. At any time when at least 824,489 shares of Series C Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series C Preferred Stock) are outstanding, the Corporation shall not, without first obtaining the approval (by vote or written consent) of the holders of at least a majority of the then outstanding Series C Preferred Stock (without the participation of the holders of Common Stock), by merger or otherwise (other than a Qualified IPO):

3.6.1 alter or change the rights, preferences or privileges of the Series C Preferred Stock and the holders of such stock;

3.6.2 increase or decrease

the authorized number of shares of Series C Preferred Stock;

3.6.3 amend this Certificate of Incorporation so as to adversely affect the rights, privileges and preferences of the Series C Preferred Stock and the holders of such stock as set forth herein;

3.6.4 take any action that involves the creation, authorization, sale or issuance of any interest or security of the Corporation that is senior to the Series C Preferred Stock;

3.6.5 redeem, purchase or otherwise acquire (or pay into or set aside for a sinking fund for such purpose) any Common Stock, Series A Preferred Stock or Series B Preferred Stock other than in accordance with the redemption provisions of this Certificate of Incorporation; provided, however, that this restriction shall not apply to the repurchase of Common Stock approved by the Board of Directors from employees, officers, directors, consultants or other persons performing services for the Corporation or any subsidiary at the lower of cost or fair market value; provided, further, that this restriction shall not apply to any of the following: (a) the repurchase by the Corporation of up to $60,000,000 worth of Common Stock, Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock, and vested options and restricted stock units to purchase Common Stock in connection with a tender offer to be conducted by the Corporation shortly after the initial sale of Series E Preferred Stock, at a purchase price per share equal to the purchase price for the Series E Preferred Stock, whereby the initial offer is on a pro rata basis to such stockholders and vested option and time-vested restricted unit holders with the Board of Directors deciding as to stockholders having an oversubscription right as to any portion of the tender not otherwise allocated through the pro rata subscription, (b) if the Corporation repurchases less than $50,000,000 of securities pursuant to the tender offer referred to in clause (a) above, the repurchase by the Corporation, within ninety (90) days of the expiration of the tender offer referred to in clause (a) above, of such number of shares of Series E Preferred Stock at a purchase price of $54.19 per share and in an amount equal to no more than $50,000,000 minus the

dollar amount paid by the Corporation pursuant to the tender offer referred to in clause (a), or (c) the repurchase by the Corporation of Common Stock, Preferred Stock (including Series E Preferred Stock), time-vested restricted stock units and vested options to purchase Common Stock pursuant to a tender offer substantially similar to the tender offer in clause (a) (exclusive of the amount tendered), with the purchase price per share applicable to Common Stock appropriately adjusted to reflect the Recapitalization, (1) following an equity financing, or (2) following an equity and debt financing where the equity financing represents at least thirty percent (30%) of the total financing, where, in either case, the purchase price per share is equal to the purchase price per share for the capital stock in such equity or equity and debt financing, the initial offer is on a pro rata basis in accordance with (i) the number of shares of capital stock owned or held by each holder of Common Stock, Preferred Stock, time-vested restricted stock units and vested options to purchase Common Stock, on an issued and outstanding basis (assuming exercise of any such vested options or conversion of any such restricted stock units into shares of stock) relative to (ii) the number of shares of capital stock owned or held by each holder of Common Stock, Preferred Stock, time-vested restricted stock units and vested options to purchase Common Stock being offered the right to participate in such tender offer on an issued and outstanding basis (assuming exercise of any such vested options or conversion of any such restricted stock units into shares of stock), and the terms of any oversubscription right are determined by the Board of Directors;

provided that none of the foregoing in this Subsection 3.6 shall be construed to require the consent of the holders of Series C Preferred Stock for the issuance by the Corporation of any interest or security that is junior to or pari passu with the Series C Preferred Stock.

3.7 Series D Preferred Stock Protective Provisions. At any time when shares of Series D Preferred Stock are outstanding, the Corporation shall not, without first obtaining the approval (by vote or written consent) of the holders of at least a majority of the then outstanding Series D Preferred Stock (without the participation of the holders of Common Stock), by merger or otherwise (other than a Qualified IPO):

3.7.1 alter, change or waive any of the rights, preferences or privileges of the Series D Preferred Stock and the holders of such stock;

3.7.2 increase or decrease the authorized number of shares of Series D Preferred Stock;

3.7.3 amend this Certificate of Incorporation or the By-laws of the Corporation so as to adversely affect the rights, privileges and preferences of the Series D Preferred Stock and the holders of such stock as set forth herein or therein, or take any action that waives the rights of the holders of the Series D Preferred Stock set forth herein or therein notwithstanding any waiver provisions to the contrary contained herein;

3.7.4 take any action that involves the creation, authorization, sale or issuance of any interest or security of the Corporation that is senior to the Series D Preferred Stock (including in respect of the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends or rights of redemption) or convertible into an interest or security that is senior to the Series D Preferred Stock (including in respect of the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends or rights of redemption);

3.7.5 authorize, approve, effect or cause the authorization, approval or effecting of any pay-to-play or any other similar transaction that would result in the loss of the rights, privileges and preferences of the Series D Preferred Stock in respect of the amount of securities purchased by a holder of Series D Preferred Stock; or

3.7.6 redeem, purchase or otherwise acquire (or pay into or set aside for a sinking fund for such purpose) any Common Stock or Preferred Stock other than in accordance with the redemption provisions of this Certificate of Incorporation; provided, however, that this restriction shall not apply to the repurchase of Common Stock approved by the Board of Directors from employees, officers, directors, consultants or other persons performing services for the Corporation or any subsidiary at the lower of cost or fair market value; provided, further, that this restriction shall not apply to any of the following: (a) the repurchase by the

Corporation of up to $60,000,000 worth of Common Stock, Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock, and vested options and restricted stock units to purchase Common Stock in connection with a tender offer to be conducted by the Corporation shortly after the initial sale of Series E Preferred Stock, at a purchase price per share equal to the purchase price for the Series E Preferred Stock, whereby the initial offer is on a pro rata basis to such stockholders and vested option and time-vested restricted unit holders with the Board of Directors deciding as to stockholders having an oversubscription right as to any portion of the tender not otherwise allocated through the pro rata subscription, (b) if the Corporation repurchases less than $50,000,000 of securities pursuant to the tender offer referred to in clause (a) above, the repurchase by the Corporation, within ninety (90) days of the expiration of the tender offer referred to in clause (a) above, of such number of shares of Series E Preferred Stock at a purchase price of $54.19 per share and in an amount equal to no more than $50,000,000 minus the dollar amount paid by the Corporation pursuant to the tender offer referred to in clause (a), or (c) the repurchase by the Corporation of Common Stock, Preferred Stock (including Series E Preferred Stock), time-vested restricted stock units and vested options to purchase Common Stock pursuant to a tender offer substantially similar to the tender offer in clause (a) (exclusive of the amount tendered), with the purchase price per share applicable to Common Stock appropriately adjusted to reflect the Recapitalization, (1) following an equity financing, or (2) following an equity and debt financing where the equity financing represents at least thirty percent (30%) of the total financing,

where, in either case, the purchase price per share is equal to the purchase price per share for the capital stock in such equity or equity and debt financing, the initial offer is on a pro rata basis in accordance with (i) the number of shares of capital stock owned or held by each holder of Common Stock, Preferred Stock, time-vested restricted stock units and vested options to purchase Common Stock, on an issued and outstanding basis (assuming exercise of any such vested options or conversion of any such restricted stock units into shares of stock) relative to (ii) the number of shares of capital stock owned or

held by each holder of Common Stock, Preferred Stock, time-vested restricted stock units and vested options to purchase Common Stock being offered the right to participate in such tender offer on an issued and outstanding basis (assuming exercise of any such vested options or conversion of any such restricted stock units into shares of stock), and the terms of any oversubscription right are determined by the Board of Directors;

provided that none of the foregoing in this Subsection 3.7 shall be construed to require the consent of the holders of Series D Preferred Stock for the issuance by the Corporation of any interest or security that is junior to or pari passu with the Series D Preferred Stock.

3.8 Series E Preferred Stock Protective Provisions. At any time when shares of Series E Preferred Stock are outstanding, the Corporation shall not, without first obtaining the approval (by vote or written consent) of the holders of at least sixty-five percent (but, solely for purposes of Subsection 3.8.6, the holders of a majority) of the then outstanding Series E Preferred Stock (without the participation of the holders of Common Stock), by amendment, merger, consolidation or otherwise:

3.8.1 alter, change or waive any of the rights, preferences or privileges of the Series E Preferred Stock and the holders of such stock;

3.8.2 increase or decrease the authorized number of shares of Series E Preferred Stock;

3.8.3 amend this Certificate of Incorporation or the By-laws of the Corporation so as to adversely affect the rights, privileges and preferences of the Series E Preferred Stock and the holders of such stock as set forth herein or therein, or take any action that waives the rights of the holders of the Series E Preferred Stock set forth herein or therein notwithstanding any waiver provisions to the contrary contained herein;

3.8.4 take any action that involves the creation, authorization, sale or issuance of any interest or security of the Corporation that is senior to the Series E Preferred Stock (including in respect of the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends or rights of redemption) or convertible into an interest or security that is senior to the Series E Preferred Stock (including in respect of

the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends or rights of redemption);

3.8.5 authorize, approve, effect or cause the authorization, approval or effecting of any pay-to-play or any other similar transaction that would result in the loss of the rights, privileges and preferences of the Series E Preferred Stock in respect of the amount of securities purchased by a holder of Series E Preferred Stock; or

3.8.6 redeem, purchase or otherwise acquire (or pay into or set aside for a sinking fund for such purpose) any Common Stock or Preferred Stock other than in accordance with the redemption provisions of this Certificate of Incorporation; provided, however, that this restriction shall not apply to the repurchase of Common Stock approved by the Board of Directors from employees, officers, directors, consultants or other persons performing services for the Corporation or any subsidiary at the lower of cost or fair market value; provided, further, that this restriction shall not apply to any of the following: (a) the repurchase by the Corporation of up to $60,000,000 worth of Common Stock, Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock, and vested options and time-vested restricted stock units to purchase Common Stock in connection with a tender offer to be conducted by the Corporation shortly after the initial sale of Series E Preferred Stock, at a purchase price per share equal to the purchase price for the Series E Preferred Stock, whereby the initial offer is on a pro rata basis to such stockholders and vested option and time-vested restricted unit holders with the Board of Directors deciding as to stockholders having an oversubscription right as to any portion of the tender offer not otherwise allocated through the pro rata subscription, (b) if the Corporation repurchases less than $50,000,000 of securities pursuant to the tender offer referred to in clause (a) above, the repurchase by the Corporation, within ninety (90) days of the expiration of the tender offer referred to in clause (a) above, of such number of shares of Series E Preferred Stock at a purchase price of $54.19 per share and in an amount equal to no more than $50,000,000 minus the dollar amount paid by the

Corporation pursuant to the tender offer referred to in clause (a), or (c) the repurchase by the Corporation of Common Stock, Preferred Stock (including Series E Preferred Stock), time-vested restricted stock units and vested options to purchase Common Stock pursuant to a tender offer substantially similar to the tender offer in clause (a) (exclusive of the amount tendered), with the purchase price per share applicable to Common Stock appropriately adjusted to reflect the Recapitalization, (1) following an equity financing, or (2) following an equity and debt financing where the equity financing represents at least thirty percent (30%) of the total financing, where, in either case, the purchase price per share is equal to the purchase price per share for the capital stock in such equity or equity and debt financing, the initial offer is on a pro rata basis in accordance with (i) the number of shares of capital stock owned or held by each holder of Common Stock, Preferred Stock, time-vested restricted stock units and vested options to purchase Common Stock, on an issued and outstanding basis (assuming exercise of any such vested options or conversion of any such restricted stock units into shares of stock) relative to (ii) the number of shares of capital stock owned or held by each holder of Common Stock, Preferred Stock, time-vested restricted stock units and vested options to purchase Common Stock being offered the right to participate in such tender offer on an issued and outstanding basis (assuming exercise of any such vested options or conversion of any such restricted stock units into shares of stock), and the terms of any oversubscription right are determined by the Board of Directors, provided, however, the terms of any oversubscription right applicable to the holders of Series E Preferred Stock with respect to shares of Series E Preferred Stock are materially no less favorable than the terms applicable to any other securityholder in respect of any other security of the Corporation;

provided that none of the foregoing in this Subsection 3.8 shall be construed to require the consent of the holders of Series E Preferred Stock for the issuance by the Corporation of any interest or security that is junior to or pari passu with the Series E Preferred Stock and none of the foregoing in this Subsection 3.8 shall be construed to require the separate consent of the holders of Series E Preferred Stock for the act of consummating of the Qualified IPO (it being understood however that the direct or indirect taking of any of the actions contemplated by this Subsection 3.8 in connection with the Qualified IPO shall still require such consent).

4. Optional Conversion. The holders of the Preferred Stock shall have conversion rights as follows (the "**Conversion Rights**"):

4.1 Right to Convert

4.1.1 Conversion Ratio. Each share of Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable shares of Common Stock (the "**Number of Common Shares**") as is determined by dividing the Original Issue Price applicable to such series of Preferred Stock by the applicable Conversion Price (as defined below) in effect at the time of conversion, one third of which Number of Common Shares shall be shares of Class A Common Stock and two thirds of which Number of Common Shares shall be shares of Class B Common Stock. The "**Series A Conversion Price**" shall initially be equal to $0.0875088. The "**Series B Conversion Price**" shall initially be equal to $0.1301498. The "**Series C Conversion Price**" shall initially be equal to $0.1415020. The "**Series D Conversion Price**" shall initially be equal to $6.7738315. The "**Series E Conversion Price**" shall initially be equal to $9.0317750. Each of the Series A Conversion Price, the Series B Conversion Price, the Series C Conversion Price, the Series D Conversion Price and the Series E Conversion Price is sometimes referred to herein as a "**Conversion Price**," and they are sometimes collectively referred to herein as the "**Conversion Prices**." Each such initial Conversion Price, and the rates at which shares of Preferred Stock may be converted into shares of Class A Common Stock and Class B Common Stock, shall be subject to adjustment as provided below.

4.1.2 Termination of Conversion Rights. In the event of a liquidation, dissolution or winding up of the Corporation or a Deemed Liquidation Event, the Conversion Rights shall terminate at the close of business on the last full day preceding the date fixed for the payment of any such amounts distributable on such event to the holders of Preferred Stock.

4.2 Fractional Shares. No fractional shares of Class A Common Stock or Class B

Common Stock shall be issued upon conversion of the Preferred Stock. In lieu of any fractional shares of Class A Common Stock or Class B Common Stock to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the fair market value of a share of Class A Common Stock or Class B Common Stock, as applicable, as determined in good faith by the Board of Directors of the Corporation. Whether or not fractional shares would be issuable upon such conversion shall be determined on the basis of the total number of shares of Preferred Stock the holder is at the time converting into Class A Common Stock and Class B Common Stock and the aggregate number of shares of Class A Common Stock and Class B Common Stock issuable upon such conversion.

4.3 Mechanics of Conversion.

4.3.1 Notice of Conversion. In order for a holder of Preferred Stock to voluntarily convert shares of Preferred Stock into shares of Class A Common Stock and Class B Common Stock, such holder shall surrender the certificate or certificates for such shares of Preferred Stock (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate), at the office of the transfer agent for the Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent), together with written notice that such holder elects to convert all or any number of the shares of the Preferred Stock represented by such

certificate or certificates and, if applicable, any event on which such conversion is contingent. Such notice shall state such holder's name or the names of the nominees in which such holder wishes the certificate or certificates for shares of Class A Common Stock and Class B Common Stock to be issued. If required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or his, her or its attorney duly authorized in writing. The close of business on the date of receipt by the transfer agent (or by the Corporation if the Corporation serves as its own transfer agent) of such certificates (or lost certificate affidavit and agreement) and notice shall be the time of conversion (the "**Conversion Time**"), and the shares of Class A Common Stock and Class B Common Stock issuable upon conversion of the shares

represented by such certificate shall be deemed to be outstanding of record as of such date. The Corporation shall, as soon as practicable after the Conversion Time, (i) issue and deliver to such holder of Preferred Stock, or to his, her or its nominees, a certificate or certificates for the number of full shares of Class A Common Stock and Class B Common Stock issuable upon such conversion in accordance with the provisions hereof and a certificate for the number (if any) of the shares of Preferred Stock represented by the surrendered certificate that were not converted into Class A Common Stock and Class B Common Stock, (ii) pay in cash such amount as provided in Subsection 4.2 in lieu of any fraction of a share of Class A Common Stock or Class B Common Stock otherwise issuable upon such conversion and (iii) pay all declared but unpaid dividends on the shares of Preferred Stock converted.

4.3.2 Reservation of Shares. The Corporation shall at all times when Preferred Stock shall be outstanding, reserve and keep available out of its authorized but unissued capital stock, for the purpose of effecting the conversion of the Preferred Stock, such number of its duly authorized shares of Class A Common Stock and Class B Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Preferred Stock; and if at any time the number of authorized but unissued shares of Class A Common Stock or Class B Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Preferred Stock, the Corporation shall take such corporate action as may be necessary to increase its authorized but unissued shares of Class A Common Stock or Class B Common Stock, as applicable, to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to this Certificate of Incorporation. Before taking any action which would cause an adjustment reducing the Conversion Price applicable to a series of Preferred Stock below the then par value of the shares of Class A Common Stock and Class B Common Stock issuable upon conversion of such series of Preferred Stock, the Corporation will take any corporate action which may, in the opinion of

its counsel, be necessary in order that the Corporation may validly and legally issue fully paid and nonassessable shares of Class A Common Stock and Class B Common Stock at such adjusted Conversion Price.

4.3.3 Effect of Conversion. All shares of Preferred Stock which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares, including the rights, if any, to receive notices and vote, shall immediately cease and terminate at the Conversion Time, except only the right of the holders thereof to receive shares of Class A Common Stock and Class B Common Stock in exchange therefor, to receive payment in lieu of any fraction of a share otherwise issuable upon such conversion as provided in Subsection 4.2 and to receive payment of any dividends declared but unpaid thereon. Any shares of Preferred Stock so converted shall be retired and cancelled and shall not be reissued as shares of such series, and the Corporation (without the need for stockholder action) may thereafter take such appropriate action as may be necessary to reduce the authorized number of shares of Preferred Stock accordingly.

4.3.4 No Further Adjustment. Upon any such conversion, no adjustment to the Conversion Price applicable to a series of Preferred Stock shall be made for any declared but unpaid dividends on the Preferred Stock surrendered for conversion or on the Class A Common Stock and Class B Common Stock delivered upon conversion.

4.3.5 Taxes. The Corporation shall pay any and all issue and other similar taxes that may be payable in respect of any issuance or delivery of shares of Class A Common Stock and Class B Common Stock upon conversion of shares of Preferred Stock pursuant to this Section 4. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of shares of Class A Common Stock and Class B Common Stock in a name other than that in which the shares of Preferred Stock so converted were registered, and no

such issuance or delivery shall be made unless and until the person or entity requesting such issuance has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid.

4.4 Adjustments to Conversion Price for Diluting Issues.

4.4.1 Special Definitions. For purposes of this Certificate of Incorporation, the following definitions shall apply:

(a) "**Option**" shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Common Stock or Convertible Securities.

(b) "**Recapitalization Time**" shall mean the time immediately after the Recapitalization.

(c) "**Convertible Securities**" shall mean any evidences of indebtedness, shares or other securities directly or indirectly convertible into or exchangeable for Common Stock, including RSUs, but excluding Options.

(d) "**Additional Shares of Common Stock**" shall mean all shares of Common Stock issued (or, pursuant to Subsection 4.4.3 below, deemed to be issued) by the Corporation after the Recapitalization Time, other than (1) the following shares of Common Stock and (2) shares of Common Stock deemed issued pursuant to the following Options and Convertible Securities (clauses (1) and (2), collectively, "**Exempted Securities**"):

(i) shares of Common Stock issued in a Qualified IPO;

(ii) shares of Common Stock issued as consideration in connection with a bona fide acquisition approved by the Board of Directors;

(iii) shares of Common Stock issued in connection with a strategic transaction approved by the Board of Directors not for the purpose of raising capital;

(iv) shares of Common Stock issued in exchange for services or property other than cash; or

(v) shares of Common Stock, Options or Convertible Securities issued to employees or directors of, or consultants or advisors to, the Corporation or any of its subsidiaries pursuant to a plan, agreement or arrangement approved by the Board of Directors of the Corporation, including the Preferred Directors;

(vi) shares of Common Stock or Convertible Securities

actually issued upon the exercise of Options, or shares of Common Stock actually issued upon the conversion or exchange of Convertible Securities, in each case provided such issuance is pursuant to the terms of such Option or Convertible Security;

(vii) shares of Common Stock, Options or Convertible Securities issued as a dividend or distribution on Preferred Stock;

(viii) shares of Common Stock, Options or Convertible Securities issued by reason of a dividend, stock split, split-up or other distribution on shares of Common Stock that is covered by Subsection 4.5, 4.6, 4.7 or 4.8;

(ix) shares of Common Stock, Options or Convertible Securities issued to banks, equipment lessors or other financial institutions, or to real property lessors, pursuant to a debt financing, equipment leasing or real property leasing transaction approved by the Board of Directors of the Corporation, including the Preferred Directors;

(x) shares of Class A Common Stock or Class B Common Stock actually issued upon conversion of the Preferred Stock;

(xi) shares of Class A Common Stock issued or issuable upon conversion of Class B Common Stock; or

(xii) shares of Class A Common Stock issuable upon conversion of Class B Common Stock for which an adjustment has already been made pursuant to this Subsection 4.4(d).

(e) "**Original Issue Price**" shall mean (i) with respect to the Series A Preferred Stock, $0.525053 per share, (ii) with respect to the Series B Preferred Stock, $0.780899 per share, (iii) with respect to the Series C Preferred Stock, $0.849012 per share, (iv) with respect to the Series D Preferred Stock, $40.642989 per share, and (v) with respect to the Series E Preferred Stock, $54.190650 per share, in each case, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Preferred Stock.

4.4.2 No Adjustment of Conversion Prices. No adjustment in the Conversion Prices shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from

the Supermajority Investors agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock.

4.4.3 Deemed Issue of Additional Shares of Common Stock.

(a) If the Corporation at any time or from time to time after the Recapitalization Time shall issue any Options or Convertible Securities (excluding Options or Convertible Securities which are themselves Exempted Securities) or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of shares of Common Stock (as set forth in the instrument relating thereto, assuming the satisfaction of any conditions to exercisability, convertibility or exchangeability but without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date.

(b) If the terms of any Option or Convertible Security, the issuance of which resulted in an adjustment to the Conversion Price applicable to a series of Preferred Stock pursuant to the terms of Subsection 4.4.4, are revised as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security and adjustments to such terms pursuant to the Recapitalization) to provide for either (1) any increase or decrease in the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any such Option or Convertible Security or (2) any increase or decrease in the consideration payable to the Corporation upon such exercise, conversion and/or exchange, then, effective upon such increase or decrease becoming effective, the applicable Conversion Price computed upon the original issue of such Option or Convertible Security (or upon the occurrence of a record date with respect thereto) shall be readjusted to such Conversion Price as would have obtained had such revised terms been in effect upon the original date of issuance of such Option or Convertible Security. Notwithstanding the foregoing, no readjustment pursuant to this clause (b) shall have the effect of increasing the Conversion Price applicable to a series of Preferred Stock to an amount which exceeds the lower of (i) the applicable Conversion Price in effect immediately prior to the original adjustment made as a result of the issuance of such Option or Convertible Security, or (ii) the applicable Conversion Price that would have resulted from any issuances of Additional Shares of Common Stock (other than deemed issuances of Additional Shares of Common Stock as a result of the issuance of such Option or Convertible Security) between the original adjustment date and such readjustment date.

(c) If the terms of any Option or Convertible Security (excluding Options or Convertible Securities which are themselves Exempted Securities), the issuance of which did not result in an adjustment to the Conversion Price applicable to a series of Preferred Stock pursuant to the terms of Subsection 4.4.4 (either because the consideration per share

(determined pursuant to Subsection 4.4.5) of the Additional Shares of Common Stock subject thereto was equal to or greater than the applicable Conversion Price then in effect, or because such Option or Convertible Security was issued before the Recapitalization Time), are revised after the Recapitalization Time as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security and adjustments to such terms pursuant to the Recapitalization) to provide for either (1) any increase in the number of shares of Common Stock issuable upon the exercise, conversion or exchange of any such Option or Convertible Security or (2) any decrease in the consideration payable to the Corporation upon such exercise, conversion or exchange, then such Option or Convertible Security, as so amended or adjusted, and the Additional Shares of Common Stock subject thereto (determined in the manner provided in Subsection 4.4.3(a)) shall be deemed to have been issued effective upon such increase or decrease becoming effective.

(d) Upon the expiration or termination of any unexercised Option or unconverted or unexchanged Convertible Security (or portion thereof) which resulted (either upon its original issuance or upon a revision of its terms) in an adjustment to the Conversion Price applicable to a series of Preferred Stock pursuant to the terms of Subsection 4.4.4, such Conversion Price shall be readjusted to the Conversion Price as would have obtained had such Option or Convertible Security (or portion thereof) never been issued.

(e) If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, is calculable at the time such Option or Convertible Security is issued or amended but is subject to adjustment based upon subsequent events, any adjustment to the Conversion Price applicable to a series of Preferred Stock provided for in this Subsection 4.4.3 shall be effected at the time of such issuance or amendment based on such number of shares or amount of consideration without regard to any provisions for subsequent adjustments (and any subsequent adjustments shall be treated as provided in clauses (b) and (c) of this Subsection 4.4.3). If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, cannot be calculated at the time such Option or Convertible Security is issued or amended, any adjustment to the applicable Conversion Price that would result under the terms of this Subsection 4.4.3 at the time of such issuance or amendment shall instead be effected at the time such number of shares and/or amount of consideration is first calculable (even if subject to subsequent adjustments), assuming for purposes of calculating such adjustment to the applicable Conversion Price that such issuance or amendment took place at the time such calculation can first be made.

4.4.4 Adjustment of Conversion Prices Upon Issuance of Additional Shares of Common Stock. In the event the Corporation shall at any time after the Recapitalization Time issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Subsection 4.4.3), without

consideration or for a consideration per share less than the Conversion Price applicable to a series of Preferred Stock in effect immediately prior to such issue, then such Conversion Price shall be reduced, concurrently with such issue, to a price (calculated to the nearest one-hundredth of a cent) determined in accordance with the following formula:

$$CP_2 = CP_1 \times (A + B) \div (A + C)$$

For purposes of the foregoing formula, the following definitions shall apply:

(a) "**CP_2**" shall mean the Conversion Price with respect to the particular series of Preferred Stock in effect immediately after such issue of Additional Shares of Common Stock;

(b) "**CP_1**" shall mean the Conversion Price with respect to the particular series of Preferred Stock in effect immediately prior to such issue of Additional Shares of Common Stock;

(c) "**A**" shall mean the number of shares of Common Stock outstanding and deemed outstanding immediately prior to such issue of Additional Shares of Common Stock (treating for this purpose as outstanding all shares of Common Stock issuable upon exercise of Options outstanding immediately prior to such issue or upon conversion or exchange of Convertible Securities (including the Preferred Stock) outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue);

(d) "**B**" shall mean the number of shares of Common Stock that would have been issued if such Additional Shares of Common Stock had been issued at a price per share equal to CP_1 (determined by dividing the aggregate consideration received by the Corporation in respect of such issue by CP_1); and

(e) "**C**" shall mean the number of such Additional Shares of Common Stock issued in such transaction.

4.4.5 Determination of Consideration. For purposes of this Subsection 4.4, the consideration received by the Corporation for the issue of any Additional Shares of Common Stock shall be computed as follows:

(a) Cash and Property: Such consideration shall:

(i) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Corporation, excluding amounts paid or payable for accrued interest;

(ii) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of

such issue, as determined in good faith by the Board of Directors of the Corporation; and

(iii) in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses (i) and (ii) above, as determined in good faith by the Board of Directors of the Corporation.

(b) Options and Convertible Securities. The consideration per share received by the Corporation for Additional Shares of Common Stock deemed to have been issued pursuant to Subsection 4.4.3, relating to Options and Convertible Securities, shall be determined by dividing

(i) the total amount, if any, received or receivable by the Corporation as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Corporation upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by

(ii) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities.

4.4.6 Multiple Closing Dates. In the event the Corporation shall issue on more than one date Additional Shares of Common Stock that are a part of one transaction or a series of related transactions and that would result in an adjustment to the Conversion Price applicable to a series of Preferred Stock pursuant to the terms of Subsection 4.4.4, and such issuance dates occur within

a period of no more than 90 days from the first such issuance to the final such issuance, then, upon the final such issuance, such Conversion Price shall be readjusted to give effect to all such issuances as if they occurred on the date of the first such issuance (and without giving effect to any additional adjustments as a result of any such subsequent issuances within such period).

4.5 Adjustment for Stock Splits and Combinations. If the Corporation shall at any time or from time to time after the Recapitalization Time effect a subdivision of the outstanding Class A Common Stock or Class B Common Stock, each Conversion Price in effect immediately before that subdivision shall be proportionately decreased so that the number of shares of Class A Common Stock and Class B Common Stock, as applicable, issuable on conversion of each share of Preferred Stock shall be increased in proportion to such increase in the aggregate number of shares of Class A Common Stock or Class B Common Stock outstanding, as applicable. If the Corporation shall at any time or from time to time after the Recapitalization Time combine the outstanding shares of Class A Common Stock or Class B Common Stock, each Conversion Price in effect immediately before the combination shall be proportionately increased so that the number of shares of Class A Common Stock and Class B Common Stock, as applicable, issuable on conversion of each share of Preferred Stock shall be decreased in proportion to such decrease in the aggregate number of shares of Class A Common Stock or Class B Common Stock outstanding, as applicable. Any adjustment under this subsection shall become effective at the close of business on the date the subdivision or combination becomes effective.

4.6 Adjustment for Certain Dividends and Distributions. In the event the Corporation at any time or from time to time after the Recapitalization Time shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable on the Common Stock in additional shares of Common Stock, then, and in each such event, the Conversion Price applicable to each series of Preferred Stock in effect immediately before such event shall be decreased as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date, by multiplying such Conversion Price then in effect by a fraction:

(1) the numerator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and

(2) the denominator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution.

Notwithstanding the foregoing, (a) if such record date shall have been fixed and such dividend is

not fully paid or if such distribution is not fully made on the date fixed therefor, each Conversion Price shall be recomputed accordingly as of the close of business on such record date and thereafter such Conversion Price shall be adjusted pursuant to this subsection as of the time of actual payment of such dividends or distributions and (b) no such adjustment shall be made if the holders of Preferred Stock simultaneously receive a dividend or other distribution of shares of Class A Common Stock and Class B Common Stock in a number equal to the number of shares of Class A Common Stock and Class B Common Stock as they would have received if all outstanding shares of Preferred Stock had been converted into Class A Common Stock and Class B Common Stock on the date of such event.

4.7 Adjustments for Other Dividends and Distributions. In the event the Corporation at any time or from time to time after the Recapitalization Time shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in securities of the Corporation (other than a distribution of shares of Common Stock in respect of outstanding shares of Common Stock) or in other property, then and in each such event, the holders of Preferred Stock shall receive, simultaneously with the distribution to the holders of Common Stock, a dividend or other distribution of such securities or other property in an amount equal to the amount of such securities or other property as they would have received if all outstanding shares of Preferred Stock had been converted into Class A Common Stock and Class B Common Stock on the date of such event.

4.8 Adjustment for Merger or Reorganization, etc. Subject to the provisions of Subsection 2.3, if at any time or from time to time after the Recapitalization Time there shall occur any reorganization, recapitalization, reclassification, consolidation or merger involving the Corporation in which the Common Stock (but not the Preferred Stock) is converted into or exchanged for securities, cash or other property (other than a transaction covered by Subsections 4.4, 4.6 or 4.7), then, following any such reorganization, recapitalization, reclassification, consolidation or merger, each share of such series of Preferred Stock shall thereafter be convertible in lieu of the Class A Common Stock and Class B Common Stock into which it was convertible prior to such event into the kind and amount of securities, cash or other property which a holder of the number of shares of Class A Common Stock of the Corporation and a holder of the number of shares of Class B Common Stock of the Corporation issuable upon conversion of one share of such series of Preferred Stock immediately prior to such reorganization, recapitalization, reclassification, consolidation or merger would have been entitled to receive pursuant to such transaction; and, in such case, appropriate adjustment (as determined in good faith by the Board of Directors of the Corporation) shall be made in the application of the provisions in this Section 4 with respect to the rights and interests thereafter of the holders of such series of Preferred Stock, to the end that the provisions set forth in this Section 4 (including provisions with respect to changes in and other adjustments of the Conversion Price applicable to such series of Preferred Stock) shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities or other property thereafter deliverable upon the conversion of such series of Preferred Stock.

4.9 Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of any Conversion Price pursuant to this Section 4 and immediately prior to the closing of an underwritten public offering pursuant to a registration statement under the Securities Act, the Corporation at its expense shall, as promptly as reasonably practicable but in

any event not later than five business days thereafter, compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of the series of Preferred Stock affected a certificate setting forth such adjustment or readjustment (including the kind and amount of securities, cash or other property into which the such series of Preferred Stock is convertible) and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, as promptly as reasonably practicable after the written request at any time of any holder of Preferred Stock (but in any event not later than 15 days thereafter), furnish or cause to be furnished to such holder a certificate setting forth (i) the Conversion Price then applicable to such series of Preferred Stock, and (ii) the number of shares of Class A Common Stock and Class B Common Stock and the amount, if any, of other securities, cash or property which then would be received upon the conversion of such Preferred Stock.

4.10 Notice of Record Date. In the event:

(a) the Corporation shall take a record of the holders of its Common Stock (or other capital stock or securities at the time issuable upon conversion of any series of Preferred Stock) for the purpose of entitling or enabling them to receive any dividend or other distribution, or to receive any right to subscribe for or purchase any shares of capital stock of any class or any other securities, or to receive any other security; or

(b) of any capital reorganization of the Corporation, any reclassification of the Common Stock of the Corporation, or any Deemed Liquidation Event; or

(c) of the voluntary or involuntary dissolution, liquidation or winding-up of the Corporation,

then, and in each such case, the Corporation will send or cause to be sent to the holders of Preferred Stock a notice specifying, as the case may be, (i) the record date for such dividend, distribution or right, and the amount and character of such dividend, distribution or right, or (ii) the effective date on which such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up is proposed to take place, and the time, if any is to be fixed, as of which the holders of record of Common Stock (or such other capital stock or securities at the time issuable upon the conversion of such series of Preferred Stock) shall be entitled to exchange their shares of Common Stock (or such other capital stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up, and the amount per share and character of such exchange applicable to such series of Preferred Stock and the Common Stock. Such notice shall be sent at least 15 days prior to the record date or effective date for the event specified in such notice.

5. Mandatory Conversion.

5.1 Trigger Events. Upon either (a) the closing of a Qualified IPO or (b) the date and time, or the occurrence of an event, specified by vote or written consent of (i) the Requisite Investors and (ii) the holders of at least fifty-five percent (55%) of the then outstanding shares of Series E Preferred Stock, voting as a separate class, (i) (A) all outstanding shares of Preferred Stock shall automatically be converted into shares of Class A Common Stock and Class B Common Stock, at the then effective conversion rates and (B) immediately thereafter (1) each

share of Class B Common Stock resulting from such conversion shall automatically be further converted into a share of Class A Common Stock and (2) each outstanding share of Class B Common Stock previously issued upon any prior conversion of Preferred Stock shall automatically be further converted into a share of Class A Common Stock and (ii) such shares may not be reissued by the Corporation. In addition, the Series D Preferred Stock shall automatically convert into Class A Common Stock and Class B Common Stock, at the then effective Conversion Price, upon the date and time, or the occurrence of an event, specified by vote or written consent of the holders of at least a majority of the then outstanding shares of Series D Preferred Stock, voting together as a separate class and, immediately after such conversion (i) each share of Class B Common Stock resulting from such conversion shall automatically be further converted into a share of Class A Common Stock and (ii) each outstanding share of Class B Common Stock issued upon any prior conversion of Series D Preferred Stock shall automatically be further converted into a share of Class A Common Stock. The time of such closing or the date and time specified or the time of the event specified in any such vote or written consent is referred to herein as the "**Mandatory Conversion Time**".

5.2 Procedural Requirements. All holders of record of shares of Preferred Stock subject to conversion pursuant to Subsection 5.1 shall be sent written notice of the Mandatory Conversion Time and the place designated for mandatory conversion of all such shares of Preferred Stock pursuant to this Section 5. Such notice need not be sent in advance of the occurrence of the Mandatory Conversion Time. Upon receipt of such notice, each holder of shares of Preferred Stock subject to conversion pursuant to Subsection 5.1 shall surrender his, her or its certificate or certificates for all such shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in such notice. If so required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. All rights with respect to the Preferred Stock converted pursuant to Subsection 5.1, including the rights, if any, to receive notices and vote (other than as a holder of Common Stock), will terminate at the Mandatory Conversion Time (notwithstanding the failure of the holder or holders thereof to surrender the certificates at or prior to such time), except only the rights of the holders thereof, upon surrender of their certificate or certificates (or lost certificate affidavit and agreement) therefor, to receive the items provided for in the next sentence of this Subsection 5.2. As soon as practicable after the Mandatory Conversion Time and the surrender of the certificate or certificates (or lost certificate affidavit and agreement) for Preferred Stock, the Corporation shall issue and deliver to such holder, or to his, her or its nominees, a certificate or certificates for the number of full shares of Class A Common Stock issuable on such conversion in accordance with the provisions hereof, together with cash as provided in Subsection 4.2 in lieu of any fraction of a share of Class A Common Stock otherwise issuable upon such conversion and the payment of any declared but unpaid dividends on the shares of Preferred Stock converted. Such converted Preferred Stock shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of such series of Preferred Stock accordingly.

5.3 Redemption. Unless prohibited by Delaware law governing distributions to stockholders, if, under the Series E Preferred Stock Purchase Agreement dated on or about August 23, 2016, by and among the Corporation and the purchasers named therein, as amended from time to time (the "**Stock Purchase Agreement**"), one or more Participating Purchasers (as defined therein) elect to cause a redemption of their shares of Series E Preferred Stock, such shares shall be promptly redeemed by the Corporation in accordance with the terms and conditions of the Stock Purchase Agreement and any corresponding notices. In connection with such redemption, the Corporation shall apply all of its assets to any such redemption, and to no other corporate purpose, except to the extent prohibited by Delaware law governing distributions to stockholders.

6. Redeemed or Otherwise Acquired Shares. Any shares of Preferred Stock that are redeemed or otherwise acquired by the Corporation or any of its subsidiaries shall be automatically and immediately cancelled and retired and shall not be reissued, sold or transferred. Neither the Corporation nor any of its subsidiaries may exercise any voting or other rights granted to the holders of Preferred Stock following redemption.

7. Waiver. Any of the rights, powers, preferences and other terms of a series of Preferred Stock set forth herein may be waived on behalf of all holders of such series of Preferred Stock by the affirmative written consent or vote of the holders of at least a majority of the shares of such series, provided, however, that with respect to Series E Preferred Stock, no rights, powers, preferences and other terms of the Series E Preferred Stock may be waived without a vote consistent with the vote concurrently applicable to the rights, powers, preferences and other terms of Series E Preferred Stock being waived; provided, further, that any waiver of the rights, powers, preferences and other terms of this proviso and the aforementioned proviso shall not be waived without the affirmative written consent or vote of the holders of at least sixty-five percent (65%) of the shares of Series E Preferred Stock.

8. Notices. Any notice required or permitted by the provisions of this Article FOURTH to be given to a holder of shares of Preferred Stock shall be mailed, postage prepaid, to the post office address last shown on the records of the Corporation, or given by electronic communication in compliance with the provisions of the General Corporation Law, and shall be deemed sent upon such mailing or electronic transmission.

FIFTH: Subject to any additional vote required by this Certificate of Incorporation or By-Laws, in furtherance of and not in limitation of the powers conferred by statute, the Board of Directors of the Corporation is expressly authorized to make, repeal, alter, amend and rescind any or all of the By-Laws of the Corporation.

SIXTH: Subject to any additional vote required by this Certificate of Incorporation, the number of directors of the Corporation shall be determined in the manner set forth in the By-Laws of the Corporation.

SEVENTH: Elections of directors need not be by written ballot unless the By-Laws of the Corporation shall so provide.

EIGHTH: Meetings of stockholders may be held within or without the State of Delaware, as the By-Laws of the Corporation may provide. The books of the Corporation may

be kept outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors of the Corporation or in the By-Laws of the Corporation.

NINTH: To the fullest extent permitted by law, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. If the General Corporation Law or any other law of the State of Delaware is amended after approval by the stockholders of this Article NINTH to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law as so amended.

Any repeal or modification of the foregoing provisions of this Article NINTH by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of, or increase the liability of any director of the Corporation with respect to any acts or omissions of such director occurring prior to, such repeal or modification.

TENTH: The following indemnification provisions shall apply to the persons enumerated below.

1. Right to Indemnification of Directors and Officers. The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (an "**Indemnified Person**") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "**Proceeding**"), by reason of the fact that such person, or a person for whom such person is the legal representative, is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, limited liability company, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Indemnified Person in such Proceeding. Notwithstanding the preceding sentence, except as otherwise provided in Section 3 of this Article TENTH, the Corporation shall be required to indemnify an Indemnified Person in connection with a Proceeding (or part thereof) commenced by such Indemnified Person only if the commencement of such Proceeding (or part thereof) by the Indemnified Person was authorized in advance by the Board of Directors of the Corporation.

2. Prepayment of Expenses of Directors and Officers. The Corporation shall pay the expenses (including attorneys' fees) incurred by an Indemnified Person in defending any Proceeding in advance of its final disposition, provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the Proceeding shall be made only upon receipt of an undertaking by the Indemnified Person to repay all amounts advanced if it should be ultimately determined that the Indemnified Person is not entitled to be indemnified under this Article TENTH or otherwise.

3. Claims by Directors and Officers. If a claim for indemnification or advancement of expenses under this Article TENTH is not paid in full within 30 days after a written claim therefor by the Indemnified Person has been received by the Corporation, the Indemnified Person

may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the Corporation shall have the burden of proving that the Indemnified Person is not entitled to the requested indemnification or advancement of expenses under applicable law.

4. Indemnification of Employees and Agents. The Corporation may indemnify and advance expenses to any person who was or is made or is threatened to be made or is otherwise involved in any Proceeding by reason of the fact that such person, or a person for whom such person is the legal representative, is or was an employee or agent of the Corporation or, while an employee or agent of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, limited liability company, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorney's fees) reasonably incurred by such person in connection with such Proceeding. The ultimate determination of entitlement to indemnification of persons who are non-director or officer employees or agents shall be made in such manner as is determined by the Board of Directors of the Corporation in its sole discretion. Notwithstanding the foregoing sentence, the Corporation shall not be required to indemnify a person in connection with a Proceeding initiated by such person if the Proceeding was not authorized in advance by the Board of Directors of the Corporation.

5. Advancement of Expenses of Employees and Agents. The Corporation may pay the expenses (including attorney's fees) incurred by an employee or agent in defending any Proceeding in advance of its final disposition on such terms and conditions as may be determined by the Board of Directors of the Corporation.

6. Non-Exclusivity of Rights. The rights conferred on any person by this Article TENTH shall not be exclusive of any other rights which such person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, the By-Laws of the Corporation, agreement, vote of stockholders or disinterested directors or otherwise.

7. Other Indemnification. The Corporation's obligation, if any, to indemnify any person who was or is serving at its request as a director, officer or employee of another corporation, partnership, limited liability company, joint venture, trust, organization or other enterprise shall be reduced by any amount such person has actually collected as indemnification from such other corporation, partnership, limited liability company, joint venture, trust, organization or other enterprise.

8. Insurance. The Board of Directors of the Corporation may, to the full extent permitted by applicable law as it presently exists, or may hereafter be amended from time to time, authorize an appropriate officer or officers to purchase and maintain at the Corporation's expense insurance: (a) to indemnify the Corporation for any obligation which it incurs as a result of the indemnification of directors, officers and employees under the provisions of this Article TENTH; and (b) to indemnify or insure directors, officers and employees against liability in instances in which they may not otherwise be indemnified by the Corporation under the provisions of this Article TENTH.

9. Amendment or Repeal. Any repeal or modification of the foregoing provisions of

this Article TENTH shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification. The rights provided hereunder shall inure to the benefit of any Indemnified Person and such person's heirs, executors and administrators.

ELEVENTH: The Corporation renounces any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, any Excluded Opportunity. An "**Excluded Opportunity**" is any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of, (i) any director of the Corporation who is not an employee of or consultant to the Corporation or any of its subsidiaries, or (ii) any holder of Preferred Stock or any partner, member, director, stockholder, employee or agent of any such holder, other than someone who is an employee of or consultant to the Corporation or any of its subsidiaries (collectively, "**Covered Persons**"), unless such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, a Covered Person expressly and solely in such Covered Person's capacity as a director of the Corporation.

* * *

4. That the foregoing amendment and restatement was approved by the holders of the requisite number of shares of this corporation in accordance with Section 228 of the General Corporation Law.

5. That this Third Amended and Restated Certificate of Incorporation, which restates and integrates and further amends the provisions of this Corporation's Certificate of Incorporation, has been duly adopted in accordance with Sections 242 and 245 of the General Corporation Law.

[signature page follows]

IN WITNESS WHEREOF, this Third Amended and Restated Certificate of Incorporation has been executed by a duly authorized officer of this Corporation on this 21st day of June, 2017.

By: /s/ Langley Steinert

Name: Langley Steinert
Title: President and Chief Executive Officer

CARGURUS, INC.

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CARGURUS, INC.

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Article I. - General.

1.1. Offices. The registered office shall be in the City of Wilmington, County of New Castle, State of Delaware. The Corporation may also have offices at such other places both within and without the State of Delaware as the Board of Directors may from time to time determine or the business of the Corporation may require.

1.2. Seal. The seal of the Corporation, if any, shall be in the form of a circle and shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal, Delaware".

1.3. Fiscal Year. The fiscal year of the Corporation shall be the period from January 1 through December 31.

Article II. - Stockholders.

2.1. Place of Meetings. All meetings of the stockholders shall be held at the office of the Corporation in Cambridge, Massachusetts except such meetings as the Board of Directors expressly determine shall be held elsewhere or solely by means of remote communication, in which cases meetings may be held upon notice as hereinafter provided at such other place or places within or without the Commonwealth of Massachusetts or by remote communication as the Board of Directors shall have determined and as shall be stated in such notice.

2.2. Annual Meeting. The annual meeting of the stockholders shall be held in the month of April each year on such date and at such time as the Board of Directors may determine. At each annual meeting the stockholders entitled to vote shall elect a Board of Directors by plurality vote by ballot, and they may transact such other corporate business as may properly be brought before the meeting. At the annual meeting any business may be transacted, irrespective of whether the notice calling such meeting shall have contained a reference thereto, except where notice is required by law, the Certificate of Incorporation, or these by-laws.

2.3. Quorum. At all meetings of the stockholders the holders of at least fifty-one percent (51%) of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum requisite for the transaction of business except as otherwise provided by law, by the Certificate of Incorporation or by these by-laws. If, however, any meeting of the stockholders cannot be held by virtue only of the absence of a quorum, the Chairman of the Board (or such person as is performing similar duties if the Chairman is not present) may adjourn the meeting without notice other than announcement at the meeting until the requisite amount of voting stock shall be present. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. At such adjourned meeting, at which the requisite amount of voting stock shall be represented, any business may be transacted which might have been transacted if the meeting had been held as originally called.

2.4. Right to Vote; Proxies. Each holder of a share or shares of capital stock of the Corporation having the right to vote at any meeting shall be entitled to one vote for each such share of stock held by him; provided, however, that each holder of a share of the Corporation's Class B Common Stock, par value $0.001 per share (the "Class B Common Stock"), having the right to vote at any meeting shall be entitled to ten votes for each such share of Class B Common Stock hold by him. Any stockholder entitled to vote at any meeting of stockholders may vote either in person or by proxy, but no proxy which is dated more than three (3) years prior to the meeting at which it is offered shall confer the right to vote thereat unless the proxy provides that it shall be effective for a longer period. A proxy may be granted by a writing executed by the stockholder or his authorized officer, director, employee or agent or by transmission or authorization of transmission of a telegram, cablegram, or other means of electronic transmission to the person who will be the holder of the proxy or to a proxy solicitation firm, proxy support service organization or like agent duly authorized by the person who will be the holder of the proxy to receive such transmission, subject to the conditions set forth in Section 212 of the Delaware General Corporation Law, as it may be amended from time to time (the "Delaware GCL").

2.5. Voting. At all meetings of stockholders, except as otherwise expressly provided for by statute, the Certificate of Incorporation or these by-laws, and subject to the per share voting rights set forth in Section 2.4 hereof, (i) in all matters other than the election of directors, the affirmative vote of a majority of the votes of the shares present in person or by means of remote communication or represented by proxy at the meeting and entitled to vote on such matter shall be the act of the stockholders and (ii) directors shall be elected by a plurality of the votes of the shares present in person or by means of remote communication or represented by proxy at the meeting and entitled to vote on the election of directors. Except as otherwise expressly provided by law, the Certificate of Incorporation or these by-laws, at all meetings of stockholders the voting shall be by voice vote, but any stockholder qualified to vote on the matter in question may demand a stock vote, by shares of stock, upon such question, whereupon such stock vote shall be taken by ballot which may be by electronic transmission by any stockholder present by means of remote communication, each of which shall state the name of the stockholder voting and the number of shares voted by him, and, if such ballot be cast by a proxy, it shall also state the name of the proxy.

2.6. Notice of Annual Meetings. Written notice of the annual meeting of the stockholders, stating the time, the place, the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, shall be sent not less than ten (10) nor more than sixty (60) days prior to the meeting. It shall be the duty of every stockholder to furnish to the Secretary of the Corporation or to the transfer agent, if any, of the class of stock owned by him, his post-office address and to notify said Secretary or transfer agent of any change therein.

2.7. Stockholders' List. A complete list of the stockholders entitled to vote at any meeting of stockholders, arranged in alphabetical order and showing the address of each stockholder, and the number of shares registered in the name of each stockholder, shall be prepared by the Secretary and shall be open to examination of any stockholder, for any purpose germane to the meeting for a period of at least ten days before such meeting (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is

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provided with the notice of the meeting, or (ii) during ordinary business hours at the principal office of the corporation, and said list shall be open to examination during the whole time of said meeting, at the place of said meeting, or, if the meeting held is by remote communication, on a reasonably accessible electronic network and the information required to access such list shall be provided with the notice of the meeting.

2.8. Special Meetings. Special meetings of the stockholders for any purpose or purposes, unless otherwise provided by statute, may be called by the Board of Directors, the Chairman of the Board, if any, the President or any Vice President.

2.9. Notice of Special Meetings. Written notice of a special meeting of stockholders, stating the time, the place, the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting and the object thereof, shall be sent not less than ten (10) nor more than sixty (60) days before such meeting, to each stockholder entitled to vote thereat, either in paper form or electronic form pursuant to each stockholder's instructions on record with the Corporation. No business may be transacted at such meeting except that referred to in said notice, or in a supplemental notice given also in compliance with the provisions hereof, or such other business as may be germane or supplementary to that stated in said notice or notices.

2.10. Inspectors.

1. One or more inspectors may be appointed by the Board of Directors before or at any meeting of stockholders, or, if no such appointment shall have been made, the presiding officer may make such appointment at the meeting. At the meeting for which the inspector or inspectors are appointed, he or they shall open and close the polls, receive and take charge of the proxies and ballots, and decide all questions touching on the qualifications of voters, the validity of proxies and the acceptance and rejection of votes. If any inspector previously appointed shall fail to attend or refuse or be unable to serve, the presiding officer shall appoint an inspector in his place.

2. At any time at which the Corporation has a class of voting stock that is (i) listed on a national securities exchange, (ii) authorized for quotation on an inter-dealer quotation system of a registered national securities association, or (iii) held of record by more than 2,000 stockholders, the provisions of Section 231 of the Delaware GCL with respect to inspectors of election and voting procedures shall apply, in lieu of the provisions of paragraph (l) of this §2.10.

2.11. Stockholders' Consent in Lieu of Meeting. Unless otherwise provided in the Certificate of Incorporation, any action required by law to be taken at any annual or special meeting of stockholders of the Corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent

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of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. Every written consent shall bear the date of signature of each stockholder who signs the consent and no written consent shall be effective to take the corporate action referred to therein unless, within sixty days of the earliest dated consent delivered in the manner required by this §2.11 to the Corporation, written consents signed by a sufficient number of stockholders to take action are delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded.

A telegram, cablegram or other electronic transmission consenting to an action to be taken and transmitted by a stockholder or proxyholder, or by a person or persons authorized to act for a stockholder or proxyholder, shall be deemed to be written, signed and dated for the purposes of this section, provided that any such telegram, cablegram or other electronic transmission sets forth or is delivered with information from which the Corporation can determine that the telegram, cablegram or other electronic transmission was transmitted by the stockholder or proxyholder or by a person or persons authorized to act for the stockholder or proxyholder and the date on which such stockholder or proxyholder or authorized person or persons transmitted such telegram, cablegram or electronic transmission. The date on which such telegram, cablegram or electronic transmission is transmitted shall be deemed to be the date on which such consent was signed. No consent given by telegram, cablegram or other electronic transmission shall be deemed to have been delivered until such consent is reproduced in paper form and until such paper form shall be delivered to the Corporation by delivery to its principal place of business or to an officer or agent of the Corporation having custody of the book in which the proceedings of meetings of stockholders are recorded. Any copy, facsimile or other reliable reproduction of a consent in writing may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used, provided that such copy, facsimile or other reproduction shall be a complete reproduction of the entire original writing.

Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

Article III. - Directors.

3.1. Number of Directors. Except as otherwise provided by law, the Certificate of Incorporation or these by-laws, the property and business of the Corporation shall be managed by or under the direction of a Board of Directors of not less than one nor more than seven (7) directors. Within the limits specified and subject to the provisions of the Certificate of Incorporation, the number of directors shall be determined by resolution of the Board of Directors or by the stockholders at the annual meeting. Directors need not be stockholders, residents of Delaware or citizens of the United States. The directors shall be elected by ballot at the annual meeting of the stockholders and each director shall be elected to serve until his successor shall be elected and shall qualify or until his earlier resignation or removal; provided that in the event of failure to hold such meeting or to hold such election at such meeting, such election may be held at any special meeting of the stockholders called for that purpose. If the

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office of any director becomes vacant by reason of death, resignation, disqualification, removal, failure to elect, or otherwise, the remaining directors, although more or less than a quorum, by a majority vote of such remaining directors may elect a successor or successors who shall hold office for the unexpired term.

3.2. Change in Number of Directors; Vacancies. The maximum number of directors may be increased by an amendment to these by-laws adopted by a majority vote of the Board of Directors or by a majority vote of the capital stock having voting power, and if the number of directors is so increased by action of the Board of Directors or of the stockholders or otherwise, then the additional directors may be elected in the manner provided above for the filling of vacancies in the Board of Directors or at the annual meeting of stockholders or at a special meeting called for that purpose.

3.3. Resignation. Any director of this Corporation may resign at any time by giving notice in writing or by electronic transmission to the Chairman of the Board, if any, the President or the Secretary of the Corporation. Such resignation shall take effect at the time specified therein, at the time of receipt if no time is specified therein and at the time of acceptance if the effectiveness of such resignation is conditioned upon its acceptance. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

3.4. Removal. Any director or the entire Board of Directors may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors.

3.5. Place of Meetings and Books. The Board of Directors may hold their meetings and keep the books of the Corporation outside the State of Delaware, at such places as they may from time to time determine.

3.6. General Powers. In addition to the powers and authority expressly conferred upon them by these by-laws, the Board of Directors may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these by-laws directed or required to be exercised or done by the stockholders.

3.7. Executive Committee. There may be an executive committee of one or more directors designated by resolution passed by a majority of the whole Board of Directors. The act of a majority of the members of such committee shall be the act of the committee. Said committee may meet at stated times or on notice to all by any of their own number, and shall have and may exercise those powers of the Board of Directors in the management of the business affairs of the Company as are provided by law and may authorize the seal of the Corporation to be affixed to all papers which may require it. Vacancies in the membership of the committee shall be filled by the Board of Directors at a regular meeting or at a special meeting called for that purpose.

3.8. Other Committees. The Board of Directors may also designate one or more committees in addition to the executive committee, by resolution or resolutions passed by a majority of the whole Board of Directors; such committee or committees shall consist of one or

more directors of the Corporation, and to the extent provided in the resolution or resolutions designating them, shall have and may exercise specific powers of the Board of Directors in the management of the business and affairs of the Corporation to the extent permitted by statute and shall have power to authorize the seal of the Corporation to be affixed to all papers which may require it. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors.

3.9. Powers Denied to Committees. Committees of the Board of Directors shall not, in any event, have any power or authority to amend the Certificate of Incorporation (except that a committee may, to the extent authorized in the resolution or resolutions providing for the issuance of shares adopted by the Board of Directors as provided in Section 151(a) of the Delaware GCL, fix the designations and any of the preferences or rights of such shares relating to dividends, redemption, dissolution, any distribution of assets of the Corporation or the conversion into, or the exchange of such shares for, shares of any other class or classes or any other series of the same or any other class or classes of stock of the Corporation or fix the number of shares of any series of stock or authorize the increase or decrease of the shares of any series), adopt an agreement of merger or consolidation, recommend to the stockholders the sale, lease or exchange of all or substantially all of the Corporation's property and assets, recommend to the stockholders a dissolution of the Corporation or a revocation of a dissolution or to amend the by-laws of the Corporation. Further, no committee of the Board of Directors shall have the power or authority to declare a dividend, to authorize the issuance of stock or to adopt a certificate of ownership and merger pursuant to Section 253 of the Delaware GCL, unless the resolution or resolutions designating such committee expressly so provides.

3.10. Substitute Committee Member. In the absence or on the disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of such absent or disqualified member. Any committee shall keep regular minutes of its proceedings and report the same to the Board of Directors as may be required by the Board of Directors.

3.11. Compensation of Directors. The Board of Directors shall have the power to fix the compensation of directors and members of committees of the Board of Directors. The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

3.12. Annual Meeting. The newly elected Board of Directors may meet at such place and time as shall be fixed and announced by the presiding officer at the annual meeting of stockholders, for the purpose of organization or otherwise, and no further notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, provided a quorum shall be present, or they may meet at such place and time as shall be stated in a notice given to such directors two (2) days prior to such meeting, or as shall be fixed by the consent in writing of all the directors.

3.13. Regular Meetings. Regular meetings of the Board of Directors shall be held at least once every calendar quarter at such time and place as shall from time to time be determined by the Board of Directors.

3.14. Special Meetings. Special meetings of the Board of Directors may be called by the Chairman of the Board, if any, the President or any director on seven (7) days' notice to each director, or such shorter period of time before the meeting as may be agreed upon by all directors by written waiver of notice. Such notice shall specify the date, time and place of the meeting and the matters to be presented to the directors for action.

3.15. Quorum. The quorum for all meetings of the Board of Directors (including an adjourned meeting) shall be five (5) and shall include the Series A Director, the Series B Director and the Series C Director, as defined in the Certificate of Incorporation, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically permitted or provided by statute, or by the Certificate of Incorporation, or by these by-laws. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time until a quorum is obtained, and no further notice thereof need be given other than by announcement at said meeting which shall be so adjourned.

3.16. Telephonic Participation in Meetings. Members of the Board of Directors or any committee designated by such Board of Directors may participate in a meeting of the Board of Directors or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

3.17. Action by Consent. Unless otherwise restricted by the Certificate of Incorporation or these by-laws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board of Directors or committee, as the case may be, consent thereto in writing or by electronic transmission and such consent is filed in paper form with the minutes of proceedings of the Board of Directors or committee.

Article IV. - Officers.

4.1. Selection; Statutory Officers. Except as otherwise provided herein, the officers of the Corporation shall be chosen by the Board of Directors. There shall be a President, a Secretary and a Treasurer, and there may be a Chairman of the Board of Directors, one or more Vice Presidents, one or more Assistant Secretaries, and one or more Assistant Treasurers, as the Board of Directors may elect. Any number of offices may be held by the same person.

4.2. Time of Election. The officers above named shall be chosen by the Board of Directors at its first meeting after each annual meeting of stockholders. None of said officers need be a director.

4.3. Additional Officers. The Board of Directors may appoint such other officers and agents as it shall deem necessary, who shall hold their offices for such terms and shall exercise

such powers and perform such duties as shall be determined from time to time by the Board of Directors.

4.4. Terms of Office. Each officer of the Corporation shall hold office until his successor is chosen and qualified, or until his earlier resignation or removal. Any officer elected or appointed by the Board of Directors may be removed at any time by the Board of Directors.

4.5. Compensation of Officers. The Board of Directors shall have power to fix the compensation of all officers of the Corporation. It may authorize any officer, upon whom the power of appointing subordinate officers may have been conferred, to fix the compensation of such subordinate officers.

4.6. Chairman of the Board. The Chairman of the Board of Directors shall preside at all meetings of the stockholders and directors, and shall have such other duties as may be assigned to him from time to time by the Board of Directors.

4.7. Chief Executive Officer. The Chief Executive Officer shall be chosen by the affirmative vote of a majority of the outstanding shares of capital stock of the Corporation. Subject to the supervisory powers of the Chairman of the Board, the Chief Executive Officer of the Corporation shall have general supervision, direction, and control of the business and the officers of the Corporation and shall have the general powers and duties of management usually vested in the office of chief executive officer of a corporation (subject, however, to the right of the Board of Directors and of the executive committee to confer any specific power, except such as may be by statute exclusively conferred on the Chief Executive Officer, upon any other officer or officers of the Corporation) and shall have such other powers and duties as may be prescribed by the Board of Directors or these by-laws.

4.8. President. Unless there is a Chairman of the Board, the President shall preside at all meetings of directors and stockholders. Subject to the supervisory powers of the Chairman of the Board and the Chief Executive Officer, the President shall have, under the supervision of the Board of Directors and of the executive committee, the general powers and duties of management usually vested in the office of president of a corporation, subject, however, to the right of the Board of Directors and of the executive committee to confer any specific power, except such as may be by statute exclusively conferred on the President, upon any other officer or officers of the Corporation. The President shall perform and do all acts and things incident to the position of President and such other duties as may be assigned to him from time to time by the Board of Directors or the executive committee.

4.9. Vice Presidents. The Vice Presidents shall perform such of the duties of the President on behalf of the Corporation as may be respectively assigned to them from time to time by the Board of Directors or by the executive committee or by the President. The Board of Directors or the executive committee may designate one of the Vice Presidents as the Executive Vice President, and in the absence or inability of the President to act, such Executive Vice President shall have and possess all of the powers and discharge all of the duties of the President, subject to the control of the Board of Directors and of the executive committee.

4.10. Treasurer. The Treasurer shall have the care and custody of all the funds and securities of the Corporation which may come into his hands as Treasurer, and the power and authority to endorse checks, drafts and other instruments for the payment of money for deposit or collection when necessary or proper and to deposit the same to the credit of the Corporation in such bank or banks or depository as the Board of Directors or the executive committee, or the officers or agents to whom the Board of Directors or the executive committee may delegate such authority, may designate, and he may endorse all commercial documents requiring endorsements for or on behalf of the Corporation. He may sign all receipts and vouchers for the payments made to the Corporation. He shall render an account of his transactions to the Board of Directors or to the executive committee as often as the Board of Directors or the committee shall require the same. He shall enter regularly in the books to be kept by him for that purpose full and adequate account of all moneys received and paid by him on account of the Corporation. He shall perform all acts incident to the position of Treasurer, subject to the control of the Board of Directors and of the executive committee. He shall when requested, pursuant to vote of the Board of Directors or the executive committee, give a bond to the Corporation conditioned for the faithful performance of his duties, the expense of which bond shall be borne by the Corporation.

4.11. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and of the stockholders; he shall attend to the giving and serving of all notices of the Corporation. Except as otherwise ordered by the Board of Directors or the executive committee, he shall attest the seal of the Corporation upon all contracts and instruments executed under such seal and shall affix the seal of the Corporation thereto and to all certificates of shares of

capital stock of the Corporation. He shall have charge of the stock certificate book, transfer book and stock ledger, and such other books and papers as the Board of Directors or the executive committee may direct. He shall, in general, perform all the duties of Secretary, subject to the control of the Board of Directors and of the executive committee.

4.12. Assistant Secretary. The Board of Directors or any two of the officers of the Corporation acting jointly may appoint or remove one or more Assistant Secretaries of the Corporation. Any Assistant Secretary upon his appointment shall perform such duties of the Secretary, and also any and all such other duties as the executive committee or the Board of Directors or the President or the Executive Vice President or the Treasurer or the Secretary may designate.

4.13. Assistant Treasurer. The Board of Directors or any two of the officers of the Corporation acting jointly may appoint or remove one or more Assistant Treasurers of the Corporation. Any Assistant Treasurer upon his appointment shall perform such of the duties of the Treasurer, and also any and all such other duties as the executive committee or the Board of Directors or the President or the Executive Vice President or the Treasurer or the Secretary may designate.

4.14. Subordinate Officers. The Board of Directors may select such subordinate officers as it may deem desirable. Each such officer shall hold office for such period, have such authority, and perform such duties as the Board of Directors may prescribe. The Board of Directors may, from time to time, authorize any officer to appoint and remove subordinate officers and to prescribe the powers and duties thereof.

Article V. - Stock.

5.1. Stock. Each stockholder shall be entitled to a certificate or certificates of stock of the Corporation in such form as the Board of Directors may from time to time prescribe. The certificates of stock of the Corporation shall be numbered and shall be entered in the books of the Corporation as they are issued. They shall certify the holder's name and number and class of shares and shall be signed by both of (i) either the Chairperson or Vice Chairperson of the Board of Directors, or the President or Vice President, and (ii) any one of the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary, and may, but need not, be sealed with the corporate seal of the Corporation. If such certificate is countersigned (l) by a transfer agent other than the Corporation or its employee, or, (2) by a registrar other than the Corporation or its employee, the signature of the officers of the Corporation and the corporate seal may be facsimiles. In case any officer or officers who shall have signed, or whose facsimile signature or signatures shall have been used on, any such certificate or certificates shall cease to be such officer or officers of the Corporation, whether because of death, resignation or otherwise, before such certificate or certificates shall have been delivered by the Corporation, such certificate or certificates may nevertheless be adopted by the Corporation and be issued and delivered as though the person or persons who signed such certificate or certificates or whose facsimile signature shall have been used thereon had not ceased to be such officer or officers of the Corporation.

5.2. Fractional Share Interests. The Corporation may, but shall not be required to, issue fractions of a share. If the Corporation does not issue fractions of a share, it shall (i) arrange for the disposition of fractional interests by those entitled thereto, (ii) pay in cash the fair value of fractions of a share as of the time when those entitled to receive such fractions are determined, or (iii) issue scrip or warrants in registered or bearer form which shall entitle the holder to receive a certificate for a full share upon the surrender of such scrip or warrants aggregating a full share. A certificate for a fractional share shall, but scrip or warrants shall not unless otherwise provided therein, entitle the holder to exercise voting rights, to receive dividends thereon, and to participate in any of the assets of the Corporation in the event of liquidation. The Board of Directors may cause scrip or warrants to be issued subject to the conditions that they shall become void if not exchanged for certificates representing full shares before a specified date, or subject to the conditions that the shares for which scrip or warrants are exchangeable may be sold by the Corporation and the proceeds thereof distributed to the holders of scrip or warrants, or subject to any other conditions which the Board of Directors may impose.

5.3. Transfers of Stock. Subject to any transfer restrictions then in force, the shares of stock of the Corporation shall be transferable only upon its books by the holders thereof in person or by their duly authorized attorneys or legal representatives and upon such transfer the old certificates shall be surrendered to the Corporation by the delivery thereof to the person in charge of the stock and transfer books and ledgers or to such other person as the directors may designate by whom they shall be cancelled and new certificates shall thereupon be issued. The Corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact thereof and accordingly shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person whether or not it shall have express or other notice thereof save as expressly provided by the laws of Delaware.

5.4. Record Date. For the purpose of determining the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or the allotment of any rights, or entitled to exercise any rights in respect of any change, conversion, or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty (60) days nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action. If no such record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; the record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is necessary, shall be the day on which the first written consent is expressed; and the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at any meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

5.5. Transfer Agent and Registrar. The Board of Directors may appoint one or more transfer agents or transfer clerks and one or more registrars and may require all certificates of stock to bear the signature or signatures of any of them.

5.6. Dividends.

1. Power to Declare. Dividends upon the capital stock of the Corporation, subject to the provisions of the Certificate of Incorporation, if any, may be declared by the Board of Directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation and the laws of Delaware.

2. Reserves. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for such other purpose as the directors shall think conducive to the interest of the Corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

5.7. Lost, Stolen or Destroyed Certificates. No certificates for shares of stock of the Corporation shall be issued in place of any certificate alleged to have been lost, stolen or destroyed, except upon production of such evidence of the loss, theft or destruction and upon indemnification of the Corporation and its agents to such extent and in such manner as the Board of Directors may from time to time prescribe.

5.8. Inspection of Books. The stockholders of the Corporation, by a majority vote at any meeting of stockholders duly called, or in case the stockholders shall fail to act, the Board of Directors shall have power from time to time to determine whether and to what extent and at what times and places and under what conditions and regulations the accounts and books of the Corporation (other than the stock ledger) or any of them, shall be open to inspection of stockholders; and no stockholder shall have any right to inspect any account or book or document of the Corporation except as conferred by statute or authorized by the Board of Directors or by a resolution of the stockholders.

Article VI. - Miscellaneous Management Provisions.

6.1. Checks, Drafts and Notes. All checks, drafts or orders for the payment of money, and all notes and acceptances of the Corporation shall be signed by such officer or officers, agent or agents as the Board of Directors may designate.

6.2. Notices.

1. Notices to directors and stockholders may be (i) in writing and delivered personally or mailed to the directors or stockholders at their addresses appearing on the books of the Corporation, (ii) by facsimile telecommunication, when directed to a number at which the director or stockholder has consented to receive notice, (iii) by electronic mail, when directed to an electronic mail address at which the director or stockholder has consented to receive notice, (iv) by other electronic transmission, when directed to the director or stockholder. Notice by mail shall be deemed to be given at the time when the same shall be mailed.

2. Whenever any notice is required to be given under the provisions of the statutes or of the Certificate of Incorporation of the Corporation of the Corporation or of these by-laws, a written waiver signed by the person or persons entitled to said notice, or waiver by electronic transmission by the person entitled to said notice, whether before or after the time stated therein or the meeting or action to which such notice relates, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

6.3. Conflict of Interest. No contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors of or committee thereof which authorized the contract or transaction, or solely because his or their votes are counted for such purpose, if: (i) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (ii) the material facts

as to his relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders of the Corporation entitled to vote thereon, and the contract or transaction as specifically approved in good faith by vote of such stockholders; or (iii) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee or the stockholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

6.4. Voting of Securities owned by this Corporation. Subject always to the specific directions of the Board of Directors, (i) any shares or other securities issued by any other Corporation and owned or controlled by this Corporation may be voted in person at any meeting of security holders of such other corporation by the President of this Corporation if he is present at such meeting, or in his absence by the Treasurer of this Corporation if he is present at such meeting, and (ii) whenever, in the judgment of the President, it is desirable for this Corporation to execute a proxy or written consent in respect to any shares or other securities issued by any other Corporation and owned by this Corporation, such proxy or consent shall be executed in the name of this Corporation by the President, without the necessity of any authorization by the Board of Directors, affixation of corporate seal or countersignature or attestation by another officer, provided that if the President is unable to execute such proxy or consent by reason of sickness, absence from the United States or other similar cause, the Treasurer may execute such proxy or consent. Any person or persons designated in the manner above stated as the proxy or proxies of this Corporation shall have full right, power and authority to vote the shares or other securities issued by such other corporation and owned by this Corporation the same as such shares or other securities might be voted by this Corporation.

6.5. Books and Records. The Board of Directors shall keep or cause to be kept complete and accurate books and records of the Corporation (at the Corporation's expense) which shall be maintained and be available at the principal office of the Corporation for examination and copying by any stockholder, or such stockholder's duly authorized representatives, at any and all reasonable times, provided that (a) such inspection shall occur during normal business hours and only after reasonable advance notice to the Board of Directors, and (b) the inspecting stockholder shall be responsible for any out-of-pocket costs or expenses incurred by the Corporation in making such books and records available for inspection. The Corporation shall maintain such books and records and may provide such financial or other statements as the Board of Directors deems advisable.

6.6. Bank Accounts. The bank accounts of the Corporation shall be maintained in such banking institutions as the Board of Directors shall determine, and withdrawals shall be made therefrom on such signature or signatures as the Board of Directors shall determine.

6.7. Accountant. A firm of independent certified public accountants (the "Accountant") shall be engaged by the Board of Directors on behalf of the Corporation from time to time. The Accountant shall review and sign all tax returns of the Corporation.

6.8. Accounting Method, Tax Year. The books of the Corporation shall be kept on such basis as the Board of Directors determines appropriate. The tax year of the Corporation shall be the calendar year.

Article VII. - Indemnification.

7.1. Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), by reason of being or having been a director or officer of the Corporation or serving or having served at the request of the Corporation as a director, trustee, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (an "Indemnitee"), whether the basis of such proceeding is alleged action or failure to act in an official capacity as a director, trustee, officer, employee or agent or in any other capacity while serving as a director, trustee, officer, employee or agent, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the Delaware General Corporation Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than permitted prior thereto) (as used in this Article 7, the "Delaware Law"), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such Indemnitee in connection therewith and such indemnification shall continue as to an Indemnitee who has ceased to be a director, trustee, officer, employee or agent and shall inure to the benefit of the Indemnitee's heirs, executors and administrators; provided, however, that, (i) except as provided in §7.2 hereof with respect to Proceedings to enforce rights to indemnification, the Corporation shall indemnify any such Indemnitee in connection with a Proceeding (or part thereof) initiated by such Indemnitee only if such Proceeding (or part thereof) was authorized by the Board of Directors of the Corporation; (ii) no such indemnification shall apply to any Indemnitee who has not acted in good faith in the best interests of the Corporation or who has otherwise acted outside the scope of his employment or authority; (iii) no indemnification shall be provided for any person with respect to any matter as to which such person shall have been adjudicated in any proceeding not to have acted in good faith in the reasonable belief that his action was in the best interest of the Corporation; and (iv) no such indemnification shall apply for the benefit of Langley Steinert (the "Founder") as Indemnitee if the Board of Directors (after giving effect, if applicable, to removal and replacement of the Founder as a Director) shall determine that the Proceeding with respect to which indemnification is sought is based, in whole or part, upon an agreement or other written document by which the Founder was bound and which was not previously disclosed to the Corporation in connection with the Corporation's financings. The right to indemnification conferred in this Article 7 shall be a contract right and shall include the right to be paid by the Corporation the expenses (including attorneys' fees) incurred in defending any such Proceeding in advance of its final disposition (an "Advancement of Expenses"); provided, however, that, if the Delaware Law so requires, an Advancement of Expenses incurred by an Indemnitee shall be made only upon delivery to the Corporation of an undertaking (an "Undertaking"), by or on behalf of such Indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (a "Final Adjudication") that such Indemnitee is not entitled to be indemnified for such expenses under this Article 7 or otherwise.

7.2. Right of Indemnitee to Bring Suit. If a claim under §7.1 hereof is not paid in full by the Corporation within sixty days after a written claim has been received by the Corporation, except in the case of a claim for an Advancement of Expenses, in which case the

applicable period shall be twenty days, the Indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an Advancement of Expenses pursuant to the terms of an Undertaking, the Indemnitee shall be entitled to be paid also the expense of prosecuting or defending such suit. In (i) any suit brought by the Indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the Indemnitee to enforce a right to an Advancement of Expenses) it shall be a defense that, and (ii) in any suit by the Corporation to recover an Advancement of Expenses pursuant to the terms of an Undertaking the Corporation shall be entitled to recover such expenses upon a Final Adjudication that, the Indemnitee has not met the applicable standard of conduct set forth in the Delaware Law. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the Indemnitee is proper in the circumstances because the Indemnitee has met the applicable standard of conduct set forth in the Delaware Law, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) that the Indemnitee has not met such applicable standard of conduct, shall create a presumption that the Indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the Indemnitee, be a defense to such suit. In any suit brought by the Indemnitee to enforce a right to indemnification or to an Advancement of Expenses hereunder, or by the Corporation to recover an Advancement of Expenses pursuant to the terms of an Undertaking, the burden of proving that the Indemnitee is not entitled to be indemnified, or to such Advancement of Expenses, under this Article 7 or otherwise shall be on the Corporation.

7.3. Other Recovery Proceeds. In the event that the Indemnitee shall receive any refund, insurance proceeds, contribution from co-defendants, or other recovery from any person or entity (other than recovery from the Corporation under this Article 7) (the "Other Recovery Proceeds") in respect of any matter in connection with which an indemnification payment shall have been made by the Corporation hereunder, the Indemnitee shall refund to the Corporation an amount equal to the Other Recovery Proceeds allocable to the same matter for which indemnification was paid by the Corporation.

7.4. Assumption of Defense by the Corporation. Promptly after receipt by the Indemnitee of any claim or the commencement of any Proceeding with respect to which indemnification payments may be sought from the Corporation under this Article 7, the Indemnitee shall notify the Corporation in writing of such claim or of the commencement of such Proceeding; provided that failure so to notify the Corporation will relieve it from any liability which it may have only if and to the extent that such failure results in the forfeiture by the Corporation of substantial rights and defenses (and will not in any event relieve the Corporation from any other obligation or liability that it may have to the Indemnitee in respect of any other claim for indemnification or in respect of any rights arising other than under this Article 7). If the Corporation shall so elect, the Corporation may assume the defense of such Proceeding, including the employment of counsel and shall in such event be responsible for the payment of the legal and other costs of such defense (provided, however, that the Corporation will not be required to pay the fees and disbursements of more than one counsel for the defense of any such Proceeding). In any Proceeding the defense of which is assumed by the Corporation, the Indemnitee will have the right to participate in such Proceeding, and shall have the right to retain his own separate counsel at his own expense. Neither the Corporation, on the one hand,

nor the Indemnitee, on the other hand, will, without the prior written consent of the other party, settle or compromise or consent to the entry of any judgment in any pending or threatened Proceeding in respect of which indemnification may be sought hereunder unless such settlement, compromise or consent includes an unconditional release of the Indemnitee and the Corporation from any and all liability arising out of such Proceeding.

7.5. Non-Exclusivity of Rights. The rights to indemnification and to the Advancement of Expenses conferred in this Article 7 shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, the Corporation's Certificate of Incorporation, by-law, agreement, vote of stockholders or disinterested directors or otherwise.

7.6. Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under this Article 7 or under the Delaware Law.

7.7. Indemnification of Employees and Agents of the Corporation. The Corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification, and to the Advancement of Expenses, to any employee or agent of the Corporation to the fullest extent of the provisions of this Article 7 with respect to the indemnification and Advancement of Expenses of directors and officers of the Corporation.

Article VIII. - Amendments.

8.1. Amendments. The by-laws of the Corporation may be altered, amended or repealed at any meeting of the Board of Directors upon notice thereof in accordance with these by-laws, or at any meeting of the stockholders by the vote of the holders of the majority of the stock issued and outstanding and entitled to vote at such meeting, in accordance with the provisions of the Certificate of Incorporation of the Corporation and of the laws of Delaware.

Exhibit 4.2

EXECUTION VERSION

CARGURUS, INC.

AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

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AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

THIS AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT (this "**Agreement**"), is made as of the 23rd day of August, 2016, by and among CarGurus, Inc., a Delaware corporation (the "**Company**"), and each of the investors listed on Schedule A hereto (together with any subsequent investors, or transferees, who become parties hereto as "Investors" pursuant to Subsection 6.9 below, the "Investors").

RECITALS

WHEREAS, certain of the Investors (the "**Existing Investors**") hold shares of the Company's Preferred Stock and/or shares of Common Stock issued upon conversion thereof and possess registration rights, information rights, and other rights pursuant to an Investors' Rights Agreement, dated as of July 7, 2015, by and between the Company and such Investors (the "**Prior Agreement**"); and

WHEREAS, the Existing Investors represent the Majority Investors (as defined in the Prior Agreement), and with the Company desire to amend and restate the Prior Agreement in its entirety and to accept the rights created pursuant to this Agreement in lieu of the rights granted to them under the Prior Agreement; and

WHEREAS, certain of the Investors are parties to that certain Series E Preferred Stock Purchase Agreement of even date herewith between the Company and certain of the Investors (the "**Purchase Agreement**"), under which certain of the Company's and such Investors' obligations are conditioned upon the execution and delivery of this Agreement by such Investors, Existing Investors representing the Majority Investors under the Prior Agreement, and the Company.

NOW, THEREFORE, the Existing Investors hereby agree that the Prior Agreement shall be superseded and replaced in its entirety by this Agreement, and the parties to this Agreement further agree as follows:

1. Definitions. For purposes of this Agreement:

1.1 "**Advisory Investor**" means a mutual fund, pension fund, pooled investment vehicle or separate account advised by an investment advisor registered under the Investment Adviser's Act of 1940, as amended.

1.2 "**Affiliate**" means, with respect to any specified Person, any other Person who, directly or indirectly, controls, is controlled by, or is under common control with such Person, including without limitation any general partner, managing member, officer or director of such Person or any venture capital or other investment fund now or hereafter existing that is controlled by one or more general partners or managing members or investment advisor of, or shares the same management company with, such Person.

1.3 "**Certificate of Incorporation**" means the Company's Second Amended and Restated Certificate of Incorporation, as may be amended from time to time.

1.4 "**Common Stock**" means shares of the Company's Class A common stock, par value $0.001 per share and Class B common stock, par value $0.001 per share.

1.5 "**Competitor**" means a Person engaged, directly or indirectly (including through any partnership, limited liability company, corporation, joint venture or similar arrangement (whether now existing or formed hereafter)), in the field of online automotive research and shopping, but shall not include (w) any financial investment firm or collective investment vehicle that, together with its Affiliates, holds less than twenty percent (20%) of the outstanding equity of any Competitor and does not, nor do any of its Affiliates, have a right to designate any members of the Board of Directors of any Competitor, (x) any Advisory Investor, (y) Growth Capital Fund I, L.P. or (z) Foxhaven Master Fund, LP or Foxway, LP.

1.6 "**Damages**" means any loss, damage, claim or liability (joint or several) to which a party hereto may become subject under the Securities Act, the Exchange Act, or other federal or state law, insofar as such loss, damage, claim or liability (or any action in respect thereof) arises out of or is based upon: (i) any untrue statement or alleged untrue statement of a material fact contained in any registration statement of the Company, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto; (ii) an omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading; or (iii) any violation or alleged violation by the indemnifying party (or any of its agents or Affiliates) of the Securities Act, the Exchange Act, any state securities law, or any rule or regulation promulgated under the Securities Act, the Exchange Act, or any state securities law.

1.7 "**Derivative Securities**" means any securities or rights convertible into, or exercisable or exchangeable for (in each case, directly or indirectly), Common Stock, including options and warrants.

1.8 "**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

1.9 "**Excluded Registration**" means (i) a registration relating to the sale of securities to employees of the Company or a subsidiary pursuant to a stock option, stock purchase, or similar plan; (ii) a registration relating to an SEC Rule 145 transaction; (iii) a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities; or (iv) a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered.

1.10 "**Fidelity**" shall mean Fidelity Management & Research Company and any successor or affiliated registered investment advisor to the Fidelity Investors.

1.11 "**Fidelity Investors**" shall mean any Investors advised or subadvised by Fidelity or one of its Affiliates.

1.12 "**Form S-1**" means such form under the Securities Act as in effect on the date hereof or any successor registration form under the Securities Act subsequently adopted by the SEC.

1.13 "**Form S-3**" means such form under the Securities Act as in effect on the date hereof or any registration form under the Securities Act subsequently adopted by the SEC that permits incorporation of substantial information by reference to other documents filed by the Company with the SEC.

1.14 "**GAAP**" means generally accepted accounting principles in the United States.

1.15 "**Holder**" means any holder of Registrable Securities who is a party to this Agreement.

1.16 "**Immediate Family Member**" means a child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including, adoptive relationships, of a natural person referred to herein.

1.17 "**Initiating Holders**" means, collectively, Holders who properly initiate a registration request under this Agreement.

1.18 "**Institutional Investors**" means, collectively, (w) Growth Capital Fund I, L.P., (x) T. Rowe Price, (y) each Fidelity Investor and (z) Foxhaven Master Fund, LP or Foxway, LP (together with its/their Affiliates).

1.19 "**Lead Investor**" means Growth Capital Fund I, L.P. and/or its Affiliates and assigns.

1.20 "**Qualified IPO**" means a firm commitment underwritten public offering by the Company of shares of its Common Stock, the public offering price per share of which is not less than $5.00 per share (subject to appropriate adjustment for stock splits, stock dividends, combinations, and other recapitalizations), and which results in aggregate cash proceeds to the Company of not less than $75 million (net of underwriting discounts and commissions).

1.21 "**Key Employee**" means (i) Langley Steinert, (ii) any other executive-level employee and (iii) any employee who, either alone or in concert with others, has significant involvement in the development, invention, programming or design of any Company Intellectual Property (as defined in the Purchase Agreement).

1.22 "**Major Investor**" means (a) any Investor that, individually or together with such Investor's Affiliates, holds at least (i) 800,000 shares of Common Stock, with respect to Investors holding Common Stock, (ii) 400,000 shares of Series A Preferred Stock, with respect to Investors holding Series A Preferred Stock, (iii) 400,000 shares of Series B Preferred Stock, with respect to Investors holding Series B Preferred Stock, (iv) 500,000 shares of Series C Preferred Stock, with respect to Investors holding Series C Preferred Stock, (v) 500,000 shares of Series D Preferred Stock, with respect to Investors holding Series D Preferred Stock (in each case, as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification effected after the date hereof), or (vi) 100,000 shares of Series E Preferred Stock, with respect to Investors holding Series E Preferred Stock (in each case, as adjusted for any stock

split, stock dividend, combination, or other recapitalization or reclassification effected after the date hereof) and (b) any Holder that is an Advisory Investor.

1.23 "**New Securities**" means, collectively, equity securities of the Company, whether or not currently authorized, as well as rights, options, or warrants to purchase such equity securities, or securities of any type whatsoever that are, or may become, convertible or exchangeable into or exercisable for such equity securities.

1.24 "**Person**" means any individual, corporation, partnership, trust, limited liability company, association or other entity.

1.25 "**Preferred Directors**" means any director of the Company that the holders of record of the Preferred Stock are entitled to elect pursuant to the Certificate of Incorporation.

1.26 "**Preferred Stock**" means, collectively, shares of the Company's Series A Preferred Stock, par value $0.001 per share (the "**Series A Preferred Stock**"), Series B Preferred Stock, par value $0.001 per share (the "**Series B Preferred Stock**"), Series C Preferred Stock, par value $0.001 per share (the "**Series C Preferred Stock**"), Series D Preferred Stock, par value $0.001 per share (the "**Series D Preferred Stock**") and Series E Preferred Stock, par value $0.001 per share (the "**Series E Preferred Stock**").

1.27 "**Registrable Securities**" means (i) the Common Stock issuable or issued upon conversion of the Preferred Stock; (ii) any Common Stock, or any Common Stock issued or issuable (directly or indirectly) upon conversion and/or exercise of any other securities of the Company, acquired by the Investors after the date hereof; and (iii) any Common Stock issued as (or issuable upon the conversion or exercise of any warrant, right, or other security that is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, the shares referenced in clauses (i) and (ii) above; excluding in all cases, however, any Registrable Securities sold by a Person in a transaction in which the applicable rights under this Agreement are not assigned pursuant to Subsection 6.1, and excluding for purposes of Section 2.8 any shares for which registration rights have terminated pursuant to Subsection 2.13 of this Agreement.

1.28 "**Registrable Securities then outstanding**" means the number of shares determined by adding the number of shares of outstanding Common Stock that are Registrable Securities and the number of shares of Common Stock issuable (directly or indirectly) pursuant to then exercisable and/or convertible securities that are Registrable Securities.

1.29 "**Restricted Securities**" means the securities of the Company required to be notated with the legend set forth in Subsection 2.12(b) hereof.

1.30 "**SEC**" means the Securities and Exchange Commission.

1.31 "**SEC Rule 144**" means Rule 144 promulgated by the SEC under the Securities Act.

1.32 "**SEC Rule 145**" means Rule 145 promulgated by the SEC under the Securities Act.

1.33 "**Securities Act**" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

1.34 "**Selling Expenses**" means all underwriting discounts, selling commissions, and stock transfer taxes applicable to the sale of Registrable Securities, and fees and disbursements of counsel for any Holder, except for the fees and disbursements of the Selling Holder Counsel borne and paid by the Company as provided in Subsection 2.6.

1.35 "**T. Rowe Price**" means T. Rowe Price Associates, Inc. and/or its Affiliates and assigns.

1.36 "**2015 Equity Incentive Plan**" means the Amended and Restated 2015 Equity Incentive Plan of the Company, as may be amended from time to time.

2. Registration Rights. The Company covenants and agrees as follows:

2.1 Demand Registration.

(a) Form S-1 Demand. If at any time after the date that is one hundred eighty (180) days after the effective date of the registration statement for a Qualified IPO, the Company receives a request from Holders of fifty percent (50%) of the Registrable Securities then outstanding that the Company file a Form S-1 registration statement with respect to the Registrable Securities then outstanding, then the Company shall (x) within ten (10) days after the date such request is given, give notice thereof (the "**Demand Notice**") to all Holders other than the Initiating Holders; and (y) as soon as practicable, and in any event within sixty (60) days after the date such request is given by the Initiating Holders, file a Form S-1 registration statement under the Securities Act covering all Registrable Securities that the Initiating Holders requested to be registered and any additional Registrable Securities requested to be included in such registration by any other Holders, as specified by notice given by each such Holder to the Company within twenty (20) days of the date the Demand Notice is given, and in each case, subject to the limitations of Subsections 2.1(c) and 2.3.

(b) Form S-3 Demand. If at any time when it is eligible to use a Form S-3 registration statement, the Company receives a request from any Holder or Holders of Registrable Securities then outstanding that the Company file a Form S-3 registration statement with respect to outstanding Registrable Securities of such Holder or Holders having an anticipated aggregate offering price, net of Selling Expenses, of at least $5 million, then the Company shall (i) within ten (10) days after the date such request is given, give a Demand Notice to all Holders other than the Initiating Holders; and (ii) as soon as practicable, and in any event within sixty (60) days after the date such request is given by the Initiating Holders, file a Form S-3 registration statement under the Securities Act covering all Registrable Securities requested to be included in such registration by any other Holders, as specified by notice given by each such Holder to the Company within twenty (20) business days of the date the Demand Notice is given, and in each case, subject to the limitations of Subsections 2.1(c) and 2.3.

(c) Notwithstanding the foregoing obligations, if the Company furnishes to Holders requesting a registration pursuant to this Subsection 2.1 a certificate signed by the Company's chief executive officer stating that in the good faith judgment of the Company's

Board of Directors it would be materially detrimental to the Company and its stockholders for such registration statement to be filed and it is therefore necessary to defer the filing of such registration statement, then the Company shall have the right to defer taking action with respect to such filing, and any time periods with respect to filing or effectiveness thereof shall be tolled correspondingly, for a period of not more than ninety (90) days after the request of the Initiating Holders is given; provided, however, that the Company may not invoke this right more than once in any twelve (12) month period.

(d) The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to Subsection 2.1(a) (i) during the period that is forty-five (45) days before the Company's good faith estimate of the date of filing of, and ending on a date that is one hundred eighty (180) days after the effective date of, a Company-initiated registration, provided that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective; (ii) after the Company has effected one registration pursuant to Subsection 2.1(a); or (iii) if the Initiating Holders propose to dispose of shares of Registrable Securities that may be immediately registered on Form S-3 pursuant to a request made pursuant to Subsection 2.1(b). The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to Subsection 2.1(b) (i) during the period that is thirty (30) days before the Company's good faith estimate of the date of filing of, and ending on a date that is one hundred twenty (120) days after the effective date of, a Company-initiated registration, provided that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective; or (ii) if the Company has effected two registrations pursuant to Subsection 2.1(b) within the twelve (12) month period immediately preceding the date of such request. A registration shall not be counted as "effected" for purposes of this Subsection 2.1(d) until such time as the applicable registration statement has been declared effective by the SEC, unless the Initiating Holders withdraw their request for such registration, elect not to pay the registration expenses therefor, and forfeit their right to one demand registration statement pursuant to Subsection 2.6, in which case such withdrawn registration statement shall be counted as "effected" for purposes of this Subsection 2.1(d).

2.2 Company Registration. If the Company proposes to register (including, for this purpose, a registration effected by the Company for stockholders other than the Holders) any of its securities under the Securities Act in connection with the public offering of such securities solely for cash (other than in an Excluded Registration), the Company shall, at such time, promptly give each Holder notice of such registration. Upon the request of each Holder given within twenty (20) days after such notice is given by the Company, the Company shall, subject to the provisions of Subsection 2.3, cause to be registered all of the Registrable Securities that each such Holder has requested to be included in such registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Subsection 2.2 before the effective date of such registration, whether or not any Holder has elected to include Registrable Securities in such registration. The expenses (other than Selling Expenses) of such withdrawn registration shall be borne by the Company in accordance with Subsection 2.6.

2.3 Underwriting Requirements.

(a) If, pursuant to Subsection 2.1, the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to Subsection 2.1, and the Company shall include such information in the Demand Notice. The underwriter(s) will be selected by the Company and shall be reasonably acceptable to a majority in interest of the Initiating Holders. In such event, the right of any Holder to include such Holder's Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall (together with the Company as provided in Subsection 2.4(e)) enter into an underwriting agreement in customary form with the underwriter(s) selected for such underwriting. Notwithstanding any other provision of this Subsection 2.3, if the underwriter(s) advise(s) the Initiating Holders in writing that marketing factors require a limitation on the number of shares to be underwritten, then the Initiating Holders shall so advise all Holders of Registrable Securities that otherwise would be underwritten pursuant hereto, and the number of Registrable Securities that may be included in the underwriting shall be allocated among such Holders of Registrable Securities, including the Initiating Holders, in proportion (as nearly as practicable) to the number of Registrable Securities owned by each Holder or in such other proportion as shall mutually be agreed to by all such selling Holders; provided, however, that the number of Registrable Securities held by the Holders to be included in such underwriting shall not be reduced unless all other securities are first entirely excluded from the underwriting. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to any Holder to the nearest one hundred (100) shares.

(b) In connection with any offering involving an underwriting of shares of the Company's capital stock pursuant to Subsection 2.2, the Company shall not be required to include any of the Holders' Registrable Securities in such underwriting unless the Holders accept the terms of the underwriting as agreed upon between the Company and its underwriters, and then only in such quantity as the underwriters in their sole discretion determine will not jeopardize the success of the offering by the Company. If the total number of securities, including Registrable Securities, requested by stockholders to be included in such offering exceeds the number of securities to be sold (other than by the Company) that the underwriters in their reasonable discretion determine is compatible with the success of the offering, then the Company shall be required to include in the offering only that number of such securities, including Registrable Securities, which the underwriters and the Company in their sole discretion determine will not jeopardize the success of the offering. If the underwriters determine that less than all of the Registrable Securities requested to be registered can be included in such offering, then the Registrable Securities that are included in such offering shall be allocated among the selling Holders in proportion (as nearly as practicable to) the number of Registrable Securities owned by each selling Holder or in such other proportions as shall mutually be agreed to by all such selling Holders. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to any Holder to the nearest one hundred (100) shares. Notwithstanding the foregoing, in no event shall (i) the number of Registrable Securities included in the offering be reduced unless all other

securities (other than securities to be sold by the Company) are first entirely excluded from the offering, or (ii) the number of Registrable Securities included in the offering be reduced below twenty-five percent (25%) of the total number of securities included in such offering, unless such offering is a Qualified IPO, in which case the selling Holders may be excluded further if the underwriters make the determination described above and no other stockholder's securities are included in such offering. For purposes of the provision in this Subsection 2.3(b) concerning apportionment, for any selling Holder that is a partnership, limited liability company, or corporation, the partners, members, retired partners, retired members, stockholders, and Affiliates of such Holder, or the estates and Immediate Family Members of any such partners, retired partners, members, and retired members and any trusts for the benefit of any of the foregoing Persons, shall be deemed to be a single "selling Holder," and any pro rata reduction with respect to such "selling Holder" shall be based upon the aggregate number of Registrable Securities owned by all Persons included in such "selling Holder," as defined in this sentence.

(c) For purposes of Subsection 2.1, a registration shall not be counted as "effected" if, as a result of an exercise of the underwriter's cutback provisions in Subsection 2.3(a), fewer than fifty percent (50%) of the total number of Registrable Securities that Holders have requested to be included in such registration statement are actually included.

2.4 Obligations of the Company. Whenever required under this Section 2.4 to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) prepare and file with the SEC a registration statement with respect to such Registrable Securities and use its commercially reasonable efforts to cause such registration statement to become effective and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for a period of up to one hundred twenty (120) days or, if earlier, until the distribution contemplated in the registration statement has been completed; provided, however, that (i) such one hundred twenty (120) day period shall be extended for a period of time equal to the period the Holder refrains, at the request of an underwriter of Common Stock (or other securities) of the Company, from selling any securities included in such registration, and (ii) in the case of any registration of Registrable Securities on Form S-3 that are intended to be offered on a continuous or delayed basis, subject to compliance with applicable SEC rules, such one hundred twenty (120) day period shall be extended for up to sixty (60) days, if necessary, to keep the registration statement effective until all such Registrable Securities are sold;

(b) prepare and file with the SEC such amendments and supplements to such registration statement, and the prospectus used in connection with such registration statement, as may be necessary to comply with the Securities Act in order to enable the disposition of all securities covered by such registration statement;

(c) furnish to the selling Holders such numbers of copies of a prospectus, including a preliminary prospectus, as required by the Securities Act, and such other documents as the Holders may reasonably request in order to facilitate their disposition of their Registrable Securities;

(d) use its commercially reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or blue-sky laws of such jurisdictions as shall be reasonably requested by the selling Holders; provided that the Company shall not be required to qualify to do business or to file a general consent to service of process in any such states or jurisdictions, unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act;

(e) in the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the underwriter(s) of such offering;

(f) use its commercially reasonable efforts to cause all such Registrable Securities covered by such registration statement to be listed on a national securities exchange or trading system and each securities exchange and trading system (if any) on which similar securities issued by the Company are then listed;

(g) provide a transfer agent and registrar for all Registrable Securities registered pursuant to this Agreement and provide a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration;

(h) promptly make available for inspection by the selling Holders, any underwriter(s) participating in any disposition pursuant to such registration statement, and any attorney or accountant or other agent retained by any such underwriter or selected by the selling Holders, all financial and other records, pertinent corporate documents, and properties of the Company, and cause the Company's officers, directors, employees, and independent accountants to supply all information reasonably requested by any such seller, underwriter, attorney, accountant, or agent, in each case, as necessary or advisable to verify the accuracy of the information in such registration statement and to conduct appropriate due diligence in connection therewith;

(i) notify each selling Holder, promptly after the Company receives notice thereof, of the time when such registration statement has been declared effective or a supplement to any prospectus forming a part of such registration statement has been filed; and

(j) after such registration statement becomes effective, notify each selling Holder of any request by the SEC that the Company amend or supplement such registration statement or prospectus.

In addition, the Company shall ensure that, at all times after any registration statement covering a public offering of securities of the Company under the Securities Act shall have become effective, its insider trading policy shall provide that the Company's directors may implement a trading program under Rule 10b5-1 of the Exchange Act.

2.5 Furnish Information. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 2.5 with respect to the Registrable Securities of any selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of

such securities as is reasonably required to effect the registration of such Holder's Registrable Securities.

2.6 Expenses of Registration. All expenses (other than Selling Expenses) incurred in connection with registrations, filings, or qualifications pursuant to Section 2.8, including all registration, filing, and qualification fees; printers' and accounting fees; fees and disbursements of counsel for the Company; and the reasonable fees and disbursements, not to exceed $50,000, of one counsel for the selling Holders ("**Selling Holder Counsel**"), shall be borne and paid by the Company; provided, however, that the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Subsection 2.1 if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered (in which case all selling Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be included in the withdrawn registration), unless the Holders of a majority of the Registrable Securities agree to forfeit their right to registration pursuant to Subsections 2.1(a) or 2.1(b), as the case may be. All Selling Expenses relating to Registrable Securities registered pursuant to this Section 2.6 shall be borne and paid by the Holders pro rata on the basis of the number of Registrable Securities registered on their behalf.

2.7 Delay of Registration. No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any registration pursuant to this Agreement as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 2.

2.8 Indemnification. If any Registrable Securities are included in a registration statement under this Section 2.8:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each selling Holder, and the partners, members, officers, directors, and stockholders of each such Holder; legal counsel, accountants and investment advisors for each such Holder; any underwriter (as defined in the Securities Act) for each such Holder; and each Person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, against any Damages, and the Company will pay to each such Holder, underwriter, controlling Person, or other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this Subsection 2.8(a) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Company, which consent shall not be unreasonably withheld, nor shall the Company be liable for any Damages to the extent that they arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of any such Holder, underwriter, controlling Person, or other aforementioned Person expressly for use in connection with such registration.

(b) To the extent permitted by law, each selling Holder, severally and not jointly, will indemnify and hold harmless the Company, and each of its directors, each of its officers who has signed the registration statement, each Person (if any), who controls the

Company within the meaning of the Securities Act, legal counsel and accountants for the Company, any underwriter (as defined in the Securities Act), any other Holder selling securities in such registration statement, and any controlling Person of any such underwriter or other Holder, against any Damages, in each case only to the extent that such Damages arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of such selling Holder expressly for use in connection with such registration; and each such selling Holder will pay to the Company and each other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this Subsection 2.8(b) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld; and provided further that in no event shall the aggregate amounts payable by any Holder by way of indemnity or contribution under Subsections 2.8(b) and 2.8(d) exceed the proceeds from the offering received by such Holder (net of any Selling Expenses paid by such Holder), except in the case of fraud or willful misconduct by such Holder.

(c) Promptly after receipt by an indemnified party under this Subsection 2.8 of notice of the commencement of any action (including any governmental action) for which a party may be entitled to indemnification hereunder, such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Subsection 2.8, give the indemnifying party notice of the commencement thereof. The indemnifying party shall have the right to participate in such action and, to the extent the indemnifying party so desires, participate jointly with any other indemnifying party to which notice has been given, and to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such action. The failure to give notice to the indemnifying party within a reasonable time of the commencement of any such action shall relieve such indemnifying party of any liability to the indemnified party under this Subsection 2.8, to the extent that such failure materially prejudices the indemnifying party's ability to defend such action. The failure to give notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Subsection 2.8.

(d) To provide for just and equitable contribution to joint liability under the Securities Act in any case in which either: (i) any party otherwise entitled to indemnification hereunder makes a claim for indemnification pursuant to this Subsection 2.8 but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case, notwithstanding the fact that this Subsection 2.8 provides for indemnification in such case, or (ii) contribution under the Securities Act may be required on the part of any party hereto for which indemnification is provided under this Subsection 2.8, then, and in each such case, such parties will contribute to the aggregate losses, claims, damages, liabilities, or expenses to which they may be subject (after contribution from others) in such

proportion as is appropriate to reflect the relative fault of each of the indemnifying party and the indemnified party in connection with the statements, omissions, or other actions that resulted in such loss, claim, damage, liability, or expense, as well as to reflect any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or allegedly untrue statement of a material fact, or the omission or alleged omission of a material fact, relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission; provided, however, that, in any such case (x) no Holder will be required to contribute any amount in excess of the public offering price of all such Registrable Securities offered and sold by such Holder pursuant to such registration statement, and (y) no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation; and provided further that in no event shall a Holder's liability pursuant to this Subsection 2.8(d), when combined with the amounts paid or payable by such Holder pursuant to Subsection 2.8(b), exceed the proceeds from the offering received by such Holder (net of any Selling Expenses paid by such Holder), except in the case of willful misconduct or fraud by such Holder.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

(f) Unless otherwise superseded by an underwriting agreement entered into in connection with the underwritten public offering, the obligations of the Company and Holders under this Subsection 2.8 shall survive the completion of any offering of Registrable Securities in a registration under this Section 2.8, and otherwise shall survive the termination of this Agreement.

2.9 Reports Under Exchange Act. With a view to making available to the Holders the benefits of SEC Rule 144 and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without registration or pursuant to a registration on Form S-3, the Company shall:

(a) make and keep available adequate current public information, as those terms are understood and defined in SEC Rule 144, at all times after the effective date of the registration statement filed by the Company for the IPO;

(b) use commercially reasonable efforts to file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act (at any time after the Company has become subject to such reporting requirements); and

(c) furnish to any Holder, so long as the Holder owns any Registrable Securities, forthwith upon request (i) to the extent accurate, a written statement by the Company that it has complied with the reporting requirements of SEC Rule 144 (at any time after ninety

(90) days after the effective date of the registration statement filed by the Company for the IPO), the Securities Act, and the Exchange Act (at any time after the Company has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to Form S-3 (at any time after the Company so qualifies); and (ii) such other information as may be reasonably requested in availing any Holder of any rule or regulation of the SEC that permits the selling of any such securities without registration (at any time after the Company has become subject to the reporting requirements under the Exchange Act) or pursuant to Form S-3 (at any time after the Company so qualifies to use such form).

2.10 Limitations on Subsequent Registration Rights. From and after the date of this Agreement, the Company shall not, without the prior written consent of the holders of a majority of the Series E Preferred Stock then outstanding, enter into any agreement with any holder or prospective holder of any securities of the Company that would provide to such holder the right to include securities in any registration on other than either a pro rata basis with respect to the Registrable Securities or on a subordinate basis after all holders of Series E Preferred Stock have had the opportunity to include in the registration and offering all shares of Registrable Securities that they wish to so include; provided that this limitation shall not apply to any additional Investor who becomes a party to this Agreement in accordance with Subsection 6.9.

2.11 "Market Stand-off" Agreement. Each Holder hereby agrees that it will not, without the prior written consent of the managing underwriter, during the period commencing on the date of the final prospectus relating to the Company's initial public offering (the "**IPO**") and ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (180) days), or such other period (not to exceed 210 days following the date of the final prospectus relating to the IPO) as may be requested by the Company or an underwriter to accommodate regulatory restrictions on (1) the publication or other distribution of research reports, and (2) analyst recommendations and opinions, including, but not limited to, the restrictions contained in FINRA Rule 2241 or NYSE Rule 472(f), or any successor provisions or amendments thereto, (i) lend, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Common Stock held immediately before the effective date of the registration statement for the IPO or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or other securities, in cash, or otherwise. The foregoing provisions of this Subsection 2.11 shall only apply to the IPO, shall not apply to shares of Common Stock acquired in the IPO or in the open market following the IPO, shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement, and shall be applicable to the Holders only if all officers, directors and other holders of at least 1% of the outstanding Common Stock (after giving effect to the conversion into Common Stock of all outstanding Preferred Stock) are subject to the same restrictions and the underwriter agrees that if any of the obligations described in this Subsection 2.11 are waived or terminated with respect to any of the securities of any such Holder, officer, director or one-percent or greater stockholder (in any such case, the "**Released Securities**"), the foregoing provisions shall be waived or terminated, as applicable, to the same extent and with respect to the

same percentage of securities of each Holder as the percentage of Released Securities represent with respect to the securities held by the applicable Holder, officer, director or stockholder. The underwriters in connection with such registration are intended third-party beneficiaries of this Subsection 2.11 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Each Holder further agrees to execute such agreements as may be reasonably requested by the underwriters in connection with such registration that are consistent with this Subsection 2.11 or that are necessary to give further effect thereto.

2.12 Restrictions on Transfer.

(a) The Preferred Stock and the Registrable Securities shall not be sold, pledged, or otherwise transferred, and the Company shall not recognize and shall issue stop-transfer instructions to its transfer agent with respect to any such sale, pledge, or transfer, except upon the conditions specified in this Agreement, which conditions are intended to ensure compliance with the provisions of the Securities Act. A transferring Holder will cause any proposed purchaser, pledgee, or transferee of the Preferred Stock and the Registrable Securities held by such Holder to agree to take and hold such securities subject to the provisions and upon the conditions specified in this Agreement.

(b) Each certificate, instrument, or book entry representing (i) the Preferred Stock, (ii) the Registrable Securities, and (iii) any other securities issued in respect of the securities referenced in clauses (i) and (ii), upon any stock split, stock dividend, recapitalization, merger, consolidation, or similar event, shall (unless otherwise permitted by the provisions of Subsection 2.12(c)) be notated with a legend substantially in the following form:

THE SECURITIES REPRESENTED HEREBY HAVE BEEN ACQUIRED FOR INVESTMENT, AND NOT WITH A VIEW, TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF, AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. SUCH SHARES MAY NOT BE SOLD, PLEDGED, OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR A VALID EXEMPTION FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SAID ACT.

THE SECURITIES REPRESENTED HEREBY MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN INVESTORS' RIGHTS AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

The Holders consent to the Company making a notation in its records and giving instructions to any transfer agent of the Restricted Securities in order to implement the restrictions on transfer set forth in this Subsection 2.12.

(c) The holder of such Restricted Securities, by acceptance of ownership thereof, agrees to comply in all respects with the provisions of this Section 2.12. In connection with any sale, pledge, or transfer of any Restricted Securities, unless there is in effect a

registration statement under the Securities Act covering the proposed transaction or, following the IPO, the transfer is made pursuant to SEC Rule 144, the Holder thereof shall give notice to the Company of such sale, pledge, or transfer. Each such notice shall describe the manner and circumstances of the sale, pledge, or transfer in sufficient detail and, if reasonably requested by the Company, shall be accompanied at such Holder's expense by either (i) a written opinion of legal counsel who shall, and whose legal opinion shall, be reasonably satisfactory to the Company, addressed to the Company, to the effect that the proposed transaction may be effected without registration under the Securities Act; (ii) a "no action" letter from the SEC to the effect that the proposed sale, pledge, or transfer of such Restricted Securities without registration will not result in a recommendation by the staff of the SEC that action be taken with respect thereto; or (iii) any other evidence reasonably satisfactory to counsel to the Company to the effect that the proposed sale, pledge, or transfer of the Restricted Securities may be effected without registration under the Securities Act, whereupon the Holder of such Restricted Securities shall be entitled to sell, pledge, or transfer such Restricted Securities in accordance with the terms of the notice given by the Holder to the Company. The Company will not require such a legal opinion or "no action" letter (x) in any transaction in compliance with SEC Rule 144; (y) in any transaction in which such Holder distributes Restricted Securities to an Affiliate of such Holder for no consideration or (z) any transaction involving the transfer of Restricted Securities from any Holder who is an Advisory Investor to another Advisory Investor with the same or an affiliated registered investment advisor; provided that each transferee (other than a transferee pursuant to clause (x)) agrees in writing to be subject to the terms of this Subsection 2.12. Each certificate, instrument, or book entry representing the Restricted Securities transferred as above provided shall be notated with, except if such transfer is made pursuant to SEC Rule 144 or pursuant to an effective registration statement, the appropriate restrictive legend set forth in Subsection 2.12(b), except that such certificate instrument, or book entry shall not be notated with such restrictive legend if, in the opinion of counsel for such Holder and the Company, such legend is not required in order to establish compliance with any provisions of the Securities Act.

2.13 Termination of Registration Rights. The right of any Holder to request registration or inclusion of Registrable Securities in any registration pursuant to Subsections 2.1 or 2.2 shall terminate upon the earliest to occur of:

(a) the closing of a Deemed Liquidation Event, as such term is defined in the Certificate of Incorporation; provided that the Holders shall have received only cash or liquid securities in connection with such Deemed Liquidation Event; and

(b) the second anniversary of a Qualified IPO.

2.14 Registration Rights Limited to Class A Common Stock. Notwithstanding anything to the contrary contained in this Agreement, the registration rights set forth in this Section 2 shall only provide the Holders with rights to request registration of shares of the Company's Class A Common Stock, par value $0.001 per share (the "Class A Common Stock"), or to request inclusion of Class A Common Stock, in any registration pursuant to Subsections 2.1 or 2.2, and nothing contained herein shall be construed as granting the Holders any rights to request registration of shares of the Company's Class B Common Stock, par value $0.001 per share.

3. Information and Observer Rights.

3.1 Delivery of Financial Statements. So long as there are outstanding shares of Preferred Stock and until the consummation of a Qualified IPO, the Company shall deliver to each Major Investor, provided that the Board of Directors has not reasonably determined that such Major Investor is a Competitor:

(a) as soon as practicable, but in any event within one hundred eighty (180) days after the end of each fiscal year of the Company (i) an audited balance sheet as of the end of such year, (ii) audited statements of income, retained earnings and changes in financial position for such year, and (iii) an audited statement of stockholders' equity as of the end of such year;

(b) as soon as practicable, but in any event within thirty (30) days after the end of each of quarter each fiscal year of the Company, unaudited statements of income and cash flows for such fiscal quarter, and an unaudited balance sheet and statement of stockholders' equity as of the end of such fiscal quarter, all prepared in accordance with GAAP (except that such financial statements may (i) be subject to normal year-end adjustments; and (ii) not contain all notes thereto that may be required in accordance with GAAP); and

(c) as soon as practicable, but in any event within forty-five (45) days after the end of each quarter of each fiscal year of the Company, a statement showing the number of shares of each class and series of capital stock and securities convertible into or exercisable for shares of capital stock outstanding at the end of the period, the Common Stock issuable upon conversion or exercise of any outstanding securities convertible or exercisable for Common Stock and the exchange ratio or exercise price applicable thereto, and the number of shares of issued stock options and stock options not yet issued but reserved for issuance, if any, all in sufficient detail as to permit the Major Investors to calculate their respective percentage equity ownership in the Company, and certified by the chief financial officer or chief executive officer of the Company as being true, complete, and correct.

(d) as soon as practicable upon a request by a Major Investor, the Company shall use its reasonable commercial efforts to promptly respond or cause its transfer agent, if applicable, to promptly respond, to requests for information made on behalf of any Major Investor relating to (a) accounting or securities law matters required in connection an audit of the Major Investor or (b) the actual holdings of the Major Investor's accounts, including in relation to the outstanding capital stock of the Company; provided, however, that the Company shall not be obligated to provide any such information that could reasonably result in a violation of applicable law or conflict with the Company's insider trading policy or a confidentiality obligation of the Company (unless the Company believes the issue can be resolved by using a non-disclosure agreement and a non-disclosure agreement or confidentiality obligations are either already in place or are put in place). The rights given to any Major Investor pursuant to this Section 3.1(d) shall expire once that Investor's account holds or could hold no securities of the Company that are restricted from resale under the Securities Act of 1933, as amended.

If, for any period, the Company has any subsidiary whose accounts are consolidated with those of the Company, then in respect of such period the financial statements

delivered pursuant to the foregoing sections shall be the consolidated and consolidating financial statements of the Company and all such consolidated subsidiaries.

Notwithstanding anything else in this Subsection 3.1 to the contrary, the Company may cease providing the information set forth in this Subsection 3.1 during the period starting with the date sixty (60) days before the Company's good-faith estimate of the date of filing of a registration statement if it reasonably concludes it must do so to comply with the SEC rules applicable to such registration statement and related offering; provided that the Company's covenants under this Subsection 3.1 shall be reinstated at such time as the Company is no longer actively employing its commercially reasonable efforts to cause such registration statement to become effective.

Notwithstanding anything else in this Subsection 3.1 to the contrary, with respect to Holders who are Affiliates of Institutional Investors, the Company shall not be required to provide the information set forth in this Subsection 3.1 to each such Holder, and instead shall only be required to provide such information to a single investment advisor to be designated by each Institutional Investors from time to time; provided, however that in the case of the Fidelity Investors, the information may be provided to up to five (5) investment advisors.

3.2 Inspection. The Company shall permit each Major Investor (provided that the Board of Directors has not reasonably determined that such Major Investor is a Competitor), at such Major Investor's expense, to visit and inspect the Company's properties; examine its books of account and records; and discuss the Company's affairs, finances, and accounts with its officers, during normal business hours of the Company as may be reasonably requested by the Major Investor; provided, however, that the Company shall not be obligated pursuant to this Subsection 3.2 to provide access to any information that it reasonably and in good faith considers to be a trade secret or confidential information (unless covered by an enforceable confidentiality agreement, in form acceptable to the Company, or by Section 10.17 of the Stockholders' Agreement dated on or about the date hereof by and among the Company and the parties thereto (the "**Stockholders' Agreement**")) or the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

3.3 Observer Rights.

(a) As long as T. Rowe Price owns not less than ten percent (10%) of the shares of the Series D Preferred Stock owned by it as of the date of this Agreement, the Company shall invite one (1) representative of T. Rowe Price to attend all meetings of its Board of Directors in a nonvoting observer capacity and, in this respect, shall give such representative copies of all notices, minutes, consents, and other materials that it provides to its directors; provided, however, that such representative shall agree to hold in confidence and trust all information so provided; and provided further, that the Company reserves the right to withhold any information and to exclude such representative from any meeting or portion thereof if the board reasonably concludes that access to such information or attendance at such meeting could adversely affect the attorney-client privilege between the Company and its counsel or result in disclosure of trade secrets or a conflict of interest, or if such Investor or its representative is a Competitor, each as determined in good faith by the Company.

(b) The Company shall invite one (1) representative of the Investors, which shall be designated by the Lead Investor, to attend all meetings of its Board of Directors and any committees thereof in a nonvoting observer capacity and, in this respect, shall give such representative copies of all notices, minutes, consents, and other materials that it provides to its directors or committee members at the same time and in the same manner as provided to such directors; provided, however, that such representative shall agree to hold in confidence and trust all information so provided; and provided further, that the Company reserves the right to withhold any information and to exclude such representative from any meeting or portion thereof if the board reasonably concludes that access to such information or attendance at such meeting could adversely affect the attorney-client privilege between the Company and its counsel or result in disclosure of trade secrets or a conflict of interest, or if such Investor or its representative is a Competitor, each as determined in good faith by the Company. The Company shall reimburse the representative for its reasonable expenses incurred in connection with attendance at meetings of the Board of Directors or any of its committees.

(c) As long as the Lead Investor owns not less than ten percent (10%) of the shares of the Series E Preferred Stock it originally purchased under the Purchase Agreement (as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification effected after the date hereof or an equivalent amount of Common Stock issued upon conversion thereof), the Lead Investor will be entitled to appoint one (1) representative to attend any meetings of the Company's subsidiaries' board of directors or managers (or a similar body) and any committee thereof, as applicable, in a nonvoting observer capacity on the same terms noted in Section 3.3(b) above, if any only if, any of the Company's holders of Preferred Stock, acting alone as a separate class or series (or a combination thereof), are specifically entitled to appoint a board member or manager (or comparable person) of such Company subsidiary and elect to appoint such board member or manager (or comparable person). The Company shall reimburse the representative for its reasonable expenses incurred in connection with attendance at meetings of the Board of Directors or the meetings of the managers (or a similar body), as applicable and the committees thereof.

3.4 Termination of Information Rights and Observer Rights. The covenants set forth in Subsection 3.1, Subsection 3.2 and Subsection 3.3 shall terminate and be of no further force or effect (i) immediately before the consummation of a Qualified IPO, (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act, or (iii) upon a Deemed Liquidation Event, as such term is defined in Article FOURTH, Sections C.2.3.1(a) and (b) of the Certificate of Incorporation; provided that the Investors receive only cash and liquid securities in connection with such Deemed Liquidation Event, whichever event occurs first.

4. Rights to Future Stock Issuances.

4.1 Right of First Offer. Subject to the terms and conditions of this Subsection 4.1 and applicable securities laws, if the Company proposes to offer or sell any New Securities, the Company shall first offer such New Securities to each Investor. An Investor shall be entitled to apportion the right of first offer hereby granted to it in such proportions as it deems appropriate, among itself and its Affiliates. For purposes of this Section 4.1, "Affiliates" shall be deemed to include Advisory Investors with the same or affiliated registered investment advisor.

(a) The Company shall give notice (the "**Offer Notice**") to each Investor, stating (i) its bona fide intention to offer such New Securities, (ii) the number of such New Securities to be offered, and (iii) the price and terms, if any, upon which it proposes to offer such New Securities.

(b) By notification to the Company within twenty (20) business days after the Offer Notice is given, each Investor may elect to purchase or otherwise acquire, at the price and on the terms specified in the Offer Notice, up to that portion of such New Securities which equals the proportion that the Common Stock then held by such Investor (including all shares of Common Stock then issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Preferred Stock and any other Derivative Securities then held by such Investor) bears to the total Common Stock of the Company then outstanding (assuming full conversion and/or exercise, as applicable, of all Preferred Stock and other Derivative Securities). At the expiration of such twenty (20) business day period, the Company shall promptly notify each Investor that elects to purchase or acquire all the shares available to it (each, a "**Fully Exercising Investor**") of any other Investor's failure to do likewise. During the ten (10) day period commencing after the Company has given such notice, each Fully Exercising Investor may, by giving notice to the Company, elect to purchase or acquire, in addition to the number of shares specified above, up to that portion of the New Securities for which Investors were entitled to subscribe but that were not subscribed for by the Investors which is equal to the proportion that the Common Stock issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of Preferred Stock and any other Derivative Securities then held, by such Fully Exercising Investor bears to the Common Stock issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Preferred Stock and any other Derivative Securities then held, by all Fully Exercising Investors who wish to purchase such unsubscribed shares. The closing of any sale pursuant to this Subsection 4.1(b) shall occur within the later of ninety (90) days of the date that the Offer Notice is given and the date of initial sale of New Securities pursuant to Subsection 4.1(c).

(c) If all New Securities referred to in the Offer Notice are not elected to be purchased or acquired as provided in Subsection 4.1(b), the Company may, during the one hundred twenty (120) day period following the expiration of the periods provided in Subsection 4.1(b), offer and sell the remaining unsubscribed portion of such New Securities to any Person or Persons at a price not less than, and upon terms no more favorable to the offeree than, those specified in the Offer Notice. If the Company does not enter into an agreement for the sale of the New Securities within such period, or if such agreement is not consummated within sixty (60) days of the execution thereof, the right provided hereunder shall be deemed to be revived and such New Securities shall not be offered unless first reoffered to the Major Investors in accordance with this Subsection 4.1.

(d) The right of first offer in this Subsection 4.1 shall not be waived with respect to the rights of any holders of the Series E Preferred Stock unless such right is waived as to all Investors.

(e) The right of first offer in this Subsection 4.1 shall not be applicable to Exempted Securities (as defined in the Certificate of Incorporation that is in effect as of the date hereof).

4.2 Termination. The covenants set forth in Subsection 4.1 shall terminate and be of no further force or effect (i) immediately before the consummation of the IPO, or (ii) upon a Deemed Liquidation Event (as defined in Article FOURTH, Sections C.2.3.1(a) and (b) of the Certificate of Incorporation) provided that pursuant to such Deemed Liquidation Event the Investors receive only cash or liquid securities, whichever event occurs first.

5. Additional Covenants.

5.1 Employee Agreements. The Company will cause (i) each person now or hereafter employed by it or by any subsidiary (or engaged by the Company or any subsidiary as a consultant/independent contractor) with access to confidential information and/or trade secrets to enter into a nondisclosure and proprietary rights assignment agreement; and (ii) each Key Employee to enter into a one (1) year noncompetition and nonsolicitation agreement,

substantially in the form approved by the Board of Directors. In addition, the Company shall not amend, modify, terminate, waive, or otherwise alter, in whole or in part, any of the above-referenced agreements or any restricted stock agreement between the Company and any employee, without the consent of the Preferred Directors.

5.2 Employee Stock. Unless otherwise approved by the Board of Directors, all future employees and consultants of the Company who purchase, receive options to purchase, receive restricted stock units or receive awards of shares of the Company's capital stock after the date hereof shall be required to execute option or restricted stock unit agreements, as applicable, providing for (i) with respect to options, vesting of shares over a four (4) year period, with the first twenty-five percent (25%) of such shares vesting following twelve (12) months of continued employment or service, and the remaining shares or units vesting in equal monthly installments over the following thirty-six (36) months, (ii) with respect to restricted stock units, time based vesting of restricted stock units and/or event based vesting of restricted stock units consistent with the terms of the 2015 Equity Incentive Plan and (ii) a market stand-off provision substantially similar to that in Subsection 2.11. In addition, unless otherwise approved by the Board of Directors, the Company shall retain a "right of first refusal" on employee transfers until the consummation of a Qualified IPO and shall have the right to repurchase unvested shares or units at cost upon termination of employment of a holder of restricted stock or restricted stock units.

5.3 Board Matters. Unless otherwise determined by the vote of a majority of the directors then in office, the Board of Directors shall meet at least quarterly in accordance with an agreed-upon schedule. The Company shall reimburse the nonemployee directors for all reasonable out-of-pocket travel expenses incurred (consistent with the Company's travel policy) in connection with attending meetings of the Board of Directors.

5.4 Successor Indemnification. If the Company or any of its successors or assignees consolidates with or merges into any other Person and is not the continuing or surviving corporation or entity of such consolidation or merger, then to the extent necessary, proper provision shall be made so that the successors and assignees of the Company assume the obligations of the Company with respect to indemnification of members of the Board of Directors as in effect immediately before such transaction, whether such obligations are

contained in the Company's Bylaws, its Certificate of Incorporation, or elsewhere, as the case maybe.

5.5 Indemnification Matters. The Company hereby acknowledges that one (1) or more of the directors nominated to serve on the Board of Directors by the Investors (each a "**Fund Director**") may have certain rights to indemnification, advancement of expenses and/or insurance provided by one or more of the Investors and certain of their affiliates (collectively, the "**Fund Indemnitors**"). The Company hereby agrees (a) that it is the indemnitor of first resort (*i.e.*, its obligations to any such Fund Director are primary and any obligation of the Fund Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by such Fund Director are secondary), (b) that it shall be required to advance the full amount of expenses incurred by such Fund Director and shall be liable for the full amount of all expenses, judgments, penalties, fines and amounts paid in settlement by or on behalf of any such Fund Director to the extent legally permitted and as required by the Certificate of Incorporation or Bylaws of the Company (or any agreement between the Company and such Fund Director), without regard to any rights such Fund Director may have against the Fund Indemnitors, and, (c) that it irrevocably waives, relinquishes and releases the Fund Indemnitors from any and all claims against the Fund Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Fund Indemnitors on behalf of any such Fund Director with respect to any claim for which such Fund Director has sought indemnification from the Company shall affect the foregoing and the Fund Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of such Fund Director against the Company.

5.6 Right to Conduct Activities. The Company hereby agrees and acknowledges that the Institutional Investors are professional investment funds, and as such invests in numerous portfolio companies, some of which may be deemed competitive with the Company's business (as currently conducted or as currently propose to be conducted). The Company hereby agrees that, to the extent permitted under applicable law, the Institutional Investors shall not be liable to the Company for any claim arising out of, or based upon, (i) the investments by the Institutional Investors in any entity competitive with the Company, or (ii) actions taken by any partner, officer or other representative of the Institutional Investors to assist any such competitive company, whether or not such action was taken as a member of the board of directors of such competitive company or otherwise, and whether or not such action has a detrimental effect on the Company. Furthermore, the Company acknowledges that the execution of this Agreement and the Stockholders Agreement and the access to the Company's confidential information hereunder or thereunder shall in no way be construed to prohibit or restrict an Institutional Investor or its investment advisor or such investment advisor's other investment advisory clients from maintaining, making or considering investments in public or private companies, including, without limitation, companies that may compete either directly or indirectly with the Company, or from otherwise operating in the ordinary course of business; provided, however, that the foregoing shall not relieve (x) any of the Investors from liability associated with the unauthorized disclosure of the Company's confidential information obtained pursuant to this Agreement, or (y) any director or officer of the Company from any liability associated with his or her fiduciary duties to the Company.

5.7 FCPA. The Company represents that it shall not (and shall not permit any of its subsidiaries or affiliates or any of its or their respective directors, officers, managers, employees, independent contractors, representatives or agents to) promise, authorize or make any payment to, or otherwise contribute any item of value to, directly or indirectly, to any third party, including any Non-U.S. Official (as (as such term is defined in the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "**FCPA**")), in each case, in violation of the FCPA, the U.K. Bribery Act, or any other applicable anti-bribery or anti-corruption law. The Company further represents that it shall (and shall cause each of its subsidiaries and affiliates to) cease all of its or their respective activities, as well as remediate any actions taken by the Company, its subsidiaries or affiliates, or any of their respective directors, officers, managers, employees, independent contractors, representatives or agents in violation of the FCPA, the U.K. Bribery Act, or any other applicable anti-bribery or anti-corruption law. The Company further represents that it shall (and shall cause each of its subsidiaries and affiliates to) maintain systems of internal controls (including, but not limited to, accounting systems, purchasing systems and billing systems) to ensure compliance with the FCPA, the U.K. Bribery Act, or any other applicable anti-bribery or anti-corruption law. Upon request, the Company agrees to provide responsive information and/or certifications concerning its compliance with applicable anti¬corruption laws. The Company shall promptly notify each Investor if the Company becomes aware of any Enforcement Action (as defined in the Purchase Agreement). The Company shall, and shall cause any direct or indirect subsidiary or entity controlled by it, whether now in existence or formed in the future, to comply with the FCPA. The Company shall use its best efforts to cause any direct or indirect subsidiary, whether now in existence or formed in the future, to comply in all material respects with all applicable laws.

5.8 Termination of Covenants. The covenants set forth in this Section 5, except for Subsections 5.4, 5.5 and 5.6, shall terminate and be of no further force or effect (i) immediately before the consummation of the IPO, or (ii) upon a Deemed Liquidation Event (as defined in Article FOURTH, Sections C.2.3.1(a) and (b) of the Certificate of Incorporation) provided that pursuant to such Deemed Liquidation Event the Investors receive only cash or liquid securities, whichever event occurs first.

6. Miscellaneous.

6.1 Successors and Assigns. The rights under this Agreement may be assigned (but only with all related obligations) by a Holder to a transferee of Registrable Securities that (i) is an Affiliate of a Holder; (ii) is a Holder's Immediate Family Member or trust for the benefit of an individual Holder or one or more of such Holder's Immediate Family Members; or (iii) after such transfer, holds at least 100,000 shares of Registrable Securities (subject to appropriate adjustment for stock splits, stock dividends, combinations, and other recapitalizations); provided, however, that (x) the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee and the Registrable Securities with respect to which such rights are being transferred; and (y) such transferee agrees in a written instrument delivered to the Company to be bound by and subject to the terms and conditions of this Agreement, including the provisions of Subsection 2.11. For the purposes of determining the number of shares of Registrable Securities held by a transferee, the holdings of a transferee (1) that is an Affiliate or stockholder of a Holder; (2) who is a Holder's Immediate Family Member; or (3) that is a trust for the benefit of an individual Holder or such Holder's Immediate Family

Member shall be aggregated together and with those of the transferring Holder; provided further that all transferees who would not qualify individually for assignment of rights shall have a single attorney-in-fact for the purpose of exercising any rights, receiving notices, or taking any action under this Agreement. The terms and conditions of this Agreement inure to the benefit of and are binding upon the respective successors and permitted assignees of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and permitted assignees any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided herein.

6.2 Governing Law. This Agreement shall be governed by the internal law of the State of Delaware.

6.3 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

6.4 Titles and Subtitles. The titles and subtitles used in this Agreement are for convenience only and are not to be considered in construing or interpreting this Agreement.

6.5 Notices. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual receipt or (i) personal delivery to the party to be notified; (ii) when sent, if sent by electronic mail or facsimile during the recipient's normal business hours, and if not sent during normal business hours, then on the recipient's next business day; (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (iv) one (1) business day after the business day of deposit with a nationally recognized overnight courier, freight prepaid, specifying next-day delivery, with written verification of receipt. All communications shall be sent to the respective parties at their addresses as set forth on Schedule A hereto, or to the principal office of the Company and to the attention of the Chief Executive Officer, in the case of the Company, or to such email address, facsimile number, or address as subsequently modified by written notice given in accordance with this Subsection 6.5. If notice is given to the Company, a copy shall also be sent to Morgan, Lewis & Bockius LLP, One Federal Street, Boston, MA 02110, Attention: Lawrence I. Silverstein, Facsimile No. (617) 428-6325 and if notice is given to the Investors, a copy shall also be sent to Cooley LLP, 500 Boylston Street, 14th Floor, Boston, Massachusetts 02116, Attention: Alfred L. Browne, III Facsimile No. (617) 937-2400.

6.6 Amendments and Waivers. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived o(either generally or in a particular instance, and either retroactively or prospectively) only with the written consent of the Company and the holders of a majority of the Registrable Securities then outstanding; provided that the Company may in its sole discretion waive compliance with Subsection 2.12(c) (and the Company's failure to object promptly in writing after notification of a proposed assignment allegedly in violation of Subsection 2.12(c) shall be deemed to be a waiver); and provided further

that Sections 1.1, 2.11, 3.3, 3.4 and 5.8 shall not be amended or waived, and Sections 2.12, 2.13 and 4.1 shall not be amended or waived in any manner that adversely affects (i) the holders of Series D Preferred Stock, without the prior written consent of the holders of at least a majority of the Series D Preferred Stock (or Common Stock issued upon conversion thereof) then outstanding or (ii) the holders of Series E Preferred Stock, without the prior written consent of the holders of at least a majority of the Series E Preferred Stock (or Common Stock issued upon conversion thereof) then outstanding; and provided further that Sections 1.5, 1.18, 1.21, 1.22 and 2.10 shall not be amended or waived, and Section 5.6 shall not be amended or waived in any manner that adversely affects (i) the holders of Series D Preferred Stock, without the prior written consent of the holders of at least a majority of the Series D Preferred Stock (or Common Stock issued upon conversion thereof) then outstanding or (ii) the holders of Series E Preferred Stock, without the prior written consent of the holders of sixty-five percent (65%) of the Series E Preferred Stock (or Common Stock issued upon conversion thereof) then outstanding; and provided further that Sections 1.5(z), 1.18(w), 1.19, 3.3(b), 3.3(c) and 3.4 and this proviso of this Section 6.6 shall not be amended, modified or waived without the prior written consent of the Lead Investor; and provided further that Sections 2.11, 3.1, and 3.4 shall not be amended or waived in any manner that adversely affects the Advisory Investors without the prior written consent of the holders of at least a majority of the Registrable Securities held by all Advisory Investors; and provided further that any provision hereof may be waived by any waiving party on such party's own behalf, without the consent of any other party. Notwithstanding the foregoing, this Agreement may not be amended or terminated and the observance of any term hereof may not be waived with respect to any Investor without the written consent of such Investor, unless such amendment, termination, or waiver applies to all Investors in the same fashion (it being agreed that a waiver of the provisions of Section 4 with respect to a particular transaction shall be deemed to apply to all Investors in the same fashion if such waiver does so by its terms,

notwithstanding the fact that certain Investors may nonetheless, by agreement with the Company, purchase securities in such transaction), provided, however, that, notwithstanding any waiver of any of the provisions of Section 4, in the event any Investor actually purchases any New Securities in any offering by the Company, then each other Investor shall be permitted to participate in such offering on a pro rata basis, in accordance with the other provisions set forth in Section 4 (and any amendment, modification or waiver of this proviso shall not be enforceable against any Investor unless such amendment, modification or waiver is contained in a written instrument signed by such Investor). The Company shall give prompt notice of any amendment or termination hereof or waiver hereunder to any party hereto that did not consent in writing to such amendment, termination, or waiver. Any amendment, termination, or waiver effected in accordance with this Subsection 6.6 shall be binding on all parties hereto, regardless of whether any such party has consented thereto. No waivers of or exceptions to any term, condition, or provision of this Agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such term, condition, or provision.

6.7 Severability. In case any one or more of the provisions contained in this Agreement is for any reason held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and such invalid, illegal, or unenforceable provision shall be reformed and construed so that it will be valid, legal, and enforceable to the maximum extent permitted by law.

6.8 Aggregation of Stock. All shares of Registrable Securities held or acquired by Affiliates shall be aggregated together for the purpose of determining the availability of any rights under this Agreement and such Affiliated persons may apportion such rights as among themselves in any manner they deem appropriate. For purposes of this Section 6.8, "Affiliates" shall be deemed to include Advisory Investors with the same or affiliated registered investment advisor".

6.9 Additional Investors. Notwithstanding anything to the contrary contained herein, if the Company issues additional shares of Preferred Stock after the date hereof, whether pursuant to the Purchase Agreement or otherwise, any purchaser of such shares of Preferred Stock may become a party to this Agreement by executing and delivering an additional counterpart signature page to this Agreement, and thereafter shall be deemed an "Investor" for all purposes hereunder. No action or consent by the Investors shall be required for such joinder to this Agreement by such additional Investor, so long as such additional Investor has agreed in writing to be bound by all of the obligations as an "Investor" hereunder.

6.10 Entire Agreement. This Agreement (including any Schedules and Exhibits hereto) constitutes the full and entire understanding and agreement among the parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the parties is expressly canceled.

6.11 Dispute Resolution. The parties (a) hereby irrevocably and unconditionally submit to the jurisdiction of the state courts of Delaware and to the jurisdiction of the United States District Court for the District of Delaware for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement, (b) agree not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in the state courts of Delaware or the United States District Court for the District of Delaware, and (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court.

WAIVER OF JURY TRIAL: EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS, THE SECURITIES OR THE SUBJECT MATTER HEREOF OR THEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER WARRANTS AND REPRESENTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND

VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

6.12 Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, shall impair any such right, power, or remedy of such nonbreaching or nondefaulting party, nor shall it be construed to be a waiver of or acquiescence to any such breach or default, or to any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. All remedies, whether under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

6.13 Effect on Prior Agreement. Upon the execution and delivery of this Agreement by (a) the Company and (b) the Existing Investors representing the Majority Investors (as defined in the Prior Agreement), the Prior Agreement automatically shall terminate and be of no further force and effect and shall be superseded and replaced in its entirety as set forth in this Agreement.

[Remainder of Page Intentionally Left Blank]

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

COMPANY:

CARGURUS, INC.

By: /s/ Langley Steinert
Name: Langley Steinert
Title: Chief Executive Officer

LEAD INVESTOR:

GROWTH CAPITAL FUND I, L.P.

By: Growth Capital GP I, LLC
Its: General Partner

By:
Title: Stephanie Simon, Managing Director

SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

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

COMPANY:

CARGURUS, INC.

By:
Name: Langley Steinert
Title: Chief Executive Officer

LEAD INVESTOR:

GROWTH CAPITAL FUND I, L.P.

By: Growth Capital GP I, LLC
Its: General Partner

By: /s/ Stephanie Simon
Title: Stephanie Simon, Managing Director

SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

INVESTORS:

/s/ Langley Steinert
Langley Steinert

Simon Rothman

David Parker

Stephen Kaufer

Nicholas Shanny

Ian G. Smith

Lawrence I. Silverstein

Matthew J. Cushing

Paul A. Gould

David Blundin

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INVESTORS:

Langley Steinert

/s/ Simon Rothman
Simon Rothman

David Parker

Stephen Kaufer

Nicholas Shanny

Ian G. Smith

Lawrence I. Silverstein

Matthew J. Cushing

Paul A. Gould

David Blundin

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Langley Steinert

Simon Rothman

/s/ David Parker
David Parker

Stephen Kaufer

Nicholas Shanny

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Matthew J. Cushing

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David Blundin

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Simon Rothman

David Parker

/s/ Stephen Kaufer
Stephen Kaufer

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/s/ Ian G. Smith
Ian G. Smith

Lawrence I. Silverstein

Matthew J. Cushing

Paul A. Gould

David Blundin

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Argonaut 22 LLC
By: Spinnaker Capital LLC, its Managing Member

By: /s/ Anastasios Parafestas
Name: Anastasios Parafestas
Title: Sole Managing Member

Promerica Capital LLC

By: /s/ Anastasios Parafestas
Name: Anastasios Parafestas
Title: Manager

GC Holdings Investors LLC

By: /s/ Anastasios Parafestas
Name: Anastasios Parafestas
Title: Manager

Allen & Company

By:
Name:
Title:

SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

Argonaut 22 LLC
By: Spinnaker Capital LLC, its Managing Member

By: _____
Name:
Title:

Promerica Capital LLC

By: _____
Name:
Title:

GC Holdings Investors LLC

By: _____
Name:
Title:

Allen & Company LLC

By: /s/ Peter DiIorio
Name: Peter DiIorio
Title: General Counsel

The Matthews G. Rightmire Trust, dated 12/22/05

By: _____
Name:
Title:

The NP 2003 Family Trust

By: /s/ Anastasios Parafestas
Name: Anastasios Parafestas
Title: Co-Trustee

Fowler LLC

By: _____
Name:
Title:

T. Rowe Price New Horizons Fund, Inc.
T. Rowe Price New Horizons Trust
T. Rowe Price U.S. Equities Trust
Each account, severally and not jointly

By: T. Rowe Price Associates, Inc., Investment Adviser

By: /s/ J. David Wagner
Name: J. David Wagner
Title: Vice President

Address:
T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, MD 21202
Attn: Matthew Dow, Vice President
Phone: 410-345-3468
E-mail: matthew_dow@troweprice.com

T. Rowe Price Small-Cap Stock Fund, Inc.
T. Rowe Price Institutional Small-Cap Stock Fund
T. Rowe Price Personal Strategy Income Fund
T. Rowe Personal Strategy Balanced Fund
T. Rowe Price Personal Strategy Growth Fund
T. Rowe Price Personal Strategy Balanced Portfolio
U.S. Small-Cap Stock Trust
VALIC Company I - Small Cap Fund
TD Mutual Funds - TD U.S. Small-Cap Equity Fund
T. Rowe Price U.S. Small-Cap Core Equity Trust
Advantus Capital Management, Inc. Minnesota Life Insurance Co.
Costco 401(k) Retirement Plan
Each account, severally and not jointly

By: T. Rowe Price Associates, Inc., Investment Adviser or Subadviser, as applicable

By: /s/ Gregory A. McCrickand
Name: Gregory A. McCrickand
Title: Vice President

Address:
T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, MD 21202
Attn: Matthew Dow, Vice President
Phone: 410-345-3468
E-mail: matthew_dow@troweprice.com

T. Rowe Price Small-Cap Value Fund, Inc.
T. Rowe Price U.S. Small-Cap Value Equity Trust
Each account, severally and not jointly

By: T. Rowe Price Associates, Inc., Investment Adviser

By: /s/ J. David Wagner
Name: J. David Wagner
Title: Vice President

Address:
T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, MD 21202
Attn: Matthew Dow, Vice President
Phone: 410-345-3468
E-mail: matthew_dow@troweprice.com

SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

FOXHAVEN MASTER FUND, LP

By: Foxhaven Asset Management, LP, its Investment Manager

By: Piedmont P&L, LLC, its general partner

By: /s/ Nicholas Lawler
Name: Nicholas Lawler
Title: Managing Member

FOXWAY, LP

By: Foxhaven Asset Management, LP, its Investment Manager

By: Piedmont P&L, LLC, its general partner

By: /s/ Nicholas Lawler
Name: Nicholas Lawler
Title: Managing Member

SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

FIDELITY SECURITIES FUND: FIDELITY OTC PORTFOLIO

By: /s/ Colm Hogan
Name: Colm Hogan
Title: Authorized Signatory

FIDELITY OTC COMMINGLED POOL

By: Fidelity Management & Trust Co.

By: /s/ Colm Hogan
Name: Colm Hogan
Title: Authorized Signatory

SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

T. Rowe Price New Horizons Fund, Inc.
T. Rowe Price New Horizons Trust
T. Rowe Price U.S. Equities Trust
Each account, severally and not jointly

By: T. Rowe Price Associates, Inc., Investment Adviser

By: /s/ Michael Blandino
Name: Michael Blandino
Title: Vice President

Address:
T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, MD 21202
Attn: Matthew Dow, Vice President
Phone: 410-345-3468
E-mail: matthew_dow@troweprice.com

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T. Rowe Price Small-Cap Stock Fund, Inc.
T. Rowe Price Institutional Small-Cap Stock Fund
T. Rowe Price Personal Strategy Income Fund
T. Rowe Personal Strategy Balanced Fund
T. Rowe Price Personal Strategy Growth Fund

T. Rowe Price Personal Strategy Balanced Portfolio
U.S. Small-Cap Stock Trust
VALIC Company I — Small Cap Fund
TD Mutual Funds — TD U.S. Small-Cap Equity Fund
T. Rowe Price U.S. Small-Cap Core Equity Trust
Advantus Capital Management, Inc. Minnesota Life Insurance Co.
Costco 401(k) Retirement Plan
Each account, severally and not jointly

By: T. Rowe Price Associates, Inc., Investment Adviser or Subadviser, as applicable

By: /s/ Gregory A. McCrickand
Name: Gregory A. McCrickand
Title: Vice President

Address:
T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, MD 21202
Attn: Matthew Dow, Vice President
Phone: 410-345-3468
E-mail: matthew_dow@troweprice.com

SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

SCHEDULE A

INVESTORS

Name and Address

Series A Preferred Stock

Argonaut 22 LLC
One Joy Street
Boston, MA 02108

GC Holdings Investors LLC
One Joy Street
Boston, MA 02108

Promerica Capital LLC
c/o Peter M. Nicholas
P.O. Box 1558
Boca Grande, FL 33921
With a copy to:
One Joy Street
Boston, MA 02108

Allen & Company LLC
711 Fifth Avenue
New York, NY 10022

Langley Steinert
199 Nashawtuc Rd
Concord, MA 01742

Steve Kaufer
95 Dudley Road
Newton, MA 02459

David Parker
77 Revere Street
Boston, Ma 02114

Nicholas Shanny
21 Endicott Street
Newton, MA 02459

The Matthews G. Rightmire Trust, dated 12/22/05
10 Conant Road
Hanover, NH 03755

Lawrence I. Silverstein
40 Lawmarissa Road
Newton, MA 02468

Matthew J. Cushing
25 Edgemere Road
Lynnfield, MA 01940

Simon Rothman
1205 Forest Avenue
Palo Alto, CA 94301

The NP 2003 Family Trust
C/O The Bollard Group LLC
One Joy Street
Boston, MA 02108

Ian G. Smith
197 Greenoaks Drive
Atherton, CA 94027

Paul A. Gould
70 South Quaker Hill Road
Pawling, NY 12564

David Blundin
162 Pine Ridge Road
North Andover, MA 01845

Series B Preferred Stock

Argonaut 22 LLC
One Joy Street
Boston, MA 02108

GC Holdings Investors LLC
One Joy Street
Boston, MA 02108

Promerica Capital LLC
c/o Peter M. Nicholas
P.O. Box 1558
Boca Grande, FL 33921
With a copy to:
One Joy Street
Boston, MA 02108

Langley Steinert
199 Nashawtuc Rd
Concord, MA 01742

Allen & Company LLC
711 Fifth Avenue
New York, NY 10022

The NP 2003 Family Trust
C/O The Bollard Group LLC
One Joy Street
Boston, MA 02108

Fowler LLC
9 E 79th Street
New York, NY 10075

Benjamin Peretsman
9 E 79th Street
New York, NY 10075

Jessica Peretsman
9 E 79th Street
New York, NY 10075

Tyler Clement
9 E 79th Street
New York, NY 10075

Peter Clement
9 E 79th Street
New York, NY 10075

Paul A. Gould
70 South Quaker Hill Road
Pawling, NY 12564

Ian G. Smith
197 Greenoaks Drive
Atherton, CA 94027

Stephen D. Greenberg
1120 Fifth Avenue
New York, NY 10128

Kaveh Khosrowshahi
411 Sleepy Hollow Road
Briarcliff Manor, NY 10510

Harry Wagner
14 E 75th Street, Apartment 5A
New York, NY 10021

David M. Wehner
149 Linden Avenue
Atherton, CA 94027

Salima Vahabzadeh
124 Hudson Street
New York, NY 10013

Series C Preferred Stock

Argonaut 22 LLC
One Joy Street
Boston, MA 02108

GC Holdings Investors LLC
One Joy Street
Boston, MA 02108

Promerica Capital LLC
c/o Peter M. Nicholas
P.O. Box 1558
Boca Grande, FL 33921
With a copy to:
One Joy Street
Boston, MA 02108

Langley Steinert
199 Nashawtuc Rd
Concord, MA 01742

Allen & Company LLC
711 Fifth Avenue
New York, NY 10022

Fowler LLC
9 E 79th Street
New York, NY 10075

Paul A. Gould
70 South Quaker Hill Road
Pawling, NY 12564

Ian G. Smith
197 Greenoaks Drive
Atherton, CA 94027

Stephen D. Greenberg
1120 Fifth Avenue
New York, NY 10128

The NP 2003 Family Trust
C/O The Bollard Group LLC
One Joy Street
Boston, MA 02108

Kaveh Khosrowshahi
411 Sleepy Hollow Road
Briarcliff Manor, NY 10510

Salima Vahabzadeh
124 Hudson Street
New York, NY 10013

David M. Wehner
149 Linden Avenue
Atherton, CA 94027

Harry Wagner
14 E 75th Street, Apartment 5A
New York, NY 10021

Lawrence I. Silverstein
40 Lawmarissa Road
Newton, MA 02468

Matthew J. Cushing
25 Edgemere Road
Lynnfield, MA 01940

Series D Preferred Stock

T. Rowe Price New Horizons Fund, Inc.
c/o T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, MD 21202
Attn: Matthew Dow, Vice President

T. Rowe Price New Horizons Trust
c/o T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, MD 21202
Attn: Matthew Dow, Vice President

T. Rowe Price U.S. Equities Trust
c/o T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, MD 21202
Attn: Matthew Dow, Vice President

T. Rowe Price Small-Cap Stock Fund, Inc.
c/o T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, MD 21202
Attn: Matthew Dow, Vice President

T. Rowe Price Institutional Small-Cap Stock Fund
c/o T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, MD 21202
Attn: Matthew Dow, Vice President

T. ROWE PRICE PERSONAL STRATEGY
INCOME FUND
c/o T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, MD 21202
Attn: Matthew Dow, Vice President

T. ROWE PRICE PERSONAL STRATEGY
BALANCED FUND
c/o T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, MD 21202
Attn: Matthew Dow, Vice President

T. ROWE PRICE PERSONAL STRATEGY
GROWTH FUND
c/o T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, MD 21202
Attn: Matthew Dow, Vice President

T. ROWE PRICE PERSONAL STRATEGY
BALANCED PORTFOLIO
c/o T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, MD 21202
Attn: Matthew Dow, Vice President

U.S. Small-Cap Stock Trust
c/o T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, MD 21202
Attn: Matthew Dow, Vice President

VALIC Company I- Small Cap Fund
c/o T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, MD 21202

Attn: Matthew Dow, Vice President

TD Mutual Funds - TD U.S. Small-Cap Equity Fund
c/o T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, MD 21202
Attn: Matthew Dow, Vice President

T. Rowe Price U.S. Small-Cap Core Equity Trust
c/o T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, MD 21202
Attn: Matthew Dow, Vice President

Advantus Capital Management, Inc. Minnesota Life Insurance Co.
c/o T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, MD 21202
Attn: Matthew Dow, Vice President

Costco 401(k) Retirement Plan
c/o T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, MD 21202
Attn: Matthew Dow, Vice President

T. Rowe Price Small-Cap Value Fund, Inc.
c/o T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, MD 21202
Attn: Matthew Dow, Vice President

T. Rowe Price U.S. Small-Cap Value Equity Trust
c/o T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, MD 21202
Attn: Matthew Dow, Vice President

T. Rowe Price U.S. Equities Trust
c/o T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, MD 21202
Attn: Matthew Dow, Vice President

Series E Preferred Stock

Growth Capital Fund I, L.P.
Winslow Capital Management, LLC
4720 IDS Tower
80 South 8th Street
Minneapolis, MN 55402

Fidelity Securities Fund: Fidelity OTC Portfolio
The Northern Trust Company
Attn: Trade Securities Processing, C-1N
801 South Canal Street
Chicago, IL 60607

Fidelity Securities Fund: Fidelity OTC Portfolio
Reference Account # F68304
Email: NTINQUIRY@NTRS.COM
Fax number: 312-557-5417

Fidelity OTC Commingled Pool
Brown Brothers Harriman & Co.
Harborside Financial Center
1150 Plaza Five
Jersey City NJ 07311
Attn: Michael Lerman 15th Floor
Corporate Actions
Email: michael.lerman@bbh.com
Fax number: 617 772-2418

Foxhaven Master Fund, LP
Foxhaven Asset Management, LP
Attn: Nick Lawler
410 E Water Street, Suite 888
Charlottesville, VA 22902

Foxway, LP
Foxhaven Asset Management, LP
Attn: Nick Lawler
410 E Water Street, Suite 888
Charlottesville, VA 22902

T. Rowe Price New Horizons Fund, Inc.
c/o T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, MD 21202
Attn: Matthew Dow, Vice President
Phone: 410-345-3468
E-mail: matthew_dow@troweprice.com

T. Rowe Price New Horizons Trust
c/o T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, MD 21202
Attn: Matthew Dow, Vice President
Phone: 410-345-3468
E-mail: matthew_dow@troweprice.com

T. Rowe Price U.S. Equities Trust
c/o T. Rowe Price Associates, Inc.
100 East Pratt Street

Baltimore, MD 21202
Attn: Matthew Dow, Vice President
Phone: 410-345-3468
E-mail: matthew_dow@troweprice.com

T. Rowe Price Small-Cap Stock Fund, Inc.
c/o T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, MD 21202
Attn: Matthew Dow, Vice President
Phone: 410-345-3468
E-mail: matthew_dow@troweprice.com

T. Rowe Price Institutional Small-Cap Stock Fund
c/o T. Rowe Price Associates, Inc.
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Baltimore, MD 21202
Attn: Matthew Dow, Vice President
Phone: 410-345-3468
E-mail: matthew_dow@troweprice.com

T. ROWE PRICE PERSONAL STRATEGY INCOME FUND
c/o T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, MD 21202
Attn: Matthew Dow, Vice President
Phone: 410-345-3468
E-mail: matthew_dow@troweprice.com

T. ROWE PRICE PERSONAL STRATEGY BALANCED FUND
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Attn: Matthew Dow, Vice President
Phone: 410-345-3468
E-mail: matthew_dow@troweprice.com

T. ROWE PRICE PERSONAL STRATEGY GROWTH FUND
c/o T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, MD 21202
Attn: Matthew Dow, Vice President
Phone: 410-345-3468
E-mail: matthew_dow@troweprice.com

T. ROWE PRICE PERSONAL STRATEGY BALANCED PORTFOLIO
c/o T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, MD 21202
Attn: Matthew Dow, Vice President
Phone: 410-345-3468
E-mail: matthew_dow@troweprice.com

U.S. Small-Cap Stock Trust
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Attn: Matthew Dow, Vice President
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Attn: Matthew Dow, Vice President
Phone: 410-345-3468
E-mail: matthew_dow@troweprice.com

INDEMNIFICATION AGREEMENT

This Indemnification Agreement (this "Agreement"), dated as of [ ], 2017, is by and between CarGurus, Inc., a Delaware corporation (the "Company") and [NAME OF DIRECTOR/OFFICER] ("Indemnitee").

WHEREAS, [Indemnitee is [a director/an officer] of the Company][the Company expects Indemnitee to join the Company as [a director/an officer];

WHEREAS, both the Company and Indemnitee recognize the increased risk of litigation and other claims being asserted against directors and officers of public companies;

WHEREAS, the board of directors of the Company (the "Board") has determined that enhancing the ability of the Company to retain and attract as directors and officers the most capable persons is in the best interests of the Company and that the Company therefore should seek to assure such persons that indemnification and insurance coverage is available; and

WHEREAS, in recognition of the need to provide Indemnitee with substantial protection against personal liability, in order to procure Indemnitee's [continued] service as a [director/officer] of the Company and to enhance Indemnitee's ability to serve the Company in an effective manner, and in order to provide such protection pursuant to express contract rights (intended to be enforceable irrespective of, among other things, any amendment to the Company's certificate of incorporation or bylaws (collectively, the "Constituent Documents"), any change in the composition of the Board or any change in control or business combination transaction relating to the Company), the Company wishes to provide in this Agreement for the indemnification of, and the advancement of Expenses (as defined in Section 1(f) below) to, Indemnitee as set forth in this Agreement and for the [continued] coverage of Indemnitee under the Company's directors' and officers' liability insurance policies.

NOW, THEREFORE, in consideration of the foregoing and Indemnitee's agreement to [continue to] provide services to the Company, the parties agree as follows:

1. Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

(a) "Beneficial Owner" has the meaning given to the term "beneficial owner" in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

(b) "Change in Control" means the occurrence after the date of this Agreement of any of the following events:

(i) any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the Company's then outstanding Voting Securities unless the change in relative Beneficial Ownership of the Company's securities by any Person results solely from a reduction in the aggregate number of

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outstanding shares of securities entitled to vote generally in the election of directors;

(ii) the consummation of a reorganization, merger or consolidation, unless immediately following such reorganization, merger or consolidation, all of the Beneficial Owners of the Voting Securities of the Company immediately prior to such transaction beneficially own, directly or indirectly, more than fifty percent (50%) of the combined voting power of the outstanding Voting Securities of the entity resulting from such transaction;

(iii) during any period of two consecutive years, not including any period prior to the execution of this Agreement, individuals who at the beginning of such period constituted the Board (including for this purpose any new directors whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved) cease for any reason to constitute at least a majority of the Board; or

(iv) the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets.

(c) "Claim" means:

(i) any threatened, pending or completed action, suit, proceeding or alternative dispute resolution mechanism, whether civil, criminal, administrative, arbitrative, investigative or other, and whether made pursuant to federal, state or other law; or

(ii) any inquiry, hearing or investigation that Indemnitee determines might lead to the institution of any such action, suit, proceeding or alternative dispute resolution mechanism.

(d) "Delaware Court" shall have the meaning ascribed to it in Section 8(e) below.

(e) "Disinterested Director" means a director of the Company who is not and was not a party to the Claim in respect of which indemnification is sought by Indemnitee.

(f) "Expenses" means any and all expenses, including attorneys' and experts' fees reasonably incurred, court costs, transcript costs, travel expenses, duplicating, printing and binding costs, telephone charges, and all other costs and expenses incurred in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend, be a witness or participate in, any Claim. Expenses also shall include (i) Expenses incurred in connection with any appeal resulting from any Claim, including without limitation the premium, security for, and other costs relating to any cost bond, supersedeas bond, or other appeal bond or its equivalent, and (ii) for purposes of Section 4 only, Expenses incurred by Indemnitee in connection with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement, by litigation or otherwise. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee. The parties agree that for the purposes of any advancement of Expenses for which Indemnitee has made written demand to the Company in accordance with this Agreement, all Expenses included

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in such demand that are certified by affidavit of Indemnitee's counsel as being reasonable shall be presumed conclusively to be reasonable.

(g) "Expense Advance" means any payment of Expenses advanced to Indemnitee by the Company pursuant to Section 3 or Section 4 hereof.

(h) "Indemnifiable Event" means any event or occurrence, whether occurring before, on or after the date of this Agreement, related to the fact that Indemnitee is or was a director, officer, employee or agent of the Company or any subsidiary of the Company, or is or was serving at the request of the Company as a director, officer, employee, member, manager, trustee or agent of any other corporation, limited liability company, partnership, joint venture, trust or other entity or enterprise (collectively with the Company, "Enterprise") or by reason of an action or inaction by Indemnitee in any such capacity (whether or not serving in such capacity at the time any Loss is incurred for which indemnification can be provided under this Agreement).

(i) "Independent Counsel" means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently performs, nor in the past five (5) years has performed, services for either: (i) the Company or Indemnitee (other than in connection with matters concerning Indemnitee under this Agreement or of other indemnitees under similar agreements) or (ii) any other party to the Claim giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement.

(j) "Losses" means any and all Expenses, damages, losses, liabilities, judgments, fines, penalties (whether civil, criminal or other), ERISA excise taxes, amounts paid or payable in settlement, including any interest, assessments, any federal, state, local or foreign taxes imposed as a result of the actual or deemed receipt of any payments under this Agreement and all other charges paid or payable in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend, be a witness or participate in, any Claim.

(k) "Person" means any individual, corporation, firm, partnership, joint venture, limited liability company, estate, trust, business association, organization, governmental entity or other entity and includes the meaning set forth in Sections 13(d) and 14(d) of the Exchange Act.

(l) "Standard of Conduct Determination" shall have the meaning ascribed to it in Section 8(b) below.

(m) "Voting Securities" means any securities of the Company that vote generally in the election of directors.

2. Indemnification. Subject to Section 8 and Section 9 of this Agreement, the Company shall indemnify Indemnitee, to the fullest extent permitted by the laws of the State of Delaware in effect on the date hereof, or as such laws may from time to time hereafter be amended to increase the scope of such permitted indemnification, against any and all Losses if Indemnitee was or is or becomes a party to or participant in, or is threatened to be made a party to or

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participant in, any Claim by reason of or arising in part out of an Indemnifiable Event, including, without limitation, Claims brought by or in the right of the Company, Claims brought by third parties, and Claims in which Indemnitee is solely a witness.

3. Advancement of Expenses. Indemnitee shall have the right to advancement by the Company, prior to the final disposition of any Claim by final adjudication to which there are no further rights of appeal, of any and all Expenses actually and reasonably paid or incurred by Indemnitee in connection with any Claim arising out of an Indemnifiable Event. Indemnitee's right to such advancement is not subject to the satisfaction of any standard of conduct. Without limiting the generality or effect of the foregoing, within thirty (30) days after any request by Indemnitee, the Company shall, in accordance with such request, (a) pay such reasonable Expenses on behalf of Indemnitee, (b) advance to Indemnitee funds in an amount sufficient to pay such Expenses, or (c) reimburse Indemnitee for such Expenses. In connection with any request for Expense Advances, Indemnitee shall not be required to provide any documentation or information to the extent that the provision thereof would undermine or otherwise jeopardize attorney-client privilege. In connection with any request for Expense Advances, Indemnitee shall execute and deliver to the Company an undertaking (which shall be accepted without reference to Indemnitee's ability to repay the Expense Advances) to repay any amounts paid, advanced, or reimbursed by the Company for such Expenses to the extent that it is ultimately determined, following the final disposition of such Claim by final adjudication to which there are no further rights of appeal, that Indemnitee is not entitled to indemnification hereunder. Indemnitee's obligation to reimburse the Company for Expense Advances shall be unsecured and no interest shall be charged thereon.

4. Indemnification for Expenses in Enforcing Rights. To the fullest extent allowable under applicable law, the Company shall also indemnify against, and, if requested by Indemnitee, shall advance to Indemnitee subject to and in accordance with Section 3, any Expenses actually and reasonably paid or incurred by Indemnitee in connection with any action or proceeding by Indemnitee for (a) indemnification or reimbursement or advance payment of Expenses by the Company under any provision of this Agreement, or under any other agreement or provision of the Constituent Documents now or hereafter in effect relating to Claims relating to Indemnifiable Events, and/or (b) recovery under any

directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification or insurance recovery, as the case may be. However, in the event that Indemnitee is ultimately determined not to be entitled to such indemnification or insurance recovery, as the case may be, then all amounts advanced under this Section 4 shall be repaid. Indemnitee shall be required to reimburse the Company in the event that a final judicial determination by final adjudication to which there are no further rights of appeal is made that such action brought by Indemnitee was frivolous or not made in good faith.

5. Partial Indemnity. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for a portion of any Losses in respect of a Claim related to an Indemnifiable Event but not for the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

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6. Notification and Defense of Claims.

(a) Notification of Claims. Indemnitee shall notify the Company in writing as soon as practicable of any Claim which could relate to an Indemnifiable Event or for which Indemnitee could seek Expense Advances, including a brief description (based upon information then available to Indemnitee) of the alleged facts underlying, such Claim. The failure by Indemnitee to timely notify the Company hereunder shall not relieve the Company from any liability hereunder unless the Company's ability to participate in the defense of such claim was materially and adversely affected by such failure, except that the Company shall not be liable to indemnify Indemnitee under this Agreement with respect to any judicial award in a Claim related to an Indemnifiable Event if the Company was not given a reasonable and timely opportunity to participate at its expense in the defense of such action. If at the time of the receipt of such notice, the Company has directors' and officers' liability insurance in effect under which coverage for Claims related to Indemnifiable Events is potentially available, the Company shall give prompt written notice to the applicable insurers in accordance with the procedures set forth in the applicable policies. The Company shall provide to Indemnitee a copy of such notice delivered to the applicable insurers, and copies of all subsequent correspondence between the Company and such insurers regarding the Claim, in each case substantially concurrently with the delivery or receipt thereof by the Company.

(b) Defense of Claims. The Company shall be entitled to participate in the defense of any Claim relating to an Indemnifiable Event at its own expense and, except as otherwise provided below, to the extent the Company so wishes, it may assume the defense thereof with counsel reasonably satisfactory to Indemnitee. After notice from the Company to Indemnitee of its election to assume the defense of any such Claim, the Company shall not be liable to Indemnitee under this Agreement or otherwise for any Expenses subsequently directly incurred by Indemnitee in connection with Indemnitee's defense of such Claim other than reasonable costs of investigation or as otherwise provided below. Indemnitee shall have the right to employ its own legal counsel in such Claim, but all Expenses related to such counsel incurred after notice from the Company of its assumption of the defense shall be at Indemnitee's own expense; provided, however, that if (i) Indemnitee's employment of its own legal counsel has been authorized by the Company, (ii) there is a conflict of interest between Indemnitee and the Company in the defense of such Claim, (iii) after a Change in Control, Indemnitee's employment of its own counsel has been approved by the Independent Counsel or (iv) the Company shall not in fact have employed counsel to assume the defense of such Claim, then Indemnitee shall be entitled to retain its own separate counsel (but not more than one law firm plus, if applicable, local counsel in respect of any such Claim) and all Expenses related to such separate counsel shall be borne by the Company.

7. Procedure upon Application for Indemnification. In order to obtain indemnification pursuant to this Agreement, Indemnitee shall submit to the Company a written request therefor, including in such request such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification following the final disposition of the Claim by final adjudication to which there are no further rights of appeal, provided that documentation and information need not be so provided to the extent that the provision thereof would undermine or otherwise jeopardize attorney-client privilege. Indemnification shall be made insofar as the Company

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determines Indemnitee is entitled to indemnification in accordance with Section 8 below.

8. Determination of Right to Indemnification.

(a) Mandatory Indemnification; Indemnification as a Witness.

(i) To the extent that Indemnitee shall have been successful on the merits or otherwise in defense of any Claim relating to an Indemnifiable Event or any portion thereof or in defense of any issue or matter therein, including without limitation dismissal without prejudice, Indemnitee shall be indemnified against all Losses relating to such Claim in accordance with Section 2 to the fullest extent allowable by law, and no Standard of Conduct Determination (as defined in Section 8(b)) shall be required.

(ii) To the extent that Indemnitee's involvement in a Claim relating to an Indemnifiable Event is to prepare to serve and serve as a witness, and not as a party, Indemnitee shall be indemnified against all Losses incurred in connection therewith to the fullest extent allowable by law and no Standard of Conduct Determination (as defined in Section 8(b)) shall be required.

(b) Standard of Conduct. To the extent that the provisions of Section 8(a) are inapplicable to a Claim related to an Indemnifiable Event that shall have been finally disposed of, any determination of whether Indemnitee has satisfied any applicable standard of conduct under Delaware law that is a legally required condition to indemnification of Indemnitee hereunder against Losses relating to such Claim and any determination that Expense Advances must be repaid to the Company (a "Standard of Conduct Determination") shall be made as follows:

(i) if no Change in Control has occurred, (A) by a majority vote of the Disinterested Directors, even if less than a quorum of the Board, (B) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum or (C) if there are no such Disinterested Directors, by Independent Counsel in a written opinion addressed to the Board, a copy of which shall be delivered to Indemnitee; and

(ii) if a Change in Control shall have occurred, (A) if Indemnitee so requests in writing, by a majority vote of the Disinterested Directors, even if less than a quorum of the Board or (B) otherwise, by Independent Counsel in a written opinion addressed to the Board, a copy of which shall be delivered to Indemnitee.

The Company shall indemnify and hold harmless Indemnitee against and, if requested by Indemnitee, shall reimburse Indemnitee for, or advance to Indemnitee, within thirty (30) days after such request, any and all Expenses incurred by Indemnitee in cooperating with the person or persons making such Standard of Conduct Determination.

(c) Making the Standard of Conduct Determination. The Company shall use its reasonable best efforts to cause any Standard of Conduct Determination required under Section 8(b) to be made as promptly as practicable. If the person or persons designated to make the Standard of Conduct Determination under Section 8(b) shall not have made a determination within sixty (60) days after the later of (A) receipt by the Company of a written request from

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Indemnitee for indemnification pursuant to Section 7 (the date of such receipt being the "Notification Date") and (B) the selection of an Independent Counsel, if such determination is to be made by Independent Counsel, then Indemnitee shall be deemed to have satisfied the applicable standard of conduct; provided that such sixty (60)-day period may be extended for a reasonable time, not to exceed an additional sixty (60) days if the person or persons making such determination in good faith requires such additional time to obtain or evaluate information relating thereto. Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement of Indemnitee to indemnification under this Agreement shall be required to be made prior to the final disposition of any Claim by final adjudication to which there are no further rights of appeal.

(d) Payment of Indemnification. If, in regard to any Losses:

(i) Indemnitee shall be entitled to indemnification pursuant to Section 8(a);

(ii) no Standard Conduct Determination is legally required as a condition to indemnification of Indemnitee hereunder; or

(iii) Indemnitee has been determined or deemed pursuant to Section 8(b) or Section 8(c) to have satisfied the Standard of Conduct Determination,

then the Company shall pay to Indemnitee, within fifteen (15) days after the later of (A) the Notification Date or (B) the earliest date on which the applicable criterion specified in clause (i), (ii) or (iii) is satisfied, an amount equal to such Losses.

(e) Selection of Independent Counsel for Standard of Conduct Determination. If a Standard of Conduct Determination is to be made by Independent Counsel pursuant to Section 8(b)(i), the Independent Counsel shall be selected by the Board of Directors, and the Company shall give written notice to Indemnitee advising [him/her] of the identity of the Independent Counsel so selected. If a Standard of Conduct Determination is to be made by Independent Counsel pursuant to Section 8(b)(ii), the Independent Counsel shall be selected by Indemnitee, and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either case, Indemnitee or the Company, as applicable, may, within ten (10) days after receiving written notice of selection from the other, deliver to the other a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not satisfy the criteria set forth in the definition of "Independent Counsel" in Section 1(i), and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person or firm so selected shall act as Independent Counsel. If such written objection is properly and timely made and substantiated, (i) the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit; and (ii) the non-objecting party may, at its option, select an alternative Independent Counsel and give written notice to the other party advising such other party of the identity of the alternative Independent Counsel so selected, in which case the provisions of the two immediately preceding sentences, the introductory clause of this sentence and numbered clause (i) of this sentence shall apply to such subsequent selection and notice. If applicable, the provisions of clause (ii) of the immediately preceding sentence shall apply to

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successive alternative selections. If no Independent Counsel that is permitted under the foregoing provisions of this Section 8(e) to make the Standard of Conduct Determination shall have been selected within thirty (30) days after the Company gives its initial notice pursuant to the first sentence of this Section 8(e) or Indemnitee gives its initial notice pursuant to the second sentence of this Section 8(e), as the case may be, either the Company or Indemnitee may petition the Court of Chancery of the State of Delaware ("Delaware Court") to resolve any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and/or to appoint as Independent Counsel a person to be selected by the Court or such other person as the Court shall designate, and the person or firm with respect to whom all objections are so resolved or the person or firm so appointed will act as Independent Counsel. In all events, the Company shall pay all of the reasonable fees and expenses of the Independent Counsel incurred in connection with the Independent Counsel's determination pursuant to Section 8(b).

(f) Presumptions and Defenses.

(i) Indemnitee's Entitlement to Indemnification. In making any Standard of Conduct Determination, the person or persons making such determination shall presume that Indemnitee has satisfied the applicable standard of conduct and is entitled to indemnification, and the Company shall have the burden of proof to overcome that presumption and establish that Indemnitee is not so entitled. Any Standard of Conduct Determination that is adverse to Indemnitee may be challenged by Indemnitee in the Delaware Court. No determination by the Company (including by its directors or any Independent Counsel) that Indemnitee has not satisfied any applicable standard of conduct may be used as a defense to any legal proceedings brought by Indemnitee to secure indemnification or reimbursement or advance payment of Expenses by the Company hereunder or create a presumption that Indemnitee has not met any applicable standard of conduct.

(ii) Reliance as a Safe Harbor. For purposes of this Agreement, and without creating any presumption as to a lack of good faith if the following circumstances do not exist, Indemnitee shall be deemed to have acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company if Indemnitee's actions or omissions to act are taken in good faith reliance upon the records of the Company, including

its financial statements, or upon information, opinions, reports or statements furnished to Indemnitee by the officers or employees of the Company or any of its subsidiaries in the course of their duties, or by committees of the Board or by any other Person (including legal counsel, accountants and financial advisors) as to matters Indemnitee reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company. In addition, the knowledge and/or actions, or failures to act, of any director, officer, agent or employee of the Company shall not be imputed to Indemnitee for purposes of determining the right to indemnity hereunder.

(iii) No Other Presumptions. For purposes of this Agreement, the termination of any Claim by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of nolo contendere or its equivalent, will not create a presumption that Indemnitee did not meet any applicable standard of conduct or have any particular belief, or that indemnification hereunder is otherwise not permitted.

(iv) Defense to Indemnification and Burden of Proof. It shall be a defense to any action brought by Indemnitee against the Company to enforce this Agreement (other than an action brought to enforce a claim for Losses incurred in defending against a Claim related to an Indemnifiable Event in advance of its final disposition by final adjudication to which there are no further rights of appeal) that it is not permissible under applicable law for the Company to indemnify Indemnitee for the amount claimed. In connection with any such action or any related Standard of Conduct Determination, the burden of proving such a defense or that Indemnitee did not satisfy the applicable standard of conduct shall be on the Company.

(v) Resolution of Claims. The Company acknowledges that a settlement or other disposition short of final judgment may be successful on the merits or otherwise for purposes of Section 8(a)(i) if it permits a party to avoid expense, delay, distraction, disruption and uncertainty. In the event that any Claim relating to an Indemnifiable Event to which Indemnitee is a party is resolved in any manner other than by adverse judgment against Indemnitee (including, without limitation, settlement of such action, claim or proceeding with our without payment of money or other consideration) it shall be presumed that Indemnitee has been successful on the merits or otherwise for purposes of Section 8(a)(i). The Company shall have the burden of proof to overcome this presumption.

9. Exclusions from Indemnification. Notwithstanding anything in this Agreement to the contrary, the Company shall not be obligated to:

(a) indemnify or advance funds to Indemnitee for Expenses or Losses with respect to proceedings initiated by Indemnitee, including any proceedings against the Company or its directors, officers, employees or other indemnitees and not by way of defense, except:

(i) proceedings referenced in Section 4 above (unless a court of competent jurisdiction determines that each of the material assertions made by Indemnitee in such proceeding was not made in good faith or was frivolous); or

(ii) where the Company has joined in or the Board has consented to the initiation of such proceedings;

(b) indemnify Indemnitee if a final decision by a court of competent jurisdiction determines that such indemnification is prohibited by applicable law;

(c) indemnify Indemnitee for the disgorgement of profits arising from the purchase or sale by Indemnitee of securities of the Company in violation of Section 16(b) of the Exchange Act, or any similar successor statute; or

(d) indemnify or advance funds to Indemnitee for Indemnitee's reimbursement to the Company of any bonus or other incentive-based or equity-based compensation previously received by Indemnitee or payment of any profits realized by Indemnitee from the sale of securities of the Company, as required in each case under the Exchange Act or other applicable law, including the listing requirements of any exchange on which the Company's securities are listed (including any such reimbursements under Section 304 of the Sarbanes-Oxley Act of 2002 in connection with an accounting restatement of the Company or the payment to the Company of profits arising from the purchase or sale by Indemnitee of securities in violation of Section 306

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of the Sarbanes-Oxley Act) or by any Company plan or policy adopted pursuant to or in furtherance of, any of the foregoing.

10. Settlement of Claims. The Company shall not be liable to Indemnitee under this Agreement for any amounts paid in settlement of any threatened or pending Claim related to an Indemnifiable Event effected without the Company's prior written consent, which shall not be unreasonably withheld; provided, however, that if a Change in Control has occurred, the Company shall be liable for indemnification of Indemnitee for amounts paid in settlement if an Independent Counsel has approved the settlement. The Company shall not settle any Claim related to an Indemnifiable Event in any manner that would impose any Losses on Indemnitee without Indemnitee's prior written consent.

11. Duration. All agreements and obligations of the Company contained herein shall continue during the period that Indemnitee is a director or officer of the Company (or is serving at the request of the Company as a director, officer, employee, member, trustee or agent of another Enterprise) and shall continue thereafter (i) so long as Indemnitee may be subject to any possible Claim relating to an Indemnifiable Event (including any rights of appeal thereto) and (ii) throughout the pendency of any proceeding (including any rights of appeal thereto) commenced by Indemnitee to enforce or interpret his or her rights under this Agreement, even if, in either case, he or she may have ceased to serve in such capacity at the time of any such Claim or proceeding.

12. Non-Exclusivity. The rights of Indemnitee hereunder will be in addition to any other rights Indemnitee may have under the Constituent Documents, the General Corporation Law of the State of Delaware, any other contract or otherwise (collectively, "Other Indemnity Provisions"); provided, however, that (a) to the extent that Indemnitee otherwise would have any greater right to indemnification under any Other Indemnity Provision, Indemnitee will be deemed to have such greater right hereunder and (b) to the extent that any change is made to any Other Indemnity Provision which permits any greater right to indemnification than that provided under this Agreement as of the date hereof, Indemnitee will be deemed to have such greater right hereunder. Any prior indemnification agreements between the Company or any affiliated entity of the Company and the Indemnitee are hereby terminated and superseded by this Agreement.

13. Liability Insurance. For the duration of Indemnitee's service as a [director/officer] of the Company, and thereafter for so long as Indemnitee shall be subject to any pending Claim relating to an Indemnifiable Event, the Company shall use commercially reasonable efforts (taking into account the scope and amount of coverage available relative to the cost thereof) to continue to maintain in effect policies of directors' and officers' liability insurance providing coverage that is at least substantially comparable in scope and amount to that provided by the Company's current policies of directors' and officers' liability insurance. In all policies of directors' and officers' liability insurance maintained by the Company, Indemnitee shall be named as an insured in such a manner as to provide Indemnitee the same rights and benefits as are provided to the most favorably insured of the Company's directors, if Indemnitee is a director, or of the Company's officers, if Indemnitee is an officer (and not a director) by such policy. Upon request, the Company will provide to Indemnitee copies of all directors' and officers' liability insurance applications, binders, policies, declarations, endorsements and other related materials.

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14. No Duplication of Payments. The Company shall not be liable under this Agreement to make any payment to Indemnitee in respect of any Losses to the extent Indemnitee has otherwise received payment under any insurance policy, the Constituent Documents, Other Indemnity Provisions or otherwise of the amounts otherwise indemnifiable by the Company hereunder.

15. Subrogation. In the event of payment to Indemnitee under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee. Indemnitee shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit to enforce such rights.

16. Amendments. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be binding unless in the form of a writing signed by the party against whom enforcement of the waiver is sought, and no such waiver shall operate as a waiver of any other provisions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver. Except as specifically provided herein, no failure to exercise or any delay in exercising any right or remedy hereunder shall constitute a waiver thereof.

17. Binding Effect. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business and/or assets of the Company), assigns, spouses, heirs and personal and legal representatives. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part of the business and/or assets of the Company, by written agreement in form and substances satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

18. Severability. The provisions of this Agreement shall be severable in the event that any of the provisions hereof (including any portion thereof) are held by a court of competent jurisdiction to be invalid, illegal, void or otherwise unenforceable, and the remaining provisions shall remain enforceable to the fullest extent permitted by law. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

19. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered by hand, against receipt, or mailed, by postage prepaid, certified or registered mail:

(a) if to Indemnitee, to the address set forth on the signature page hereto.

(b) if to the Company, to:

CarGurus, Inc.

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2 Canal Park, 4th Floor
Cambridge, Massachusetts 02141
Attn: Chief Financial Officer

Notice of change of address shall be effective only when given in accordance with this Section. All notices complying with this Section shall be deemed to have been received on the date of hand delivery or on the third business day after mailing.

20. Governing Law and Forum. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware applicable to contracts made and to be performed in such state without giving effect to its principles of conflicts of laws. The Company and Indemnitee hereby irrevocably and unconditionally: (a) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court and not in any other state or federal court in the United States; (b) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement; and (c) waive, and agree not to plead or make, any claim that the Delaware Court lacks venue or that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

21. Headings. The headings of the sections and paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction or interpretation thereof.

22. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original, but all of which together shall constitute one and the same Agreement.

[SIGNATURE PAGE FOLLOWS]

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

CARGURUS, INC.

By: _____

Name:
Title:

INDEMNITEE

Name:
Address:

CARGURUS, INC.

Amended and Restated

2006

EQUITY INCENTIVE PLAN

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CARGURUS, INC.

AMENDED AND RESTATED

2006 EQUITY INCENTIVE PLAN

1. Purpose

This Plan is intended to encourage ownership of Stock of CarGurus, Inc., a Delaware corporation (the "Company") by persons providing services to it, including its employees, consultants and directors and to provide additional incentives for them to promote the success of the Company's business.

2. Definitions

As used in this Plan, the following terms shall have the following meanings:

2.1 Accelerate, Accelerated, and Acceleration, when used with respect to an Option, means that as of the time of reference the Option will become exercisable with respect to some or all of the shares of Stock for which it was not then otherwise exercisable by its terms, and, when used with respect to Restricted Stock, means that the Risk of Forfeiture otherwise applicable to the shares of Restricted Stock shall expire with respect to some or all of the shares of Restricted Stock then still otherwise subject to the Risk of Forfeiture.

2.2 Acquisition means a merger or consolidation of the Company into another person (*i.e.*, which merger or consolidation the Company does not survive) or the sale, transfer, or other disposition of all or substantially all of the Company's assets to one or more other persons in a single transaction or series of related transactions.

2.3 Award means any grant or sale pursuant to the Plan of Options, Restricted Stock, or Stock Grants.

2.4 Award Agreement means an agreement between the Company and the recipient of an Award, setting forth the terms and conditions of the Award.

2.5 Board means the Company's Board of Directors.

2.6 Change of Control means the occurrence of any of the following after the date of the approval of the Plan by the Board:

(a) an Acquisition, unless securities possessing more than 50% of the total combined voting power of the survivor's or acquiror's outstanding equity interests (or the securities of any parent thereof) are held by a person or persons who held securities possessing more than 50% of the total combined voting power of the Company's outstanding securities immediately prior to that transaction, or

(b) any person or group of persons (within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended and in effect from time to time), directly or

indirectly acquires, including but not limited to by means of a merger or consolidation, beneficial ownership (determined pursuant to Securities and Exchange Commission Rule 13d-3 promulgated under the said Exchange Act) of equity interests possessing more than 50% of the total combined voting power of the Company's outstanding equity interests, other than (i) the Company, (ii) an employee benefit plan of the Company, (iii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company, or (iv) an underwriter temporarily holding securities pursuant to an offering of such equity interests.

2.7 Code means the Internal Revenue Code of 1986, as amended from time to time, or any successor statute thereto, and any regulations issued from time to time thereunder. To the extent that reference is made to any particular section of the Code, such reference shall be, where the context so admits, to any corresponding provisions of any succeeding law.

2.8 Committee means any committee of the Board delegated responsibility by the Board for the administration of the Plan, as provided in Section 5 of the Plan. For any period during which no such committee is in existence "Committee" shall mean the Board and all authority and responsibility assigned to the Committee under the Plan shall be exercised, if at all, by the Board.

2.9 Company means CarGurus, Inc., a corporation organized under the laws of the State of Delaware.

2.10 Grant Date means the date as of which an Option is granted, as determined under Section 7.1(a).

2.11 Market Value means the value of a share of Stock on any date as determined by the Committee.

2.12 Operating Agreement means the Company's Operating Agreement as in effect from time to time.

2.13 Option means an option to purchase shares of Stock.

2.14 Optionee means a Participant to whom an Option shall have been granted under the Plan.

2.15 Participant means any holder of an outstanding Award under the Plan.

2.16 Plan means this 2006 Equity Incentive Plan of the Company, as amended from time to time, and including any attachments or addenda hereto.

2.17 Restricted Stock means a grant or sale of shares of Stock to a Participant subject to a Risk of Forfeiture.

2.18 Restriction Period means the period of time, established by the Committee in connection with an Award of Restricted Stock, during which the shares of Restricted Stock are subject to a Risk of Forfeiture described in the applicable Award Agreement.

2.19 Risk of Forfeiture means a limitation on the right of the Participant to retain Restricted Stock, including a right in the Company to reacquire the shares at less than their then Market Value, arising because of the occurrence or non-occurrence of specified events or conditions.

2.20 Securities Act means the Securities Act of 1933, as amended from time to time.

2.21 Stock Grant means the grants of shares of Stock not subject to restrictions or other forfeiture conditions.

2.22 Stock means Class B Common Stock, par value $0.001 per share, of the Company.

3. Term of the Plan

Unless the Plan shall have been earlier terminated by the Board, Awards may be granted under this Plan at any time in the period commencing on the date of approval of the Plan by the Board and ending immediately prior to the tenth anniversary of the earlier of the adoption of the Plan by the Board. Awards granted pursuant to the Plan within that period shall not expire solely by reason of the termination of the Plan.

4. Stock Subject to the Plan

At no time shall the number of shares of Stock issued pursuant to or subject to outstanding Awards granted under the Plan exceed such number of shares of Stock as the Board determine from time to time in connection with the Plan. For purposes of applying the foregoing limitation, if any Option expires, terminates, or is cancelled for any reason without having been exercised in full, or if any Award of Restricted Stock is forfeited by the recipient or repurchased at less than its Market Value, the shares of Stock not purchased by the Optionee or forfeited by the recipient or repurchased shall again be available for Awards to be granted under the Plan.

5. Administration

The Plan shall be administered by the Committee; *provided*, *however*, that at any time and on any one or more occasions the Board may itself exercise any of the powers and responsibilities assigned the Committee under the Plan and when so acting shall have the benefit of all of the provisions of the Plan pertaining to the Committee's exercise of its authorities hereunder; and provided further, however, that the Committee may delegate to an executive officer or officers the authority to grant Awards hereunder to employees who are not officers, and to consultants, in accordance with such guidelines as the Committee shall set forth at any time or from time to time. Subject to the provisions of the Plan, the Committee shall have complete authority, in its discretion, to make or to select the manner of making all determinations with respect to each Award to be granted by the Company under the Plan including the employee, consultant or director to receive the Award and the form of Award. In making such determinations, the Committee may take into account the nature of the services rendered by the respective employees, consultants, and directors, their present and potential contributions to the success of the Company, and such other factors as the Committee in its discretion shall deem relevant. Subject to the provisions of the Plan, the Committee shall also

have complete authority to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to it, to determine the terms and provisions of the respective Award Agreements (which need not be identical), and to make all other determinations necessary or advisable for the administration of the Plan. The Committee's determinations made in good faith on matters referred to in the Plan shall be final, binding and conclusive on all persons having or claiming any interest under the Plan or an Award made pursuant hereto.

6. Authorization of Grants

6.1 Eligibility. The Committee may grant from time to time and at any time prior to the termination of the Plan one or more Awards, either alone or in combination with any other Awards, to any service provider to the Company, including any non-employee member of the Board.

6.2 General Terms of Awards. Each grant of an Award shall be subject to all applicable terms and conditions of the Plan (including but not limited to any specific terms and conditions applicable to that type of Award set out in the following Section), and such other terms and conditions, not inconsistent with the terms of the Plan, as the Committee may prescribe. No prospective Participant shall have any rights with respect to an Award, unless and until such Participant has executed an agreement evidencing the Award, delivered a fully executed copy thereof to the Company, and otherwise complied with the applicable terms and conditions of such Award.

6.3 Non-Transferability of Awards. Except as otherwise provided in this Section, Awards shall not be transferable, and no Award or interest therein may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. All of a Participant's rights in any Award may be exercised during the life of the Participant only by the Participant or the Participant's legal representative. However, the Committee may, at or after the grant of shares of Restricted Stock, provide that such Award may be transferred by the recipient to a family member; *provided*, *however*, that any such transfer is without payment of any consideration whatsoever and that no transfer shall be valid unless first approved by the Committee, acting in its sole discretion. For this purpose, "family member" means any child, stepchild, grandchild, parent, stepparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, any person sharing the employee's household (other than a tenant or employee), a trust in which the foregoing persons have more than fifty (50) percent of the beneficial interests, a foundation in which the foregoing persons (or the Participant) control the management of assets, and any other entity in which these persons (or the Participant) own more than fifty (50) percent of the voting interests.

7. Specific Terms of Awards

7.1 Options.

(a) Date of Grant. The granting of an Option shall take place at the time specified in the Award Agreement. Only if expressly so provided in the applicable Award

Agreement shall the Grant Date be the date on which the Award Agreement shall have been duly executed and delivered by the Company and the Optionee.

(b) Exercise Price. The price at which shares of Stock may be acquired under each Option shall be not less than 100% of the Market Value of a share of Stock on the Grant Date.

(c) Option Period. No Option may be exercised on or after the tenth anniversary of the Grant Date.

(d) Exercisability. An Option may be immediately exercisable or become exercisable in such installments, cumulative or non-cumulative, as the Committee may determine. In the case of an Option not otherwise immediately exercisable in full, the Committee may Accelerate such Option in whole or in part at any time.

(e) Termination of Association with the Company. Unless the Committee shall provide otherwise with respect to any Option, if the Optionee's employment or other association with the Company ends for any reason, any outstanding Option of the Optionee shall cease to be exercisable in any respect not later than 90 days following that event and, for the period it remains exercisable following that event, shall be exercisable only to the extent exercisable at the date of that event. Military or sick leave or other bona fide leave shall not be deemed a termination of employment or other association, provided that it does not exceed the longer of ninety (90) days or the period during which the absent Optionee's reemployment rights, if any, are guaranteed by statute or by contract.

(f) Method of Exercise. An Option may be exercised by the Optionee giving written notice, in the manner provided in Section 14, specifying the number of shares of Stock with respect to which the Option is then being exercised. The notice shall be accompanied by payment in the form of cash or check payable to the order of the Company in an amount equal to the exercise price of the shares of Stock to be purchased; or, subject in each instance to the Committee's approval, acting in its sole discretion, and to such conditions, if any, as the Committee may deem necessary to avoid adverse accounting effects to the Company, by delivery to the Company of:

(i) Shares of Stock having a Market Value equal to the exercise price of the shares to be purchased, or

(ii) the Optionee's executed promissory note in the principal amount equal to the exercise price of the shares to be purchased and otherwise in such form as the Committee shall have approved.

Receipt by the Company of such notice and payment in any authorized or combination of authorized means shall constitute the exercise of the Option.

(g) Certificates. Within thirty (30) days after the exercise of an Option, but subject to the remaining provisions of the Plan, the Company shall deliver or cause to be delivered to the Optionee or his agent a certificate or certificates for the number of shares of Stock then being purchased. Such shares of Stock shall be fully paid and nonassessable.

(h) Rights Pending Exercise. No person holding an Option shall be deemed for any purpose to be a stockholder of the Company with respect to any of the shares of Stock issuable pursuant to his Option, except to the extent that the Option shall have been exercised with respect thereto.

7.2 Restricted Stock.

(a) Purchase Price. Shares of Restricted Stock shall be issued under the Plan for such consideration, in cash, other property or services, or any combination thereof, as is determined by the Committee.

(b) Issuance of Certificates. Each Participant receiving a Restricted Stock Award, subject to subsection (c) below, shall be issued a stock certificate in respect of such shares of Restricted Stock. Such certificate shall be registered in the name of such Participant, and, if applicable, shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Award substantially in the following form:

The shares evidenced by this certificate are subject to the terms and conditions of CarGurus, Inc. 2006 Equity Incentive Plan and an Award Agreement entered into by the registered owner and CarGurus, Inc., copies of which will be furnished by the Company to the holder of the shares evidenced by this certificate upon written request and without charge.

(c) Escrow of Shares. The Committee may require that the stock certificates evidencing shares of Restricted Stock be held in custody by a designated escrow agent (which may but need not be the Company) until the restrictions thereon shall have lapsed, and that the Participant deliver a stock power, endorsed in blank, relating to the Stock covered by such Award.

(d) Restrictions and Restriction Period. During the Restriction Period applicable to shares of Restricted Stock, such shares shall be subject to limitations on transferability and a Risk of Forfeiture arising on the basis of such conditions related to the performance of services, Company performance or otherwise as the Committee may determine and provide for in the applicable Award Agreement. Any such Risk of Forfeiture may be waived or terminated, or the Restriction Period shortened, at any time by the Committee on such basis as it deems appropriate.

(e) Rights Pending Lapse of Risk of Forfeiture or Forfeiture of Award. Except as otherwise provided in the Plan or the applicable Award Agreement, at all times prior to lapse of any Risk of Forfeiture applicable to, or forfeiture of, an Award of Restricted Stock, the Participant shall have all of the rights of a stockholder of the Company, including the right to vote, and the right to receive any dividends with respect to, the shares of Restricted Stock (but

any dividends or other distributions payable in shares of Stock or other securities of the Company shall constitute additional Restricted Stock, subject to the same Risk of Forfeiture as the shares of Restricted Stock in respect of which such shares of Stock or other securities are paid). The Committee, as determined at the time of Award, may permit or require the payment

of cash dividends to be deferred and, if the Committee so determines, reinvested in additional Restricted Stock to the extent shares of Stock are available under Section 4.

(f) Termination of Association with the Company. Unless the Committee shall provide otherwise for any Award of Restricted Stock, upon termination of a Participant's employment or other association with the Company for any reason during the Restriction Period, all shares of Restricted Stock still subject to Risk of Forfeiture shall be forfeited or otherwise subject to return to or repurchase by the Company on the terms specified in the Award Agreement; provided, however, that military or sick leave or other bona fide leave shall not be deemed a termination of employment or other association, if it does not exceed the longer of ninety (90) days or the period during which the absent Participant's reemployment rights, if any, are guaranteed by statute or by contract.

7.3 Stock Grants. Stock Grants shall be awarded solely in recognition of significant contributions to the success of the Company, in lieu of compensation otherwise already due and in such other limited circumstances as the Committee deems appropriate. Stock Grants shall be made without forfeiture conditions of any kind.

7.4 Awards to Participants Outside the United States. The Committee may modify the terms of any Award under the Plan granted to a Participant who is, at the time of grant or during the term of the Award, resident or primarily employed outside of the United States in any manner deemed by the Committee to be necessary or appropriate in order that the Award shall conform to laws, regulations, and customs of the country in which the Participant is then resident or primarily employed, or so that the value and other benefits of the Award to the Participant, as affected by foreign tax laws and other restrictions applicable as a result of the Participant's residence or employment abroad, shall be comparable to the value of such an Award to a Participant who is resident or primarily employed in the United States. The Committee may establish supplements to, or amendments, restatements, or alternative versions of the Plan for the purpose of granting and administrating any such modified Award. No such modification, supplement, amendment, restatement or alternative version may increase the share limit of Section 4.

8. Adjustment Provisions

8.1 Adjustment for Corporate Actions. Subject to Sections 8.2 and 8.3, if subsequent to the adoption of the Plan by the Board the outstanding shares of Stock (or any other securities covered by the Plan by reason of the prior application of this Section) are increased, decreased, or exchanged for a different number or kind of shares or other securities, or if additional shares or new or different shares or other securities are distributed with respect to shares of Stock, through merger, consolidation, sale of all or substantially all the property of the Company, reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split, or other similar distribution with respect to such shares of Stock, an appropriate and proportionate adjustment will be made in (i) the maximum numbers and kinds of shares or other securities provided in Section 4, (ii) the numbers and kinds of shares or other securities subject to the then outstanding Awards, (iii) the exercise price for each share or other unit of any other securities subject to then outstanding Options (without change in the aggregate purchase price as to which

such Options remain exercisable), and (iv) the repurchase price of each share of Restricted Stock then subject to a Risk of Forfeiture in the form of a Company repurchase right.

8.2 Treatment in Acquisitions. Subject to any provisions of then outstanding Awards granting greater rights to the holders thereof, in the event of an Acquisition (a) any then outstanding Options shall Accelerate to the extent not assumed by the acquiring entity or replaced by comparable options to purchase the equity interests of the successor or acquiring entity or parent thereof, and to the extent not assumed or replaced on the Acquisition shall then (or after a reasonable period following the Acquisition, as determined by the Committee) terminate to the extent not exercised and (b) any then Award of Restricted Stock shall Accelerate in full if the Company's rights to reacquire such shares of Restricted Stock on occurrence of the applicable Risk of Forfeiture with respect to those shares are not assigned to the successor or acquiring entity or parent thereof. As to any one or more outstanding Options and Restricted Stock Awards which are not otherwise Accelerated in full by reason of such Acquisition, the Committee may also, either in advance of an Acquisition or at the time thereof and upon such terms as it may deem appropriate, provide for the Acceleration of such outstanding Options and Awards of Restricted Stock the event that the employment of the Participants should subsequently terminate following the Acquisition. Each outstanding Option that is assumed in connection with an Acquisition, or is otherwise to continue in effect subsequent to the Acquisition, will be appropriately adjusted, immediately after the Acquisition, as to the number and class of securities and the price at which it may be exercised in accordance with Section 8.1.

8.3 Change in Control. Subject to any provisions of then outstanding Awards granting greater rights to the holders thereof, in the event of a Change in Control (including a Change of Control which is an Acquisition), any Award of Restricted Stock still then subject to a Risk of Forfeiture and any outstanding Option not then exercisable in full shall vest, if at all, under the terms of the Award. The preceding shall apply as well to shares of Restricted Stock the repurchase rights of which are held by an acquiring entity, and outstanding Options which are assumed by an acquiring entity or replaced by comparable options to purchase the equity securities of a successor or acquiring entity or parent thereof, pursuant to Section 8.2. The Committee shall have the discretion, exercisable either in advance of a Change in Control or at the time thereof, to provide (upon such terms as it may deem appropriate) for (i) the automatic Acceleration of one or more outstanding Options (including Options that are assumed or replaced pursuant to Section 8.2) that do not otherwise Accelerate by reason of the Change in Control, and/or (ii) the subsequent termination of one or more of the Company's repurchase rights with respect to the Awards of Restricted Stock that do not otherwise terminate at that time, in the event that the employment of the respective grantees of such Awards should subsequently terminate following such Change in Control.

8.4 Dissolution or Liquidation. Upon dissolution or liquidation of the Company, other than as part of an Acquisition or similar transaction, each outstanding Option shall terminate, but the Optionee (if at the time in the employ of or otherwise associated with the Company) shall have the right, immediately prior to the dissolution or liquidation, to exercise the Option to the extent exercisable on the date of dissolution or liquidation.

8.5 Adjustment of Awards Upon the Occurrence of Certain Unusual or Nonrecurring Events. In the event of any corporate action not specifically covered by the preceding Sections,

including but not limited to an extraordinary cash distribution on Stock, a corporate separation or other reorganization or liquidation, the Committee may make such adjustment of outstanding Awards and their terms, if any, as it, in its sole discretion, may deem equitable and appropriate in the circumstances.

8.6 Related Matters. Any adjustment in Awards made pursuant to this Section 8 shall be determined and made, if at all, by the Committee and shall include any correlative modification of terms, including of Option exercise prices, rates of vesting or exercisability, Risks of Forfeiture and applicable repurchase prices for Restricted Stock, which the Committee may deem necessary or appropriate so as to ensure the rights of the Participants in their respective Awards are not substantially diminished nor enlarged as a result of the adjustment and corporate action other than as expressly contemplated in this Section 8. No fraction of a share of Stock shall be purchasable or deliverable upon exercise, but in the event any adjustment hereunder of the number of shares of Stock covered by an Award shall cause such number to include a fraction of a share of Stock, such number of shares of Stock shall be adjusted to the nearest smaller whole number of shares.

9. Settlement of Awards

9.1 Violation of Law. Notwithstanding any other provision of the Plan or the relevant Award Agreement, if, at any time, in the reasonable opinion of the Company, the issuance of shares of Stock covered by an Award may constitute a violation of law, then the Company may delay such issuance and the delivery of a certificate for such shares until (i) approval shall have been obtained from such governmental agencies, other than the Securities and Exchange Commission, as may be required under any applicable law, rule, or regulation and (ii) in the case where such issuance would constitute a violation of a law administered by or a regulation of the Securities and Exchange Commission, one of the following conditions shall have been satisfied:

(a) the shares of Stock are at the time of the issue of such shares effectively registered under the Securities Act; or

(b) the Company shall have determined, on such basis as it deems appropriate (including an opinion of counsel in form and substance satisfactory to the Company) that the sale, transfer, assignment, pledge, encumbrance or other disposition of such shares does not require registration under the Securities Act or any applicable State securities laws.

The Company shall make all reasonable efforts to bring about the occurrence of said events.

9.2 Restrictions on Rights in Stock. Any Stock to be issued pursuant to Awards granted under the Plan shall be subject to all restrictions upon the transfer thereof which may be now or hereafter imposed by the charter, certificate or articles, and by-laws, of the Company.

9.3 Investment Representations. The Company shall be under no obligation to issue any shares of Stock covered by any Award unless the shares of Stock to be issued pursuant to Awards granted under the Plan have been effectively registered under the Securities Act or the Participant shall have made such written representations to the Company (upon which the Company believes it may reasonably rely) as the Company may deem necessary or appropriate for purposes of confirming that the issuance of such shares will be exempt from the registration

requirements of the Securities Act and any applicable state securities laws and otherwise in compliance with all applicable laws, rules and regulations, including but not limited to that the Participant is acquiring the shares for his or her own account for the purpose of investment and not with a view to, or for sale in connection with, the distribution of any such shares.

9.4 Registration. If the Company shall deem it necessary or desirable to register under the Securities Act or other applicable statutes any shares of Stock issued or to be issued pursuant to Awards granted under the Plan, or to qualify any such shares of Stock for exemption from the Securities Act or other applicable statutes, then the Company shall take such action at its own expense. The Company may require from each recipient of an Award, or each holder of shares of Stock acquired pursuant to the Plan, such information in writing for use in any registration statement, prospectus, preliminary prospectus or offering circular as is reasonably necessary for that purpose and may require reasonable indemnity to the Company and its officers and directors from that holder against all losses, claims, damage and liabilities arising from use of the information so furnished and caused by any untrue statement of any material fact therein or caused by the omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made. In addition, the Company may require of any such person that he or she agree that, without the prior written consent of the Company or the managing underwriter in any public offering of shares of Stock, he or she will not sell, make any short sale of, loan, grant any option for the purchase of, pledge or otherwise encumber, or otherwise dispose of, any shares of Stock during the 180 day period commencing on the effective date of the registration statement relating to the underwritten public offering of securities.

9.5 Tax Withholding. Whenever shares of Stock are issued or to be issued pursuant to Awards granted under the Plan, the Company shall have the right to require the recipient to remit to the Company an amount sufficient to satisfy federal, state, local or other withholding tax requirements if, when, and to the extent required by law (whether so required to secure for the Company an otherwise available tax deduction or otherwise) coincident with this Optionee's exercise of such Option. The obligations of the Company under the Plan shall be conditional on satisfaction of all such withholding obligations and the Company shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the recipient of an Award.

10. Reservation of Stock

The Company shall at all times during the term of the Plan and any outstanding Options granted hereunder reserve or otherwise keep available such number of shares of Stock as will be sufficient to satisfy the requirements of the Plan (if then in effect) and the Options and shall pay all fees and expenses necessarily incurred by the Company in connection therewith.

11. No Special Employment or Other Rights

Nothing contained in the Plan or in any Award Agreement shall confer upon any recipient of an Award any right with respect to the continuation of his or her employment or other association with the Company, or interfere in any way with the right of the Company, subject to the terms of any separate employment or consulting agreement or provision of law or

charter, certificate or articles, or by-laws or the Operating Agreement, to the contrary, at any time to terminate such employment or consulting agreement or to increase or decrease, or otherwise adjust, the other terms and conditions of the recipient's employment or other association with the Company.

12. Nonexclusivity of the Plan

Neither the adoption of the Plan by the Board nor the submission of the Plan to the stockholders of the Company shall be construed as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including without limitation, the granting of options and restricted units other than under the Plan, and such arrangements may be either applicable generally or only in specific cases.

13. Termination and Amendment of the Plan

The Board may at any time terminate the Plan or make such modifications of the Plan as it shall deem advisable. Unless the Board otherwise expressly provides, no amendment of the Plan shall affect the terms of any Award outstanding on the date of such amendment. Other than as the Board may deem necessary or appropriate to comply with applicable law, including without limitation the provisions of Section 409A of the Code, no termination or amendment of the Plan may adversely affect the rights of the recipient of an Award previously granted hereunder without the consent of the recipient of such Award.

The Committee may amend the terms of any Award theretofore granted, prospectively or retroactively, provided that the Award as amended is consistent with the terms of the Plan. Also within the limitations of the Plan, the Committee may modify, extend or assume outstanding Awards or may accept the cancellation of outstanding Awards or of outstanding options or other equity-based compensation awards granted by another issuer in return for the grant of new Awards for the same or a different number of shares of Stock and on the same or different terms and conditions (including but not limited to the exercise price of any Option). Furthermore, the Committee may at any time (a) offer to buy out for a payment in cash or cash equivalents an Award previously granted or (b) authorize the recipient of an Award to elect to cash out an Award previously granted, in either case at such time and based upon such terms and conditions as the Committee shall establish. Other than as the Committee may deem necessary or appropriate to comply with applicable law, including without limitation the provisions of Section 409A of the Code, no amendment or modification of an outstanding Award shall impair the rights of the recipient of such Award without his or her consent.

14. Notices and Other Communications

Any notice, demand, request or other communication hereunder to any party shall be deemed to be sufficient if contained in a written instrument delivered in person or duly sent by first class registered, certified or overnight mail, postage prepaid, or telecopied with a confirmation copy by regular, certified or overnight mail, addressed or telecopied, as the case may be, (i) if to the recipient of an Award, at his or her residence address last filed with the Company and (ii) if to the Company, at its principal place of business, addressed to the attention of its Treasurer, or to such other address or telecopier number, as the case may be, as the

addressee may have designated by notice to the addressor. All such notices, requests, demands and other communications shall be deemed to have been received: (i) in the case of personal delivery, on the date of such delivery; (ii) in the case of mailing, when received by the addressee; and (iii) in the case of facsimile transmission, when confirmed by facsimile machine report.

15. Governing Law

The Plan and all Award Agreements and actions taken thereunder shall be governed, interpreted and enforced in accordance with the laws of Delaware without regard to the conflict of laws principles thereof.

CARGURUS, INC.

AMENDED AND RESTATED 2015 EQUITY INCENTIVE PLAN

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CARGURUS, INC.

Amended and Restated 2015 Equity Incentive Plan

1. Purpose

This Plan is intended to encourage ownership of Stock by employees, consultants and directors of the Company and its Affiliates and provide additional incentive for them to promote the success of the Company's business. The Plan is intended to be an incentive stock option plan within the meaning of Section 422 of the Code, but not all Awards are required to be Incentive Options. The Plan was first effective on June 26, 2015, and was amended and restated effective August 6, 2015 to permit the grant of Restricted Stock Units under the Plan, remove Class B Common Stock from the pool of shares available for issuance under the Plan and make certain other desired changes. The Plan was amended and restated as of October 15, 2015 to add a ten year term and to make certain other desired changes. The Plan was again amended and restated to merge the CarGurus, Inc. Amended and Restated 2006 Equity Incentive Plan (the "2006 Plan") into this Plan, to increase the number of shares of Class A Common Stock to be issued hereunder and to lengthen the ten-year term, effective as of August 22, 2016. Outstanding options under the 2006 Plan shall continue in effect according to their terms as in effect before August 22, 2016 (subject to such amendments and adjustments as the Committee determines, consistent with the 2006 Plan, as applicable), and the shares with respect to outstanding options under the 2006 Plan shall be issued or transferred under this Plan. To effectuate the recapitalization of the Company's capital stock pursuant to which each share of Class A Common Stock and each share of Class B Common Stock was exchanged for two shares of Class A Common Stock and four shares of Class B Common Stock, the Plan is hereby amended and restated, effective as of the Restatement Effective Date, to memorialize the adjustment of the numbers and kinds of shares available for issuance pursuant to awards outstanding under the Plan as of the Restatement Effective Date and to reflect that the shares of Class B Common Stock that were not subject to outstanding awards as of the Restatement Effective Date were replaced with the equivalent number of shares of Class A Common Stock , as approved by the Committee pursuant to Section 8.1 hereof.

2. Definitions

As used in the Plan, the following terms shall have the respective meanings set out below, unless the context clearly requires otherwise:

2.1 Affiliate means any corporation, partnership, limited liability company, business trust, or other entity controlling, controlled by or under common control with the Company.

2.2 Award means any grant or sale pursuant to the Plan of Options, Restricted Stock, Restricted Stock Units or Stock Grants.

2.3 Award Agreement means an agreement between the Company and the recipient of an Award, or other notice of grant of an Award, setting forth the terms and conditions of the Award.

2.4 Board means the Company's Board of Directors.

2.5 Class A Common Stock means Class A common stock, par value $0.001 per share, of the Company.

2.6 Class B Common Stock means Class B common stock, par value $0.001 per share, of the Company.

2.7 Code means the Internal Revenue Code of 1986, as amended from time to time, or any successor statute thereto, and any regulations issued from time to time thereunder.

2.8 Committee means any committee of the Board delegated responsibility by the Board for the administration of the Plan, as provided in Section 5 of this Plan. For any period during which no such committee is in existence "Committee" shall mean the Board and all authority and responsibility assigned to the Committee under the Plan shall be exercised, if at all, by the Board.

2.9 Company means CarGurus, Inc., a corporation organized under the laws of the State of Delaware.

2.10 Dividend Equivalent means an amount determined by multiplying the number of shares of Stock subject to a Restricted Stock Unit by the per-share cash dividend paid by the Company on outstanding Stock, or the per-share Market Value of any dividend paid on outstanding Stock in consideration other than cash. If interest is credited on accumulated divided equivalents, the term "Dividend Equivalent" shall include the accrued interest.

2.11 Effective Date means June 26, 2015.

2.12 "forfeiture." "forfeit," and derivations thereof, when used in respect of Restricted Stock purchased by a Participant, includes the Company's repurchase of such Restricted Stock at less than the Stock's then Market Value.

2.13 Grant Date means the date as of which an Option is granted, as determined under Section 7.1(a).

2.14 Incentive Option means an Option which by its terms is to be treated as an "incentive stock option" within the meaning of Section 422 of the Code.

2.15 Market Value means the fair market value of a share of Stock on any date as determined by the Committee.

2.16 Nonstatutory Option means any Option that is not an Incentive Option.

2.17 Option means an option to purchase shares of Stock.

2.18 Optionee means an eligible individual to whom an Option shall have been granted under the Plan.

2.19 Participant means any holder of an outstanding Award under the Plan.

2.20 Plan means this Amended and Restated 2015 Equity Incentive Plan of the Company, as amended from time to time, and including any attachments or addenda hereto.

2.21 Public Offering means the initial registration of the Stock under Section 12(g) of the Securities Exchange Act of 1934, as amended.

2.22 Restatement Effective Date means June 21, 2017, subject to the approval of the Plan by the Company's stockholders.

2.23 Restricted Stock means a grant or sale of shares of Stock to a Participant subject to a Risk of Forfeiture.

2.24 Restricted Stock Unit means a grant of a phantom unit representing a share of Stock on a one-for-one basis, subject to restrictions and other forfeiture conditions, as the Committee determines.

2.25 Restriction Period means the period of time, established by the Committee in connection with an Award of Restricted Stock or Restricted Stock Units, during which the shares of Restricted Stock or Restricted Stock Units are subject to a Risk of Forfeiture described in the applicable Award Agreement.

2.26 Risk of Forfeiture means a limitation on the right of the Participant to retain Restricted Stock or Restricted Stock Units, including a right in the Company to reacquire the Stock at less than its then Market Value, arising because of the occurrence or non-occurrence of specified events or conditions, as the Committee determines.

2.27 Stock means, collectively, Class A Common Stock and Class B Common Stock, and such other securities as may be substituted for Stock pursuant to Section 8.

2.28 Stock Grant means the grant of shares of Stock not subject to restrictions or other forfeiture conditions.

2.29 Stockholders' Agreement means any agreement by and among the holders of at least a majority of the outstanding voting securities of the Company and setting forth, among other provisions, restrictions upon the transfer of shares of Stock or on the exercise of rights appurtenant thereto (including but not limited to voting rights).

2.30 Ten Percent Owner means a person who owns, or is deemed within the meaning of Section 422(b)(6) of the Code to own, stock possessing more than 10% of the total combined voting power of all classes of stock of the Company (or any parent or subsidiary corporations of the Company, as defined in Sections 424(e) and (f), respectively, of the Code). Whether a person is a Ten Percent Owner shall be determined with respect to an Option based on the facts existing immediately prior to the Grant Date of the Option.

3. Term of the Plan

Unless the Plan shall have been earlier terminated by the Board or extended by the Board with the approval of the stockholders, Awards may be granted under this Plan at any time in the

period commencing on the Effective Date and ending on August 21, 2026. Awards granted pursuant to the Plan within that period shall not expire solely by reason of the termination of the Plan.

4. Stock Subject to the Plan

Subject to the provisions of Section 8 of the Plan, as of the Restatement Effective Date, the maximum number of shares of Stock that may be issued pursuant to or subject to outstanding Awards granted under the Plan, and the maximum number of shares of Stock issued pursuant to or subject to outstanding Incentive Options, shall not exceed 8,343,384 shares of Stock; which includes (i) 3,181,740 shares of Class A Common Stock plus (ii) 5,161,644 shares of Class B Common Stock; provided, however, that the number of shares of Class A Common Stock that may be issued pursuant to or subject to outstanding Awards granted under the Plan may be increased, on a share for share basis, by the number of shares of Class B Common Stock that are (I) subject to outstanding options granted under the 2006 Plan or this Plan that expire, terminate, or are cancelled for any reason without having been exercised pursuant to Section 4(a) below, (II) surrendered in payment of the exercise price of outstanding options granted under the 2006 Plan or this Plan pursuant to Section 4(b) below and (III) withheld in satisfaction of tax withholding upon exercise of outstanding options granted under the 2006 Plan or this Plan pursuant to Section 4(c) below, and the number of shares of Class B Common Stock reserved hereunder will be decreased, on a corresponding share for share basis. Effective as of August 22, 2016, no Awards with respect to Class B Common Stock will be granted under the Plan and, except with respect to outstanding options that are exercised on or after the Restatement Effective Date, no Class B Common Stock will be issued under the Plan. For purposes of applying the foregoing limitation, settlement of any Award shall not count against the foregoing limitations except to the extent settled in the form of Stock and, without limiting the generality of the foregoing:

(a) if any Option (including any option granted under the 2006 Plan) expires, terminates, or is cancelled for any reason without having been exercised in full, or if any other Award is forfeited, the shares of Stock not purchased by the Optionee or which are forfeited shall again be available for Awards with respect to Class A Common Stock to be granted under the Plan; provided that 135 shares of Stock subject to incentive stock options granted under the Plan and tendered in the tender offer closing on October 14, 2016 have not been made available for Awards with respect to Class A Common Stock to be granted under the Plan;

(b) if any Option (including any option granted under the 2006 Plan) is exercised by delivering previously owned shares of Stock in payment of the exercise price therefor, or by surrender of shares of Stock subject to the Option (including any option granted under the 2006 Plan) in payment of the exercise price therefor, only the net number of shares, that is, the number of shares of Stock issued minus the number delivered and received by the Company or surrendered in payment of the exercise price, shall be considered to have been issued pursuant to an Award granted under the Plan; and

(c) any shares of Stock either tendered or withheld in satisfaction of tax withholding obligations of the Company or an Affiliate shall again be available for issuance pursuant to Awards with respect to Class A Common Stock to be granted under the Plan.

None of the foregoing provisions of this Section 4, including the adjustment provisions of Section 8, shall apply in determining the maximum number of shares of Stock issued pursuant to or subject to outstanding Incentive Options unless consistent with the provisions of Section 422 of the Code, however. Shares of Stock issued pursuant to the Plan may be either authorized but unissued shares or shares held by the Company in its treasury.

5. Administration

The Plan shall be administered by the Committee; *provided, however*, that at any time and on any one or more occasions the Board may itself exercise any of the powers and responsibilities assigned the Committee under the Plan and when so acting shall have the benefit of all of the provisions of the Plan pertaining to the Committee's exercise of its authorities hereunder; and *provided further, however*, that the Committee may delegate to an executive officer or officers the authority to grant Awards hereunder to employees who are not officers, and to consultants, in accordance with such guidelines as the Committee shall set forth at any time or from time to time. Subject to the provisions of the Plan, the Committee shall have complete authority, in its discretion, to make or to select the manner of making all determinations with respect to each Award to be granted by the Company under the Plan including the employee, consultant or director to receive the Award and the form of Award. In making such determinations, the Committee may take into account the nature of the services rendered by the respective employees, consultants, and directors, their present and potential contributions to the success of the Company and its Affiliates, and such other factors as the Committee in its discretion shall deem relevant. Subject to the provisions of the Plan, the Committee shall also have complete authority to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to it, to determine the terms and provisions of the respective Award Agreements (which need not be identical), and to make all other determinations necessary or advisable for the administration of the Plan. The Committee's determinations made in good faith on matters referred to in the Plan shall be final, binding and conclusive on all persons having or claiming any interest under the Plan or an Award made pursuant hereto. All powers of the Committee shall be executed in its sole discretion, in the best interest of the Company, not as a fiduciary, and in keeping with the objectives of the Plan and need not be uniform as to similarly situated individuals.

6. Authorization of Grants

6.1 Eligibility. The Committee may grant from time to time and at any time prior to the termination of the Plan one or more Awards, either alone or in combination with any other Awards, to any employee of or consultant to one or more of the Company and its Affiliates or to any non-employee member of the Board or of any board of directors (or similar governing authority) of any Affiliate. However, only employees of the Company, and of any parent or subsidiary corporations of the Company, as defined in Sections 424(e) and (f), respectively, of the Code, shall be eligible for the grant of an Incentive Option.

6.2 General Terms of Awards. Each grant of an Award shall be subject to all applicable terms and conditions of the Plan (including but not limited to any specific terms and conditions applicable to that type of Award set out in the following Section), and such other terms and conditions, not inconsistent with the terms of the Plan, as the Committee may

prescribe. No prospective Participant shall have any rights with respect to an Award, unless and until such Participant shall have complied with the applicable terms and conditions of such Award (including if applicable delivering a fully executed copy of any agreement evidencing an Award to the Company). All Awards shall be made conditional on the Participant's acknowledgment, in writing or by acceptance of the Award, that all decisions and determinations of the Committee shall be final, binding and conclusive on the Participant, the Participant's beneficiaries and any other person having or claiming an interest in such Award. Awards need not be uniform as among Participants.

6.3 Effect of Termination of Employment, Etc. Unless the Committee shall provide otherwise with respect to any Option, if the Optionee's employment or other service with the Company and its Affiliates ends for any reason, including because of an Affiliate ceasing to be an Affiliate, (a) any outstanding Option of the Participant shall cease to be exercisable in any respect not later than thirty (30) days following that event and, for the period it remains exercisable following that event, shall be exercisable only to the extent exercisable at the date of that event, and (b) any other outstanding Award of the Participant shall be forfeited on the terms specified in the applicable Award

Agreement. Cessation of the performance of services in one capacity, for example, as an employee, shall not result in termination of an Award while the Participant continues to perform services in another capacity, for example as a director. Military or sick leave or other bona fide leave shall not be deemed a termination of employment or other service, *provided* that it does not exceed the longer of three (3) months or the period during which the absent Participant's reemployment rights, if any, are guaranteed by statute or by contract. To the extent consistent with applicable law, the Committee may provide that Awards continue to vest for some or all of the period of any such leave, or that their vesting shall be tolled during any such leave and only recommence upon the Participant's return from leave, if ever.

6.4 Non-Transferability of Awards. Except as otherwise provided in this Section 6, Awards shall not be transferable, and no Award or interest therein may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. All of a Participant's rights in any Award may be exercised during the life of the Participant only by the Participant or the Participant's legal representative. However, the Committee may, at or after the grant of an Award of a Nonstatutory Option, an Award of Restricted Stock Units or shares of Restricted Stock, provide that such Award may be transferred by the recipient to a family member in accordance with applicable securities laws and regulations; *provided, however*, that any such transfer is without payment of any consideration whatsoever and that no transfer shall be valid unless first approved by the Committee, acting in its sole discretion. For this purpose, "family member" means any child, stepchild, grandchild, parent, grandparent, stepparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, any person sharing the employee's household (other than a tenant or employee), a trust in which the foregoing persons have more than fifty (50) percent of the beneficial interests, a foundation in which the foregoing persons (or the Participant) control the management of assets, and any other entity in which these persons (or the Participant) own more than fifty (50) percent of the voting interests.

7. Specific Terms of Awards

7.1 Options.

(a) Grant Date. The granting of an Option shall take place at the time specified in the Award Agreement. Only if expressly so provided in the applicable Award Agreement shall the Grant Date be the date on which the Award Agreement shall have been duly executed and delivered by the Company and the Optionee.

(b) Exercise Price. The price at which shares of Stock may be acquired under each Option shall be not less than 100% of the Market Value of Stock on the Grant Date. The price at which shares of Stock may be acquired under each Incentive Option shall not be less than 110% of the Market Value of Stock on the Grant Date if the Optionee is a Ten Percent Owner.

(c) Option Period. No Option may be exercised on or after the tenth anniversary of the Grant Date. No Incentive Option may be exercised on or after the fifth anniversary of the Grant Date if the Optionee is a Ten Percent Owner.

(d) Exercisability. An Option may be immediately exercisable or become exercisable in such installments, cumulative or non-cumulative, as the Committee may determine. In the case of an Option not otherwise immediately exercisable in full, the Committee may provide that such Option shall become exercisable in whole or in part at any time; *provided, however*, that in the case of an Incentive Option, any such acceleration of the Option would not cause the Option to fail to comply with the provisions of Section 422 of the Code or the Optionee consents to the acceleration.

(e) Grants to Non-Exempt Employees. Notwithstanding the foregoing, Options granted to persons who are non exempt employees under the Fair Labor Standards Act of 1938, as amended, may not be exercisable for at least six months after the Grant Date (except that such Options may become exercisable, as determined by the Committee, upon the Optionee's death, disability or retirement, or upon a Transaction or other circumstances permitted by applicable regulations.

(f) Method of Exercise. An Option may be exercised by the Optionee giving written notice, in the manner provided in Section 16, specifying the number of shares of Stock with respect to which the Option is then being exercised. The notice shall be accompanied by payment in the form of cash or check payable to the order of the Company in an amount equal to the exercise price of the shares of Stock to be purchased or, subject in each instance to the Committee's approval, acting in its sole discretion, Section 9.6 and to such conditions, if any, as the Committee may deem necessary to avoid adverse accounting effects to the Company,

(i) by delivery to the Company of shares of Stock having a Market Value equal to the exercise price of the shares to be purchased, or

(ii) by surrender of the Option as to all or part of the shares of Stock for which the Option is then exercisable in exchange for shares of Stock having an aggregate Market Value equal to the difference between (1) the aggregate Market Value

of the shares of Stock subject to the surrendered portion of the Option, and (2) the aggregate exercise price under the Option for the surrendered portion of the Option (i.e., "net exercise"), or

(iii) by delivery to the Company of the Optionee's executed promissory note in the principal amount equal to the exercise price of the shares of Stock to be purchased and otherwise in such form as the Committee shall have approved, or

(iv) by delivery of any other lawful means of consideration which the Committee may approve.

If the Stock becomes traded on an established market, payment of any exercise price may also be made through and under the terms and conditions of any formal cashless exercise program authorized by the Company entailing the sale of the Stock subject to an Option in a brokered transaction (other than to the Company). Receipt by the Company of such notice and payment in any authorized or combination of authorized means shall constitute the exercise of the Option. Within thirty (30) days thereafter but subject to the remaining provisions of the Plan, the Company shall deliver or cause to be delivered to the Optionee or his agent a certificate or certificates for the number of shares then being purchased. Such shares of Stock shall be fully paid and nonassessable.

(g) Limit on Incentive Option Characterization. An Incentive Option shall be considered to be an Incentive Option only to the extent that the number of shares of Stock for which the Option first becomes exercisable in a calendar year do not have an aggregate Market Value (as of the date of the grant of the Option) in excess of the "current limit". The current limit for any Optionee for any calendar year shall be $100,000 *minus* the aggregate Market Value at the date of grant of the number of shares of Stock available for purchase for the first time in the same year under each other Incentive Option previously granted to the Optionee under the Plan, and under each other incentive stock option previously granted to the Optionee under any other incentive stock option plan of the Company and its Affiliates. Any shares of Stock which would cause the foregoing limit to be violated shall be deemed to have been granted under a separate Nonstatutory Option, otherwise identical in its terms to those of the Incentive Option.

(h) Notification of Disposition. Each person exercising any Incentive Option granted under the Plan shall be deemed to have covenanted with the Company to report to the Company any disposition of the shares of Stock issued upon such exercise prior to the expiration of the holding periods specified by Section 422(a)(1) of the Code and, if and to the extent that the realization of income in such a disposition imposes upon the Company federal, state, local or other withholding tax requirements, or any such withholding is required to secure for the Company an otherwise available tax deduction, to remit to the Company an amount in cash sufficient to satisfy those requirements.

(i) Rights Pending Exercise. No person holding an Option shall be deemed for any purpose to be a stockholder of the Company with respect to any of the shares of Stock issuable pursuant to his Option, except to the extent that the Option shall have been exercised with respect thereto and, in addition, a certificate shall have been issued therefor and delivered to such holder or his agent.

7.2 Restricted Stock.

(a) Purchase Price. Shares of Restricted Stock shall be issued under the Plan for such consideration, in cash, other property or services, or any combination thereof, as is determined by the Committee.

(b) Issuance of Certificates. Each Participant receiving a Restricted Stock Award, subject to subsection (c) below, shall be issued a stock certificate in respect of such shares of Restricted Stock. Such certificate shall be registered in the name of such Participant, and, if applicable, shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Award substantially in the following form:

The shares evidenced by this certificate are subject to the terms and conditions of CarGurus, Inc. Amended and Restated 2015 Equity Incentive Plan and an Award Agreement entered into by the registered owner and CarGurus, Inc., copies of which will be furnished by the Company to the holder of the shares evidenced by this certificate upon written request and without charge.

(c) Escrow of Shares. The Committee may require that the stock certificates evidencing shares of Restricted Stock be held in custody by a designated escrow agent (which may but need not be the Company) until the restrictions thereon shall have lapsed, and that the Participant deliver a stock power, endorsed in blank, relating to the Stock covered by such Award.

(d) Restrictions and Restriction Period. During the Restriction Period applicable to shares of Restricted Stock, such shares shall be subject to limitations on transferability and a Risk of Forfeiture arising on the basis of such conditions related to the performance of services, Company or Affiliate performance or otherwise as the Committee may determine and provide for in the applicable Award Agreement. Any such Risk of Forfeiture may be waived or terminated, or the Restriction Period shortened, at any time by the Committee on such basis as it deems appropriate.

(e) Rights Pending Lapse of Risk of Forfeiture or Forfeiture of Award. Except as otherwise provided in the Plan or the applicable Award Agreement, at all times prior to lapse of any Risk of Forfeiture applicable to, or forfeiture of, an Award of Restricted Stock, the Participant shall have all of the rights of a stockholder of the Company, including the right to vote, and the right to receive any dividends with respect to, the shares of Restricted Stock (but any dividends or other distributions payable in shares of Stock or other securities of the Company shall constitute additional Restricted Stock, subject to the same Risk of Forfeiture as the shares of Restricted Stock in respect of which such shares of Stock or other securities are paid). The Committee, as determined at the time of Award, may permit or require the payment of cash dividends to be deferred and, if the Committee so determines, reinvested in additional Restricted Stock to the extent shares of Stock are available under Section 4.

(f) Lapse of Restrictions. If and when the Restriction Period expires without a prior forfeiture of the Restricted Stock, the certificates for such shares shall be delivered to the Participant promptly if not theretofore so delivered.

7.3 Stock Grants. Stock Grants shall be awarded solely in recognition of significant contributions to the success of the Company or its Affiliates, in lieu of compensation otherwise already due and in such other limited circumstances as the Committee deems appropriate. Stock Grants shall be made without forfeiture conditions of any kind.

7.4 Restricted Stock Units.

(a) Crediting of Units. Each Restricted Stock Unit shall represent the right of the Participant to receive an amount based on the value of a share of Stock, if specified conditions are met. All Restricted Stock Units shall be credited to bookkeeping accounts established on the Company's records for purposes of the Plan.

(b) Terms of Stock Units. During the Restriction Period applicable to Restricted Stock Units, such Restricted Stock Units shall be subject to limitations on transferability and a Risk of Forfeiture arising on the basis of such conditions related to the performance of services, Company or Affiliate performance or otherwise as the Committee may determine and provide for in the applicable Award Agreement. Any such Risk of Forfeiture may be waived or terminated, or the Restriction Period shortened, at any time by the Committee on such basis as it deems appropriate.

(c) No Rights as a Stockholder, Dividend Equivalents. A Participant has no rights as stockholder until the Participant receives shares of Stock upon settlement of the Restricted Stock Units. The Committee may grant Dividend Equivalents in connection with Restricted Stock Units. Dividend Equivalents may be paid currently or accrued as contingent cash obligations and may be payable in cash or shares of Stock, and upon such terms and conditions as the Committee shall determine.

(d) Payment With Respect to Restricted Stock Units. Payments with respect to Restricted Stock Units may be made in cash, in Stock, or in a combination of the two, as determined by the Committee. If the Participant receives Stock in settlement of Restricted Stock Units, the certificates for such shares shall be delivered to the Participant promptly.

7.5 Awards to Participants Outside the United States. The Committee may modify the terms of any Award under the Plan granted to a Participant who is, at the time of grant or during the term of the Award, resident or primarily employed outside of the United States in any manner deemed by the Committee to be necessary or appropriate in order that the Award shall conform to laws, regulations, and customs of the country in which the Participant is then resident or primarily employed, or so that the value and other benefits of the Award to the Participant, as affected by foreign tax laws and other restrictions applicable as a result of the Participant's residence or employment abroad, shall be comparable to the value of such an Award to a Participant who is resident or primarily employed in the United States. The Committee may establish supplements to, or amendments, restatements, or alternative versions of the Plan for the purpose of granting and administrating any such modified Award. No such modification, supplement, amendment, restatement or alternative version may increase the share limit of Section 4.

8. Adjustment and Related Provisions

8.1 Adjustment for Corporate Actions. All of the share numbers set forth in the Plan reflect the capital structure of the Company as of the Restatement Effective Date. If subsequent to the Restatement Effective Date the outstanding shares of Stock (or any other securities covered by the Plan by reason of the prior application of this Section) are increased, decreased, or exchanged for a different number or kind of shares or other securities, or if additional shares or new or different shares or other securities are distributed with respect to shares of Stock, as a result of a merger, consolidation, reorganization, spinoff, recapitalization, reclassification, stock dividend, stock split, reverse stock split, exchange of shares or other unusual event affecting the outstanding Stock as a class without the Company's receipt of consideration, with respect to such shares of Stock, an appropriate and proportionate adjustment, as determined by the Committee in its discretion, will be made in (i) the maximum numbers and kinds of shares provided in Section 4, (ii) the numbers and kinds of shares or other securities subject to the then outstanding Awards, (iii) the exercise price for each share or other unit of any other securities subject to then outstanding Options (without change in the aggregate purchase price as to which such Options remain exercisable), (iv) the applicable Market Value of Awards, and (v) the repurchase price of each share of Restricted Stock then subject to a Risk of Forfeiture in the form of a Company repurchase right. Any adjustments to outstanding Awards shall be consistent with Section 409A or 424 of the Code, to the extent applicable. Any adjustment determined by the Committee shall be final, binding and conclusive.

8.2 Adjustment of Awards Upon the Occurrence of Certain Unusual or Nonrecurring Events. In the event of any corporate action not specifically covered by the preceding Section, including but not limited to an extraordinary cash distribution on Stock, a corporate separation or other reorganization or liquidation, the Committee may make such adjustment of outstanding Awards and their terms, if any, as it, in its sole discretion, may deem equitable and appropriate in the circumstances.

8.3 Related Matters. Any adjustment in Awards made pursuant to Sections 8.1 or 8.2 shall be determined and made, if at all, by the Committee acting in its sole discretion and shall include any correlative modification of terms, including of Option exercise prices, rates of vesting or exercisability, Risks of Forfeiture and applicable repurchase prices for Restricted Stock, Risks of Forfeiture for Restricted Stock Units, which the Committee may deem necessary or appropriate so as to ensure the rights of the Participants in their respective Awards are not substantially diminished nor enlarged as a result of the adjustment and corporate action other than as expressly contemplated in this Section 8. The Committee, in its discretion, may determine that no fraction of a share of Stock shall be purchasable or deliverable upon exercise, and in that event if any adjustment hereunder of the number of shares of Stock covered by an Award would cause such number to include a fraction of a share of Stock, such number of shares of Stock shall be adjusted to the nearest smaller whole number of shares. No adjustment of an Option exercise price per share pursuant to Sections 8.1 or 8.2 shall result in an exercise price which is less than the par value of the Stock.

8.4 Transactions.

(a) Definition of Transaction. In this Section 8.4, "Transaction" means (1) any person or group of persons (within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended and in effect from time to time ("Exchange Act"), directly or indirectly acquires, beneficial ownership (determined pursuant to Securities and Exchange Commission Rule 13d-3 promulgated under the Exchange Act) of securities possessing more than 50% of the total combined voting power of the Company's outstanding securities, other than (i) the Company or an Affiliate, (ii) an employee benefit plan of the Company or any of its Affiliates, (iii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates, (iv) an underwriter temporarily holding securities pursuant to an offering of such securities, (v) a transaction or series of related transactions pursuant to which the Company issues securities in a bona fide sale to raise funds for operations, (vi) an initial or subsequent public offering of the Stock or (vii) a transaction in which the Company becomes a subsidiary of another corporation and in which the stockholders of the Company, immediately prior to the transaction, will beneficially own, immediately after the transaction, shares entitling such stockholder to more than 50% of all votes to which all stockholders of the parent corporation would be entitled in the election of directors, (2) the consummation of (i) any merger or consolidation of the Company with or into another corporation as a result of which the stockholders of the Company, immediately prior to the merger or consolidation, will not beneficially own, immediately after the merger or consolidation, shares entitling such stockholders to more than 50% of all votes to which all stockholders of the surviving corporation would be entitled in the election of directors, (ii) any sale, transfer, or other disposition of all or substantially all of the Company's assets to one or more other persons in a single transaction or series of related transactions or (iii) any liquidation or dissolution of the Company.

(b) Treatment of Options.

(1) Assumption of Outstanding Options. Upon a Transaction where the Company is not the surviving corporation (or survives only as a subsidiary of another corporation), unless the Committee determines otherwise, all outstanding Options that are not exercised or paid at the time of the Transaction shall be assumed, or substantially equivalent options shall be provided in substitution therefore, by the surviving corporation (or a parent or subsidiary of the surviving corporation). After a Transaction, references to the "Company" as they relate to employment matters shall include the successor employer.

(2) Vesting upon Certain Terminations of Employment. Unless the Award Agreement provides otherwise, if a Participant's employment is terminated by the Company without Cause upon or within 12 months following a Transaction, the Participant's outstanding Options shall become vested and exercisable as to 50% of the then unvested and unexercisable portion as of the date of such termination; provided that if the vesting of any such Options is based, in whole or in part, on performance, the applicable Award Agreement shall specify how the portion of the Option that becomes vested pursuant to this Section 8.4(b) shall be calculated.

(3) Other Alternatives. In the event of a Transaction, if all outstanding Options are not assumed, or substantially equivalent options are not provided in substitution therefore, by the surviving corporation (or a parent or subsidiary of the surviving corporation), the Committee may take any of the following actions with respect to any or all outstanding Options, without the consent of any Participant:

(i) Upon written notice to the holders, provide that the holders' unexercised Options will terminate immediately prior to the consummation of such Transaction unless, in the case of Options then exercisable, exercised within a specified period following the date of such notice.

(ii) Provide that outstanding Options shall become exercisable in whole or in part prior to or upon the Transaction.

(iii) Provide for cash payments, net of applicable tax withholdings, to be made to holders equal to the excess, if any, of (A) the acquisition price times the number of shares of Stock subject to an Option (to the extent the exercise price does not exceed the acquisition price) over (B) the aggregate exercise price for all such shares of Stock subject to the Option, in exchange for the termination of such Option; *provided, however*, that if the acquisition price does not exceed the exercise price of any such Option, the Committee may cancel that Option without the payment of any consideration therefore prior to or upon the Transaction. For this purpose, "acquisition price" means the amount of cash, and market value of any other consideration, received in payment for a share of Stock surrendered in a Transaction.

(iv) Provide that, in connection with a liquidation or dissolution of the Company, Options shall convert into the right to receive liquidation proceeds as and when received net of the exercise price thereof and any applicable tax withholdings.

(v) Any combination of the foregoing.

For purposes of paragraph (1) above, an Option shall be considered assumed, or a substantially equivalent option shall be considered to have been provided in substitution therefore, if following consummation of the Transaction the Option confers the right to purchase, for each share of Stock subject to the Option immediately prior to the consummation of the Transaction, the consideration (whether cash, securities or other property) received as a result of the Transaction by holders of Stock for each share of Stock held immediately prior to the consummation of the Transaction; *provided, however*, if holders were offered a choice of consideration, the relevant consideration shall be the type of consideration chosen by the holders of a majority of the outstanding shares of Stock; and *provided, further, however*, that if the consideration received as a result of the Transaction is not solely common stock (or its equivalent) of the acquiring or succeeding entity (or an affiliate thereof), the Committee may provide for the consideration to be received upon the exercise of Options to consist solely of common stock (or its equivalent) of the acquiring or succeeding entity (or an affiliate thereof) equivalent in value to the per share consideration received by holders of outstanding shares of Stock as a result of the Transaction. In all cases, including in determining any acquisition price,

the consideration received in any Transaction need not take into account any contingent consideration except on such basis as the Committee may determine.

(c) Treatment of Restricted Stock. As to outstanding Awards in the form of Restricted Stock, upon the occurrence of a Transaction other than a liquidation or dissolution of the Company which is not part of another form of Transaction, the repurchase and other rights of the Company under each outstanding Restricted Stock Award shall inure to the benefit of the Company's successor and shall, unless the Committee determines otherwise, apply to the cash, securities or other property which the Stock was converted into or exchanged for pursuant to such Transaction in the same manner and to the same extent as they applied to the Restricted Stock Award. Upon the occurrence of a

Transaction involving a liquidation or dissolution of the Company which is not part of another form of Transaction, except to the extent specifically provided to the contrary in the instrument evidencing any Restricted Stock Award or any other agreement between a Participant and the Company, all Risks of Forfeiture on all Restricted Stock Awards then outstanding shall automatically be deemed terminated or satisfied.

(d) Treatment of Restricted Stock Units. In a Transaction, the Committee may take any one or more of the following actions as to all or any (or any portion of) outstanding Restricted Stock Units.

(1) Provide that outstanding Restricted Stock Units shall become fully vested and shall be payable on terms determined by the Committee.

(2) Provide that outstanding Restricted Stock Units shall be assumed, or substantially equivalent restricted stock units shall be provided in substitution therefore, by the acquiring or succeeding entity (or an affiliate thereof).

(3) Provide that outstanding unvested Restricted Stock Units shall be terminated without any consideration therefor.

(4) Provide for cash payments, net of applicable tax withholdings, to be made to holders on terms determined by the Committee in exchange for the termination of vested Restricted Stock Units.

(5) Provide that, in connection with a liquidation or dissolution of the Company, Restricted Stock Units shall convert into the right to receive liquidation proceeds as and when received net of any applicable tax withholdings.

(6) Any combination of the foregoing.

For purposes of paragraph (2) above, Restricted Stock Units shall be considered assumed, or a substantially equivalent restricted stock units shall be considered to have been provided in substitution therefore, if following consummation of the Transaction the Restricted Stock Units confers the right to receive, for each Restricted Stock Unit immediately prior to the consummation of the Transaction, the consideration (whether cash, securities or other property) received as a result of the Transaction by holders of Stock for each share of Stock held immediately prior to the consummation of the Transaction; *provided*, *however*, if holders were offered a choice of consideration, the relevant consideration shall be the type of consideration

chosen by the holders of a majority of the outstanding shares of Stock; and *provided*, *further*, *however*, that if the consideration received as a result of the Transaction is not solely common stock (or its equivalent) of the acquiring or succeeding entity (or an affiliate thereof), the Committee may provide for the consideration to be received upon the settlement of the Restricted Stock Units to consist solely of common stock (or its equivalent) of the acquiring or succeeding entity (or an affiliate thereof) equivalent in value to the per share consideration received by holders of outstanding shares of Stock as a result of the Transaction. In all cases, the consideration received in any Transaction need not take into account any contingent consideration except on such basis as the Committee may determine.

(e) Related Matters. In taking any of the actions permitted under this Section 8.4, the Committee shall not be obligated to treat all Awards, all Awards held by a Participant, or all Awards of the same type, identically. Any determinations required to carry out the foregoing provisions of this Section 8.4, including but not limited to the market value of other consideration received by holders of Stock in a Transaction and whether substantially equivalent options or restricted stock units, as applicable, have been substituted, shall be made by the Committee acting in its sole discretion. In connection with any action or actions taken by the Committee in respect of Awards and in connection with a Transaction, the Committee may require such acknowledgements of satisfaction and releases from Participants as it may determine.

9. Settlement of Awards

9.1 Violation of Law. Notwithstanding any other provision of the Plan or the relevant Award Agreement, if, at any time, in the reasonable opinion of the Company, the issuance of shares of Stock covered by an Award may constitute a violation of law, then the Company may delay such issuance and the delivery of a certificate for such shares until (i) approval shall have been obtained from such governmental agencies, other than the Securities and Exchange Commission, as may be required under any applicable law, rule, or regulation and (ii) in the case where such issuance would constitute a violation of a law administered by or a regulation of the Securities and Exchange Commission, one of the following conditions shall have been satisfied:

(a) the shares of Stock are at the time of the issue of such shares effectively registered under the Securities Act of 1933, as amended; or

(b) the Company shall have determined, on such basis as it deems appropriate (including an opinion of counsel in form and substance satisfactory to the Company) that the sale, transfer, assignment, pledge, encumbrance or other disposition of such shares does not require registration under the Securities Act of 1933, as amended or any applicable State securities laws.

The Company shall make all reasonable efforts to bring about the occurrence of said events.

9.2 Corporate Restrictions on Rights in Stock. Any Stock to be issued pursuant to Awards granted under the Plan shall be subject to all restrictions upon the transfer thereof which may be now or hereafter imposed by the charter, certificate or articles, and by-laws, of the Company. Whenever Stock is to be issued pursuant to an Award, if the Committee so directs at

or after grant, the Company shall be under no obligation to issue such shares until such time, if ever, as the recipient of the Award (and any person who exercises any Option, in whole or in part), shall have become a party to and bound by the Stockholders' Agreement, if any. In the event of any conflict between the provisions of this Plan and the provisions of the Stockholders' Agreement, the provisions of the Stockholders' Agreement shall control except as required to fulfill the intention that any Incentive Option qualify as such, but insofar as possible the provisions of the Plan and such Agreement shall be construed so as to give full force and effect to all such provisions.

9.3 Investment Representations. The Company shall be under no obligation to issue any shares of Stock covered by any Award unless the shares to be issued pursuant to Awards granted under the Plan have been effectively registered under the Securities Act of 1933, as amended, or the Participant shall have made such written representations to the Company (upon which the Company believes it may reasonably rely) as the Company may deem necessary or appropriate for purposes of confirming that the issuance of such shares will be exempt from the registration requirements of that Act and any applicable state securities laws and otherwise in compliance with all applicable laws, rules and regulations, including but not limited to that the Participant is acquiring the shares for his or her own account for the purpose of investment and not with a view to, or for sale in connection with, the distribution of any such shares.

9.4 Registration. If the Company shall deem it necessary or desirable to register under the Securities Act of 1933, as amended, or other applicable statutes any shares of Stock issued or to be issued pursuant to Awards granted under the Plan, or to qualify any such shares of Stock for exemption from the Securities Act of 1933, as amended or other applicable statutes, then the Company shall take such action at its own expense. The Company may require from each recipient of an Award, or each holder of shares of Stock acquired pursuant to the Plan, such information in writing for use in any registration statement, prospectus, preliminary prospectus or offering circular as is reasonably necessary for that purpose and may require reasonable indemnity to the Company and its officers and directors from that holder against all losses, claims, damage and liabilities arising from use of the information so furnished and caused by any untrue statement of any material fact therein or caused by the omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made. In addition, the Company may require of any such person that he or she agree that, without the prior written consent of the Company or the managing underwriter in any public offering of shares of Stock, he or she will not sell, make any short sale of, loan, grant any option for the purchase of, pledge or otherwise encumber, or otherwise dispose of, any shares of Stock during the 180 day period commencing on the effective date of the registration statement relating to the underwritten public offering of securities. Without limiting the generality of the foregoing provisions of this Section 9.4, if in connection with any underwritten public offering of securities of the Company the managing underwriter of such offering requires that the Company's directors and officers enter into a lock-up agreement containing provisions that are more restrictive than the provisions set forth in the preceding sentence, then (a) each holder of shares of Stock acquired pursuant to the Plan (regardless of whether such person has complied or complies with the provisions of clause (b) below) shall be bound by, and shall be deemed to have agreed to, the same lock-up terms as those to which the Company's directors and officers are required to adhere; and (b) at the request of the Company or such managing underwriter, each such person shall execute and deliver a lock-up agreement in

form and substance equivalent to that which is required to be executed by the Company's directors and officers.

9.5 Placement of Legends; Stop Orders; etc. Each share of Stock to be issued pursuant to Awards granted under the Plan may bear a reference to the investment representations made in accordance with Section 9.3 in addition to any other applicable restrictions under the Plan, the terms of the Award and if applicable under the Stockholders' Agreement and to the fact that no registration statement has been filed with the Securities and Exchange Commission in respect to such shares of Stock. All certificates for shares of Stock or other securities delivered under the Plan shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations, and other requirements of any stock exchange upon which the Stock is then listed, and any applicable federal or state securities law, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

9.6 Tax Withholding. All Awards granted under the Plan shall be subject to the right of the Company or Affiliate that employs the Participant (the "Employer") to require the recipient to remit to the Employer an amount sufficient to satisfy federal, state, local or other withholding tax requirements if, when, and to the extent required by law (whether so required to secure for the Employer an otherwise available tax deduction or otherwise) in connection with any taxable event with respect to an Award. The obligations of the Company under the Plan shall be conditional on satisfaction of all such withholding obligations and the Company shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the recipient of an Award. However, in such cases Participants may elect, subject to the approval of the Committee, acting in its sole discretion, to satisfy an applicable withholding requirement, in whole or in part, by having the Company withhold shares of Stock to satisfy their tax obligations. The number of shares of Stock withheld shall have a Market Value on the date the tax is to be determined equal to the applicable tax withholding amount, which shall be determined based on the minimum statutory tax withholding rate that could be imposed on the transaction or such other rate permitted by the Committee that will not cause an adverse accounting consequence or cost. All elections shall be irrevocable, made in writing, signed by the Participant, and shall be subject to any restrictions or limitations that the Committee deems appropriate.

10. Right of First Refusal; Repurchase Right

10.1 Offer. Prior to the consummation of a Public Offering, if at any time an individual desires to sell, encumber, or otherwise dispose of shares of Stock that were distributed to him or her under this Plan and that are transferable, the individual may do so only pursuant to a bona fide written offer, and the individual shall first offer the shares to the Company by giving the Company written notice disclosing: (i) the name of the proposed transferee of the Stock, (ii) the certificate number and number of shares of Stock proposed to be transferred or encumbered, (iii) the proposed price, (iv) all other terms of the proposed transfer, and (v) a written copy of the proposed offer. Within 60 days after receipt of such notice, the Company shall have the option to purchase all or part of such Stock at the price and on the terms described in the written notice; provided that the Company may pay such price in installments over a period not to exceed four years, at the discretion of the Committee.

10.2 Sale. In the event the Company (or a stockholder, as described below) does not exercise the option to purchase Stock, as provided above, the individual shall have the right to sell, encumber, or otherwise dispose of the shares of Stock described in subsection (a) at the price and on the terms of the transfer set forth in the written notice to the Company, provided such transfer is effected within 15 days after the expiration of the option period. If the transfer

is not effected within such period, the Company must again be given an option to purchase, as provided above.

10.3 Assignment of Rights. The Board, in its sole discretion, may waive the Company's right of first refusal and repurchase right under this Section 10. If the Company's right of first refusal or repurchase right is so waived, the Board may, in its sole discretion, assign such right to the remaining stockholders of the Company in the same proportion that each stockholder's stock ownership bears to the stock ownership of all the stockholders of the Company, as determined by the Board. To the extent that a stockholder has been given such right and does not purchase his or her allotment, the other stockholders shall have the right to purchase such allotment on the same basis.

10.4 Purchase by the Company. Prior to the consummation of a Public Offering, if a recipient of an Award ceases to be employed by, or provide service to, the Employer, the Company shall have the right to purchase all or part of any Stock distributed to such recipient under this Plan at its then current Market Value or at such other price as may be established in the Award Agreement; provided, however, that such repurchase shall be made in accordance with applicable law and shall be made in accordance with applicable accounting rules to avoid adverse accounting treatment.

10.5 Public Offering. On and after the consummation of a Public Offering, the Company shall have no further right to purchase shares of Stock under this Section 10. The requirements of this Section 10 shall lapse and cease to be effective upon a Public Offering.

10.6 Stockholders' Agreement. Notwithstanding the provisions of this Section 10, if the Committee requires that an Award recipient execute a Stockholders' Agreement, pursuant to Section 9.2 hereof, with respect to any Stock distributed pursuant to this Plan, which contains a right of first refusal or repurchase right, the provisions of this Section 10 shall not apply to such Stock.

11. Reservation of Stock

The Company shall at all times during the term of the Plan and any outstanding Options granted hereunder reserve or otherwise keep available such number of shares of Stock as will be sufficient to satisfy the requirements of the Plan (if then in effect) and the Options and shall pay all fees and expenses necessarily incurred by the Company in connection therewith.

12. No Special Employment or Other Rights

Nothing contained in the Plan or in any Award Agreement shall confer upon any recipient of an Award any right with respect to the continuation of his or her employment or other service with the Company (or any Affiliate), or interfere in any way with the right of the Company (or any Affiliate), subject to the terms of any separate employment or consulting

agreement or provision of law or charter, certificate or articles, or by-laws, to the contrary, at any time to terminate such employment or consulting agreement or to increase or decrease, or otherwise adjust, the other terms and conditions of the recipient's employment or other service with the Company and its Affiliates.

13. Awards in Connection with Corporate Transactions and Otherwise

Nothing contained in this Plan shall be construed to limit the right of the Committee to make Awards under this Plan in connection with the acquisition, by purchase, lease, merger, consolidation or otherwise, of the business or assets of any corporation, firm or association, including Awards to employees thereof who become employees of the Company or an Affiliate, or for other proper corporate purposes. Neither the adoption of the Plan by the Board nor any action taken in connection with the adoption or operation of the Plan shall be construed as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including without limitation, the granting of stock options and restricted stock other than under the Plan, and such arrangements may be either applicable generally or only in specific cases. Without limiting the foregoing, the Committee may make an Award to an employee, director or consultant of another corporation who becomes an employee, non-employee director or consultant by reason of a corporate merger, consolidation, acquisition of stock or property, reorganization or liquidation involving the Company or any of its Affiliates in substitution for a stock option or stock awards granted by such corporation. The terms and conditions of the substitute awards may vary from the terms and conditions required by the Plan and from those of the substituted stock incentives. The Committee shall prescribe the provisions of the substitute awards.

14. No Guarantee of Tax Consequences

Neither the Company nor any Affiliate, nor any director, officer, agent, representative or employee of either, guarantees to the Participant or any other person any particular tax consequences as a result of the grant of, exercise of rights under, or payment in respect of an Award, including but not limited to that an Option granted as an Incentive Option has or will qualify as an "incentive stock option" within the meaning of Section 422 of the Code or that the provisions and penalties of Section 409A of the Code, pertaining non-qualified plans of deferred compensation, will or will not apply.

15. Termination and Amendment of the Plan

The Plan shall terminate on August 21, 2026, unless the Plan is terminated earlier by the Board or extended by the Board with the approval of the stockholders. The Board may at any time terminate the Plan or make such modifications of the Plan as it shall deem advisable. Unless the Board otherwise expressly provides, no amendment of the Plan shall affect the terms of any Award outstanding on the date of such amendment.

The Committee may amend the terms of any Award theretofore granted, prospectively or retroactively, provided that the Award as amended is consistent with the terms of the Plan. Furthermore, the Committee may at any time (a) offer to buy out for a payment in cash or cash equivalents an Award previously granted or (b) authorize the recipient of an Award to elect to

cash out an Award previously granted, in either case at such time and based upon such terms and conditions as the Committee shall establish.

No amendment or modification of the Plan by the Board, or of an outstanding Award by the Committee, shall impair the rights of the recipient of any Award outstanding on the date of such amendment or modification or such Award, as the case may be, without the Participant's consent; *provided, however*, that no such consent shall be required if (i) the Board or Committee, as the case may be, determines in its sole discretion that such amendment or alteration either is required or advisable in order for the Company, the Plan or the Award to satisfy any law or regulation, including without limitation the provisions of Section 409A of the Code, or to meet the requirements of or avoid adverse financial accounting consequences under any accounting standard, or (ii) the Board or Committee, as the case may be, determines in its sole discretion that such amendment or alteration is not reasonably likely to significantly diminish the benefits provided under the Award, or that any such diminution has been adequately compensated.

The Plan shall be the controlling document. No other statements, representations, explanatory materials or examples, oral or written, may amend the Plan in any manner. The Plan shall be binding upon and enforceable against the Company and its successors and assigns.

16. Notices and Other Communications

Any notice, demand, request or other communication hereunder to any party shall be deemed to be sufficient if contained in a written instrument delivered in person or duly sent by first class registered, certified or overnight mail, postage prepaid, or telecopied with a confirmation copy by regular, certified or overnight mail, addressed or telecopied, as the case may be, (i) if to the recipient of an Award, at his or her residence address last filed with the Company and (ii) if to the Company, at its principal place of business, addressed to the attention of its Treasurer, or to such other address or telecopier number, as the case may be, as the addressee may have designated by notice to the addressor. All such notices, requests, demands and other communications shall be deemed to have been received: (i) in the case of personal delivery, on the date of such delivery; (ii) in the case of mailing, when received by the addressee; and (iii) in the case of facsimile transmission, when confirmed by facsimile machine report.

17. Administrative Provisions

Nothing contained in the Plan shall require the issuance or delivery of certificates for any period during which the Company has elected to maintain or caused to be maintained the evidence of ownership of its shares of Stock, either generally or in the case of Stock acquired pursuant to Awards, by book entry, and all references herein to such actions or to certificates shall be interpreted accordingly in light of the systems maintained for that purpose. Furthermore, any reference herein to actions to be taken or notices (including of grants of Awards) to be provided in writing or pursuant to specific procedures may be satisfied by means of and pursuant to any electronic or automated voice response systems the Company may elect to establish for such purposes, either by itself or through the services of a third party, for the period such systems are in effect.

18. Funding of the Plan

The Plan shall be unfunded. The Company shall not be required to establish any special or separate fund or to make any other segregation of assets to assure the payment of any Awards under the Plan. In no event shall interest be paid or accrued on any Award, including unpaid installments of Awards.

19. Financial Statements

In the event there are at any time 2,000 or more holders of outstanding Options under the Plan or 500 or more holders of outstanding Options under the Plan who are not accredited investors, the Company shall provide to each such Optionee, at the time the outstanding Options first become held by 2,000 holders or 500 holders who are not accredited investors and at successive six month intervals thereafter, financial statements that meet the requirements of Rule 701(e)(4) under the Securities Act of 1933, as amended, and that are at the time of distribution not more than 180 days old. Such obligation shall continue until such time as the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act or (if earlier) no longer relies on the exemption from such reporting requirements provided by Rule 12h-1(f) under the Exchange Act.

20. Section 409A of the Code and Governing Law

It is intended that all Awards shall be granted and maintained on a basis which ensures they are exempt from, or otherwise compliant with, the requirements of Section 409A of the Code and the Plan shall be governed, interpreted and enforced consistent with such intent. To the extent applicable, if on the date of a Participant's "separation from service" (as such term is defined under Section 409A of the Code), Stock (or stock of any other company required to be aggregated with the Company for purposes of Section 409A of the Code and its corresponding regulations) is publicly-traded on an established securities market or otherwise and the Participant is a "specified employee" (as such term is defined in Section 409A(a)(2)(B)(i) of the Code and its corresponding regulations) as determined by the Committee (or its delegate) in its discretion in accordance with the requirements of Sections 409A and 416 of the Code, then all Awards that are deemed to be deferred compensation subject to the requirements of Section 409A of the Code and payable within six months following such Participant's "separation from service" shall be postponed for a period of six months following the Participant's "separation from service" with the Company and its Affiliates.

Neither the Committee nor the Company, nor any of its Affiliates or its or their officers, employees, agents, or representatives, shall have any liability or responsibility for any adverse federal, state or local tax consequences and penalty taxes which may result the grant or settlement of any Award on a basis contrary to the provisions of Section 409A of the Code or comparable provisions of any applicable state or local income tax laws. The Plan and all Award

Agreements and actions taken thereunder otherwise shall be governed, interpreted and enforced in accordance with the laws of the Delaware, without regard to the conflict of laws principles thereof.

Attachment A

Provisions Applicable to Award Recipients
Resident in California

Until such time as the Company's Stock has been effectively registered under the Securities Act of 1933, as amended, and if required by any applicable law, the following additional terms shall apply to Awards, and Stock issued pursuant to such Awards, granted under the Plan to persons resident in California as of the date of grant of the Award (each such person, a "California Recipient"). Capitalized terms not defined in this Attachment shall have the respective meanings set forth in the Plan.

1. The following limitations shall apply to the early expiration of Options granted California Recipients on account of termination of employment (unless employment is terminated for cause as defined by applicable law or by the Committee):

(a) Subject to Section 2(b) below, in the event the employment or other service with the Company and its Affiliates of an Optionee who is a California Resident is terminated, whether voluntary or otherwise and including on account of an entity ceasing to be an Affiliate of the Company, such California Recipient shall have at least 30 days after the date of such termination (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement) to exercise such Option to the extent exercisable as of the date of such termination.

(b) In the event that the employment or service with the Company and its Affiliates of an Optionee who is a California Resident is terminated as a result of death or disability, as such disability is determined by the Committee, such California Recipient shall have at least 6 months after the date of such termination (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement) to exercise such Option to the extent exercisable as of the date of such termination.

2. The Plan must be approved by a majority of the outstanding securities entitled to vote by the later of (i) within 12 months before or after the date the Plan is adopted by the Company and (ii) prior to or within 12 months of the date on which any Option or other Award is granted to a California Recipient.

Exhibit 10.5

NIMALEX, LLC
1 Mifflin Place Suite 310
Cambridge, MA 02138

March 17th, 2006

E. Langley Steinert
138 Partridge Lane
Concord, MA 01742

Dear Langley:

We are pleased to extend to you this offer of employment to become an at-will employee of Nimalex LLC ("Nimalex"), in the position of Chief Executive Officer reporting to the Board of Directors of Nimalex (the "Board"). The following terms shall be applicable to your employment with Nimalex commencing upon the closing date of Unit Purchase Agreement by and among Nimalex, the Founders and Investors listed therein (the "Closing").

1. **Base Salary.** In consideration of your employment with Nimalex, Nimalex will pay you a base salary at a rate as determined by the Board per year, such payment to be made as customarily disbursed by Nimalex to its employees. Along with other employees of Nimalex, your base salary will be reviewed for readjustment on an annual basis. Your initial base salary shall be $125,000, pro rated for service of two days a week until you join Nimalex full time.

2. **Benefits.** You shall be entitled (to the extent you meet the eligibility criteria under each program) to participate in all Nimalex benefit programs that are offered to Nimalex employees.

3. **Nondisclosure, Developments and Non-Competition Agreement.** Prior to the Closing and as a condition to your employment with Nimalex, you agree to sign a copy of the Nimalex Non-Disclosure, Developments and Non-Competition Agreement, a copy of which is attached as Exhibit A hereto.

4. **At-Will Employment.** While we look forward to a long and mutually beneficial relationship, please know that you are not being offered employment for a definite period of time and that either you or Nimalex may terminate the employment relationship at any time and for any reason without prior notice. Nothing in this offer to you of compensation or benefits should be interpreted as creating anything other than an at-will employment relationship.

Sincerely,

NIMALEX LLC

By: /s/ E. Langley Steinert
Name: E. Langley Steinert
Title: CEO

Acknowledged and Agreed as of the date first written above:

/s/ E. Langley Steinert
E. Langley Steinert

[Intentionally Omitted]
Social Security Number

CARGURUS, INC.
Two Canal Park
Cambridge, MA 02141

August 10, 2015

Jason Trevisan
109 Dakin Road
Sudbury, MA 01776

Dear Jason,

We are pleased to extend you this offer of full-time employment to become the Chief Financial Officer ("CFO") at CarGurus, Inc., a Delaware corporation (the "Company"). This offer is contingent upon your successful completion of the Company's background screening process, which will require you to sign the Electronic Disclosure and Authorization Form with our provider: Talentwise. This offer, which will remain in effect until August 17, 2015, can be accepted by countersigning the enclosed copy of this Agreement where indicated at the end of this letter and returning the countersigned copy to me. The purpose of this letter (this "Agreement") is to summarize the key terms of your employment with the Company, should you accept our offer.

Start Date

We are excited about the contributions that we expect you will make to the success of the Company, and would like your employment to begin as soon as possible. Accordingly, we and you mutually agree to a start date of August 31, 2015 (the "Start Date").

Duties and Extent of Service

As a CFO you will be a member of the Executive Team. You will have responsibility for performing those duties as are customary for, and are consistent with, such position, as well as those duties as the Chief Executive Officer ("CEO") may from time to time designate. Except for vacations and absences due to temporary illness, you will be expected to devote your full time and effort to the business and affairs of the Company.

Compensation

(a) Base Salary

In consideration of your employment with the Company, the Company will pay you a base salary of Three Hundred Thousand Dollars ($300,000) per year, such payments to be made as customarily disbursed by the Company to its employees. Along with other employees of the Company, your base salary will be reviewed for adjustment on an annual basis.

(b) Sign-on Bonus

In consideration of your employment with the Company, the Company will pay you a one-time cash sign-on bonus equal to Fifty Thousand Dollars ($50,000) ("Sign-On Bonus"). The Sign-On Bonus will be paid to you within two weeks following the Start Date, provided that you are employed on the date of payment. This Sign-On Bonus will be subject to recoupment in whole if your employment does not continue uninterrupted through twelve months following your Start Date.

(c) Annual Discretionary Bonus

You will also be eligible for an annual discretionary bonus. Your target discretionary bonus will be 33% of your base salary, but the actual amount will be subject to the achievement of the Company and individual performance metrics, as determined by the CEO each year and communicated to you prior to the end of the first quarter of the fiscal year with respect to which such bonus pertains ("Annual Discretionary Bonus"). Notwithstanding the foregoing, any Annual Discretionary Bonus for fiscal year 2015 will be multiplied by a fraction, the numerator of which is the number of days during which you were employed by the Company during fiscal year 2015 and the denominator of which is 365.

(d) Employee Benefits

You will be eligible to participate from time to time in all employee benefits made available to employees of the Company, subject to the terms of such benefit plans or policies. No representation is made, however, that any specific employee benefits now available will continue or that any other employee benefits will be made available. Notwithstanding the foregoing, the following benefits will, in any event, be available to you, effective as of the Start Date.

(i) Health Insurance. If elected by you, you may participate in the Company's health insurance program, and the Company will pay that portion of the premium for you, on a basis and pursuant to a program, substantially the same as that offered to other employees of the Company.

(ii) Vacations. You will be entitled to three weeks' paid vacation annually at such reasonable times as you and the Company may determine, subject to the Company's vacation and paid time off policies.

(iii) Expense Reimbursement. The Company will reimburse you for all ordinary and necessary expenses incurred on behalf of the Company and in accordance with its reimbursement policy. The Company will reimburse you for your legal expenses incurred in connection with the negotiation of this offer letter and your RSU award, not to exceed $5,000, subject to your presentation to the Company of applicable documentation evidencing your costs.

(e) RSU Grant

(i) General. As the CFO, the Company is prepared to offer to you the opportunity to acquire an equity interest in the Company upon the terms and conditions set forth

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below. Subject to the approval of the Company's Board of Directors, the Company will grant you 92,331 restricted stock units, representing 0.5% of the fully diluted capitalization of the Company as of the date of grant (the "RSU"), subject in all respects to the terms and conditions of the Company's Amended and Restated 2015 Equity Incentive Plan (the "Plan") and the RSU grant agreement evidencing the terms and conditions of the grant.

(ii) Vesting Conditions. The RSU will have a seven year term and will be subject to service-based vesting and liquidity event-based vesting. The RSU will not vest (in whole or in part) if only one (or if neither) of the vesting requirements is satisfied on or before the seventh anniversary of the date of grant. If both the service-based requirement and the event-based requirement are satisfied on or before the seventh anniversary of the date of grant, the vesting date will be the first date upon which both of those requirements are satisfied. The service-based vesting is as follows: four year vesting during your employment with the Company, with the first 25% vesting on the first anniversary of the Start Date and an additional 6.25% vesting at the end of each three month period thereafter until the fourth anniversary of the Start Date. If a Transaction (as defined in the Plan) occurs during your employment and before the fourth anniversary of the Start Date, any portion of the RSU that is not vested as to the service-based vesting condition will accelerate and become fully vested. The liquidity event-based vesting is as follows: the first to occur of a Public Offering (as defined in the Plan) or the consummation of a Transaction. The liquidity event must occur within seven years following the grant date. If the first to occur during the seven-year term is a Public Offering, the RSU will be settled on the 180th day following the Public Offering.

(iii) Termination of Employment. If your employment is terminated by the Company without Cause (as defined below) or by you for any reason during the seven-year term of the RSU and before the liquidity event occurs, you will retain any portion of the RSU that has vested as to the service-based vesting condition and any portion of the RSU that has not vested as to the service-based vesting condition (subject to possible partial acceleration as described in the "Termination" section below), will be forfeited upon termination of employment. The vested RSU may vest as to the liquidity event-based vesting condition following termination of employment other than for Cause to the extent the liquidity event occurs before the end of the seven-year term. If your employment is terminated by the Company for Cause during the seven-year term, any portion of the RSU, whether vested or unvested, will be forfeited.

(iv) Definitions of Cause and Good Reason. For purposes of this Agreement and the RSU, "Cause" means a finding by the Board of Directors that you have (A) materially breached this Agreement, which breach has not been remedied by you within 30 days after written notice has been provided to you of such breach, (B) engaged in disloyalty to the Company, including, without limitation, fraud, embezzlement, theft, commission of a felony or proven dishonesty, (C) disclosed trade secrets or confidential information of the Company to persons not entitled to receive such information, (D) breached the Nondisclosure, Developments and Non-Competition Agreement, or (E) engaged in such other behavior detrimental to the interests of the Company as the Board of Directors reasonably determines. For purposes of this Agreement, "Good Reason" means you have complied with the "Good Reason Process" following the occurrence of any of the following events, without your consent: (1) a material diminution in your title, responsibilities, authority or duties; (2) a material diminution your base salary or target Annual Discretionary Bonus except for across-the-board reductions based on the

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Company's financial performance similarly affecting all or substantially all senior management employees of the Company; (3) a material change in the principal geographic location at which you provide services to the Company (with the exception of travel related to your duties as CFO of the Company); or (4) the material breach of this Agreement by the Company; and "Good Reason Process" means (I) you reasonably determine in good faith that a "Good Reason" condition has occurred; (II) you notify the Company in writing of the first occurrence of the Good Reason condition within 30 days of the first occurrence of such condition; (III) you cooperate in good faith with the Company's efforts, for a period not less than 30 days following such notice (the "Cure Period"), to remedy the condition; (IV) notwithstanding such efforts, the Good Reason condition continues to exist; and (V) you terminate your employment within 30 days after the end of the Cure Period. If the Company cures the Good Reason condition during the Cure Period, Good Reason shall be deemed not to have occurred.

Proprietary Information and Inventions

Prior to commencing your employment with the Company, you agree to sign a copy of the Company's standard Nondisclosure, Developments and Non-Competition Agreement, a copy of which is attached as Exhibit A hereto. By signing below you represent that you are free to enter into this Agreement and the Nondisclosure, Developments and Non-Competition Agreement and carry out the obligations hereunder and thereunder without any conflict with any prior agreements to which you are a party.

Termination of Employment

(a) At-Will Employment; Cooperation

You acknowledge that the employment relationship between the Company and you is at-will, meaning that the employment relationship may be terminated by the Company or you for any reason or for no reason. However, the Company and you agree to make reasonable efforts to provide the other party at least 30 days' written notice prior to termination of the employment relationship. You acknowledge that, in connection with any termination of your employment with the Company, you will assist the Company in its efforts to find a new CFO and will provide such transitional assistance as the Company may reasonably require.

(b) Termination of Employment by the Company without Cause or by you for Good Reason

In connection with the foregoing, the Company agrees that should your employment be terminated by the Company without Cause or by you for Good Reason, you will receive accrued compensation through the date of termination and, provided that you sign and not revoke a written release, in a form reasonably acceptable to the Company, of any and all claims against the Company and all related parties with respect to all matters arising out of your employment by the Company, or the termination thereof (the "Release"), the Company will pay you a severance payment equal to One Hundred Thousand Dollars ($100,000) ("Severance Payment") and any portion of the RSU that would have vested as to the service-based vesting condition over the 12-month period following your termination of employment by the Company without Cause or by you for Good Reason had you remained employed during such 12-month period will vest as to

the service-based vesting condition as of the date of such termination. The Severance Payment will be paid in a lump sum within 60 days following the date your termination of employment by the Company other than for Cause or by you for Good Reason. For the avoidance of doubt, any portion of the RSU that is accelerated with respect to the service-based vesting condition as described in this paragraph will still be subject to the liquidity event-based vesting condition described above in subsection (e)(iii) in the "Compensation" section above. If you are a participant in the Company's health plans at the time of termination of employment, COBRA rights will be available to you.

(c) Termination of Employment by the Company for Cause or by You for Any Other Reason

If your employment is terminated by the Company for Cause or you terminate your employment with the Company for any reason other than Good Reason, you will receive as your sole and only payments on account of such termination (and subject to execution of appropriate documentation to this effect) accrued compensation and benefits through the date of termination. For the avoidance of doubt, if you terminate your employment for any reason during the seven-year term of the RSU, you will retain the portion of the RSU that vested as to the service-based vesting condition as of your termination of employment, as described subsection (e)(iii) in the "Compensation" section above (plus, if applicable, the portion of the RSU that vested in accordance with the immediately preceding subsection (b) if you terminate your employment for Good Reason). If you are a participant in the Company's health plans at the time of termination of employment, COBRA rights will be available to you.

Section 409A

This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended, and its corresponding regulations ("Section 409A"), or an exemption, and payments may only be made under this Agreement upon an event and in a manner permitted by Section 409A, to the extent applicable. Severance benefits under the Agreement are intended to be exempt from Section 409A under the "short-term deferral" exception. For purposes of Section 409A of the Code, all payments to be made upon a termination of employment under this Agreement may only be made upon a "separation from service" within the meaning of such term under Section 409A and each payment made under this Agreement shall be treated as a separate payment. In no event shall you, directly or indirectly, designate the calendar year of payment. All reimbursements and in-kind benefits provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A. To the extent you are a "specified employee" for purposes of Section 409A and it is necessary to postpone the commencement of any severance payments otherwise payable pursuant to this Agreement as a result of such separation from service to prevent any accelerated or additional tax under Section 409A, then the Company will postpone the commencement of the payment of any such payments hereunder (without any reduction in such payments ultimately paid or provided to you) that are not otherwise exempt from Section 409A, until the first payroll date that occurs after the date that is six months following the your separation from service with the Company. If you die during the postponement period prior to the payment of the postponed amount, the amounts withheld on account of Section 409A shall be paid to the personal representative of your estate within 60 days after the date of your death.

Governing Law and Jurisdiction

This Agreement shall be governed by and construed in accordance with the internal substantive laws of the Commonwealth of Massachusetts. The Company and you hereby expressly consent and agree that any dispute, controversy, legal action or other proceeding that arises from, concerns or touches this Agreement shall be brought in either the Superior Court of Massachusetts or the United States District Court for the District of Massachusetts. The Company and you hereby acknowledge that said courts have sole and exclusive jurisdiction over any such dispute or controversy, and that the Company and you hereby waive any objection to personal jurisdiction or venue in these courts, and waive any right to jury trial.

Entire Agreement; Amendment

This Agreement (together with the Nondisclosure, Developments and Non-Competition Agreement), the RSU grant agreement and the Plan set forth the sole and entire agreement and understanding between the Company and you with respect to the specific matters contemplated and addressed hereby and thereby. No prior agreement, whether written or oral, shall be construed to change or affect the operation of this Agreement or the other agreements contemplated hereby in accordance with their terms, and any provision of any such prior agreement which conflicts with or contradicts any provision of this Agreement or the other agreements contemplated hereby is hereby revoked and superseded.

This Agreement may be amended or terminated only by a written instrument executed both by you and the Company, acting through its Board of Directors.

We are excited to have you on board as the CFO. Please acknowledge your acceptance of this offer and the terms of this Agreement by signing below and returning a copy to me.

Sincerely,

CARGURUS, INC.

By: /s/ E. Langley Steinert

I hereby acknowledge that I have had a full and adequate opportunity to read, understand and discuss the terms and conditions contained in this Agreement prior to signing hereunder.

Agreed to and Accepted:

/s/ Jason Trevisan
JASON TREVISAN

Date: 8/10/15

Exhibit A

CarGurus, Inc.

Nondisclosure, Developments and Non-Competition Agreement
(Name: Jason Trevisan)

THIS NONDISCLOSURE, DEVELOPMENTS AND NON-COMPETITION AGREEMENT, dated as of this 10th day of August 2015 (this "Agreement"), is between CarGurus, Inc., a Delaware corporation (hereinafter called the "Company"), and Jason Trevisan (hereinafter called the "Signatory")

WHEREAS, the Signatory is currently, or is about to become, an officer, employee, director, founder and/or consultant of the Company; and

WHEREAS, it is a condition precedent to the commencement or continuation of the Signatory's association with the Company, whether as an officer, employee, director and/or consultant, that the Signatory shall enter into this Agreement with the Company.

NOW, THEREFORE, in consideration of the foregoing premises, the parties hereto hereby mutually agree as follows:

1. Confidential Information.

(a) For purposes of this Agreement, the term "Confidential Information" shall mean (i) confidential information, knowledge or data of the Company, (ii) trade secrets of the Company and (iii) any other information of the Company disclosed to the Signatory or to which the Signatory is given access, whether such disclosure or access is made or given by the Company or ally other person. Without limiting the generality of the foregoing, the term Confidential Information shall include (A) all Inventions (as defined in Section 5(a) hereof) that are owned by the Company or that are required to be assigned to the Company by any person, including, without limitation, the Signatory or any other employee or consultant of the Company, or that are licensed to the Company by any person, (B) information regarding the Company's plans for research and development or for new products, (C) engineering or manufacturing information pertaining to the Company or any of its operations or products, (D) information regarding regulatory matters pertaining to the Company, (E) information regarding any acquisition, strategic alliance or joint venture effected by the Company or any proposed acquisition, strategic alliance or joint venture being considered by the Company, (F) information regarding the status or outcome of any negotiations engaged in by the Company, (G) information regarding the

existence or terms of any contract entered into by the Company, (H) information regarding any aspect of the Company's intellectual property position, (I) information regarding prices or costs of the Company, (J) information regarding any aspect of the Company's business strategy, including, without limitation, the Company's marketing, selling and distribution strategies, (K) information regarding customers or suppliers of the Company, (L) information regarding the compensation and other terms of employment or engagement of the Company's employees and consultants, other than of the Signatory, (M) business plans, budgets, unpublished financial statements and unpublished financial data of the Company, (N) information regarding marketing and sales of any actual or proposed product or services of the Company, (O)

information regarding web-site visitor behavior, including referral information, and any other information derived from analyzing web site log files and (P) any other information that the Company may designate as confidential.

(b) The Signatory acknowledges that, except to the extent otherwise provided below in this Section 1(b) or in Section 1(d) hereof, all Confidential Information disclosed to or acquired by the Signatory is a valuable, special, and unique asset of the Company and is to be held in trust by the Signatory for the Company's sole benefit. The company acknowledges that its intent is to protect itself with respect to confidential information that is relevant and material to its business. It is rebuttably presumed that all confidential information is relevant and material to the Company's business. The burden of proving any confidential information is not relevant and material shall be on the signatory. Except as otherwise provided below in this Section 1(b) or in Section 1(d) hereof, the Signatory shall not, at any time (including, without limitation, after the termination of the Signatory's association with the Company as an employee, consultant, officer and/or director), use for himself, herself or others, or disclose or communicate to any person for any reason, any Confidential Information without the prior written consent of the Company. Notwithstanding anything in this Section 1(b) to the contrary, it is understood that, except to the extent otherwise expressly prohibited by the Company, (A) the Signatory may disclose or use Confidential Information in performing his, her or its duties and responsibilities to the Company but only to the extent required or necessary for the performance of such duties and responsibilities in the ordinary course and within the scope of his, her or its association with the Company as an employee, consultant, officer and/or director, and (B) the Signatory may disclose any Confidential Information pursuant to a request or order of any court or governmental agency, provided that the Signatory promptly notifies the Company of any such request or order and provides reasonable cooperation (at the Company's expense) in the efforts, if any, of the Company to contest or limit the scope of such request or order.

(c) The Signatory acknowledges and agrees that the Company has received, and may receive in the future, confidential or proprietary information from third parties ("Third Party Confidential Information") subject to a duty on the Company's part to maintain the confidentiality of such Third Party Confidential Information and to use it only for certain limited purposes. During the term of the Signatory's association with the Company as an employee, consultant, officer and/or director (the "Term") and at all times thereafter, the Signatory shall hold Third Party Confidential Information in the strictest confidence and will not use or disclose to anyone any Third Party Confidential Information, unless expressly authorized in writing by the Company or unless otherwise provided below in this Section 1(c) or in Section 1(d) below. Notwithstanding anything in this Section 1(c) to the contrary, it is understood that, except to the extent otherwise expressly prohibited by the Company, (A) the Signatory may disclose or use Third Party Confidential Information in performing his, her or its duties and responsibilities to the Company but only to the extent required or necessary for the performance of such duties and responsibilities in the ordinary course and within the scope of his, her or its association with the Company as an employee, consultant, officer and/or director, and (B) the Signatory may disclose any Third Party Confidential Information pursuant to a request or order of any court or governmental agency, provided that the Signatory promptly notifies the Company of any such request or order and provides reasonable cooperation (at the Company's expense or the expense of such third party) in the efforts, if any, of the Company or such third party to contest or limit the scope of such request or order.

(d) The Signatory's obligations under Section 1 (b) and/or Section 1(c) hereof not to use, disclose or communicate Confidential Information or Third Party Confidential Information to any person without the prior written consent of the Company shall not apply to any Confidential Information or Third Party Confidential Information which (i) is or becomes publicly known (as demonstrated by written evidence provided by the Signatory) under circumstances involving no breach by the Signatory of this Agreement and/or (ii) was or is approved for release by the Board of Directors of the Company or an authorized representative of the Company.

(e) The obligations of the Signatory under this Section 1 are without prejudice, and are in addition, to any other obligations or duties of confidentiality, whether express or implied or imposed by applicable law, that arc owed to the Company or any other person to whom the Company owes art obligation of confidentiality, provided the obligation to such other person is known to the signatory.

2. Publication. The Signatory hereby understands that the Company has a compelling business interest in preventing the publication (orally or in writing) of any manuscript, document or information containing Confidential Information, Third Party Confidential Information and/or a description of any unpatented Assigned Invention (as defined in Section 5(a) hereof) and, accordingly, the Signatory hereby agrees to submit to the Company, at least ninety (90) days prior to publication, any manuscript, document or information that the Signatory intends to publish (orally or in writing) and that contains technical or scientific information or information about the Company or its business, in each case for purposes of ascertaining whether such manuscript, document or information contains Confidential Information, Third Party Confidential Information and/or any description of any Assigned Invention (whether or not patented). Notwithstanding the foregoing the signatory shall not submit, and shall not be required to submit, any portion of any such manuscript, document, or information if and to the extent that such portion contains any confidential information of Third Parties that the signatory does not have a legal right to disclose to the Company In the event that the Company determines that any such manuscript, document or information contains Confidential Information, Third Party Confidential Information and/or any description of any Assigned Invention (whether or not patented), then, to the extent requested by the Company, the Signatory shall delete from any such manuscript, document or information any and all references to such Confidential Information, Third Party Confidential Information and/or description of such Assigned Invention, and all references thereto. The Signatory shall, no later than thirty (30) days prior to such publication, resubmit to the Company a revised draft of any such manuscript, document or information reflecting the deletion such Confidential Information, Third Party Confidential Information and/or description of such Assigned Invention, and all references thereto. Unless and until the Company shall have given its written consent to any proposed publication (orally or in writing) by the Signatory of any manuscript, document or information, the Signatory shall not publish (orally or in writing) all or any portion of such manuscript, document or information. Nothing contained in this Section 2 shall be construed or deemed to limit, change, amend, alter, repeal or invalidate any of the Signatory's obligations under Section 1 of this Agreement.

3. No Improper Disclosure or Use of Materials. The Signatory shall not improperly use or disclose to or for the Company's benefit any confidential information or trade secrets of

(i) any former, present or future employer of the Signatory, (ii) any person to whom the Signatory has previously provided, currently provides or may in the future provide consulting or other services or (iii) any other person to whom the Signatory owes an obligation of confidentiality. The Signatory shall not bring onto the premises of the Company any unpublished documents or any property belonging to any person referred to in any of the foregoing clauses (i), (ii) or (iii) unless consented to, in writing, by such person and by the Company

4. Right to Inspect. The Signatory agrees that any of the Signatory's property situated on the Company's premises, including disks and other storage media, filing cabinets or other work areas, is subject to inspection by Company personnel at any time with or without notice.

5. Inventions; Assignment.

(a) For purposes of this Agreement, the term "Inventions" shall mean all inventions, improvements, developments, ideas, processes, prototypes, plans, drawings, designs, models, formulations, specifications, methods, techniques, shop-practices, discoveries, innovations, creations, technologies, formulas, algorithms, data, computer databases, reports, laboratory notebooks, papers, writings, photographs, source and object codes, software programs, other works of authorship, and know-how (including all records pertaining to any of the foregoing), whether or not reduced to writing and whether or not patented or patentable or registered or registrable under patent, copyright, trademark or similar statute For purposes of this Agreement, the term "Assigned Inventions" shall mean (i) any and all Inventions that relate to a Competitive Business (as defined below) that are made, conceived, invented, discovered, originated, authored, created, learned or reduced to practice by the Signatory, either alone or together with others, in the course of performing the Signatory's duties and responsibilities to the Company or in the course of otherwise rendering any services to the Company during the Term (regardless of whether or not such Inventions were made, conceived, invented, discovered, originated, authored, created, learned or reduced to practice by the Signatory at the Company's facilities or during regular business hours or utilizing resources of the Company) or (ii) any and all Inventions that relate to a Competitive Business that arise out of or are based upon any Confidential Information or Third Party Confidential Information For purposes of this Agreement, the term "Proprietary Rights" shall mean (x) any and all rights under or in connection with any patents, patent applications, copyrights, copyright applications, trademarks, trademark applications, service marks, service mark applications, trade names, trade name applications, mask works, trade secrets and/or other intellectual property rights with respect to Assigned Inventions and (y) the goodwill associated with any and all of the rights referred to in the foregoing clause (x).

(b) The Signatory hereby agrees to hold any and all Assigned Inventions and Proprietary Rights in trust for the sole right and benefit of the Company, and the Signatory hereby assigns to the Company all of the Signatory's right, title and interest in and to any and all Assigned Inventions and Proprietary Rights. The Signatory agrees to give the Company prompt written notice of any Assigned Invention or Proprietary Right and agrees to execute such instruments of transfer, assignment, conveyance or confirmation and such other documents as the Company may request to evidence, confirm or perfect the assignment of all of the Signatory's right, title and interest in and to any Assigned Invention or Proprietary Right pursuant to the

foregoing provisions of this Section 5(b). The Signatory hereby waives and quitclaims to the Company any and all claims of any nature whatsoever that the Signatory may now or hereafter have for infringement of any Proprietary Rights assigned hereunder to the Company.

(c) The Signatory hereby acknowledges and agrees that those Assigned Inventions that are original works of authorship protectable by copyright are "works made for hire," as that term is defined in the United States Copyright Act.

(d) At the request of the Company, the Signatory will assist the Company in every proper way (including, without limitation, by executing patent applications) to obtain and enforce in any country in the world Proprietary Rights relating to any or all Assigned Inventions. The Signatory's obligation under this Section 5(d) shall continue after the termination of the Signatory's association with the Company as an employee, consultant, officer or director. If and to the extent that, at any time after the termination of the Signatory's association with the Company as an employee, consultant, officer and/or director, the Company requests assistance from the Signatory with respect to obtaining and enforcing in any country in the world any Proprietary Rights relating to Assigned Inventions, the Company shall compensate the Signatory at a reasonable rate for the time actually spent by the Signatory on such assistance.

(e) By this Agreement, the Signatory hereby irrevocably constitutes and appoints the Company as his, her or its attorney-in-fact for the purpose of executing, in the Signatory's name and on his, her or its behalf, (i) such instruments or other documents as may be necessary to evidence, confirm or perfect any assignment pursuant to the provisions of this Section 5 or (ii) such applications, certificates, instruments or documents as may be necessary to obtain or enforce any Proprietary Rights in any country of the world. This power of attorney is coupled with an interest on the part of the Company and is irrevocable.

(f) Without the prior written consent of the Company, the Signatory shall not, at any time (including, without limitation, at any time after the termination of the Signatory's association with the Company as an employee, consultant, officer and/or director), tile, cause to be filed or consent to the filing of any patent, trademark, service mark, trade name or copyright application with respect to, or claiming, any Assigned Inventions or Proprietary Rights.

(g) The obligations of the Signatory under this Section 5 are without prejudice, and are in addition to, any other obligations or duties of the Signatory, whether express or implied or imposed by applicable law, to assign to the Company all Assigned Inventions and all Proprietary Rights.

6. Agreement Not to Compete.

(a) If the Signatory is an employee of the Company, he or she hereby agrees that, during the period commencing on the date of this Agreement and ending on the effective date of the termination of the Signatory's employment with the Company, the Signatory shall not engage, during business hours, in any employment or business activity other than for the Company. The foregoing sentence notwithstanding, the Company understands and agrees that for the six (6) month period following the start of Signatory's employment with the Company (the "Transition Period"), the Signatory will need to participate in telephone-based conference

calls to unwind his board involvement in three portfolio companies. It is anticipated that such involvement will not exceed more than 5% of the Signatory's work hours and focus with the Company during the Transition Period.

(b) In view of the unique nature of the business of the Company and the need of the Company to maintain its competitive advantage in the industry, the Signatory hereby agrees that, during the Restricted Period (as defined in Section 6(c) below), the Signatory shall not, directly or indirectly, within the United States of America or its Territories or Possessions or within any other country in the world, engage in, own an interest in (except as a holder of no more than five percent (5%) of the shares of any publicly traded corporation), be employed by, consult for, act as an advisor to, or otherwise in any way participate in or become associated with, any Competitive Business (as defined in Section 6(c) below) or any corporation, partnership, limited liability company, business, enterprise, venture or other person or entity that is engaged or participates in any Competitive Business (each, a "Competitive Business Entity") unless in each case the Signatory shall have given notice to the Board of Directors of the Company of his, her or its intention to be employed by, consult for, act as an advisor to, or otherwise in any way participate in or become associated with, any Competitive Business or any Competitive Business Entity and the Board of Directors of the Company shall have approved the Signatory's relationship with or engagement in such Competitive Business or Competitive Business Entity

(c) For purposes of this Section 6, the following terms shall have the meanings provided therefor below:

"Competitive Business" shall mean the following companies: Cox Automotive (and any of its subsidiaries not limited to but including AutoTrader.com and Kelley Blue Book), Cars.com, Edmunds, TrueCar, CarFax, AutoTrader.ca, and AutoTrader.co.uk. In addition any division of the following companies that generates over 50% of its revenues from the automotive vertical: Google, Amazon, Ebay, Microsoft, Yahoo.

"Restricted Period" shall mean the period commencing on the date of this Agreement and ending on the first anniversary of the effective date of the termination of the Signatory's association with the Company as an employee, consultant, officer or director.

(d) The time periods provided for in this Section 6 shall be extended for a period of time equal to any period of time in which the Signatory shall be in violation of ally provision of this Section 6 and any period of time required for litigation to enforce the provisions of this Section 6. If at any time the provisions of this Section 6 shall be determined to be invalid or unenforceable, by reason of being vague or unreasonable as to area, duration or scope of activity, this Section 6 shall be considered divisible and shall become and be automatically amended to apply only to such area, duration and scope of activity as shall be determined to be reasonable by the court or other body having jurisdiction over the matter; and the Signatory agrees that this Section 6, as so amended, shall be valid and binding as though any invalid or unenforceable provision had not been included herein. Notwithstanding the foregoing, the Signatory may, after termination of his employment with the Company and during the Restricted Period, be employed by a public company with annual sales in excess of $500 million dollars, provided he does not work for any division that meets the definition of a Competitive Business,

and does not otherwise engage or participate on behalf of such company in any activities in connection with or related to a Competitive Business. The Signatory acknowledges that should he be so employed by a Competitive Business Entity, the burden of proving he is not employed by any division that meets the definition of a Competitive Business, nor engaged or participating in Competitive Businesses, shall be on the Signatory.

7. Agreement Not To Solicit.

(a) During the Restricted Period, the Signatory shall not, directly or indirectly recruit, hire or solicit the employment or services of (whether as an employee, officer, director, agent, consultant or independent contractor) any existing or future employee, officer, director, agent, consultant or independent contractor of the Company or any of the Company's successors or affiliates (except for such employment or hiring by the Company or any of its successors or affiliates), including during the six months following the termination of the employment of such employees, or encourage or aid such employees, officers, directors, agents, consultants or independent contractors to terminate their employment with the Company or any of the Company's successors or affiliates; *provided, however* that a general solicitation of the public for employment shall not constitute a solicitation hereunder so long as such general solicitation is not designed to target, or does not have the effect of targeting, any employee, officer, director, agent, consultant or independent contractor of the Company any of the Company's successors or affiliates.

(b) During the Restricted Period, the Signatory shall not, directly or indirectly, solicit, attempt to do business involving or related to a Competitive Business with, do business involving or related to a Competitive Business with any customers, business partners or business affiliates of the Company, or any of the Company's current or future successors or those affiliates of the Company that are engaged in a Competitive Business (collectively, the "**Company Parties**"), or solicit or encourage (regardless of who initiates the contact) any such customers to use the services involving or related to a Competitive Business of any competitor of any of the Company Parties; *provided, however*, that, subject to the other provisions of this Agreement, the Signatory shall not be prohibited from doing business with any customers, business partners, or business affiliates of the Company Parties if: (i) such business activity by Signatory does not result, directly or indirectly, in the lessening or cessation of the level of business activity between such customers, business partners or business affiliates on the one hand, and any of the Company Parties, on the other hand, and (ii) such business activity by Signatory is not in connection with a Competitive Business.

8. Return of Documents. The Signatory will promptly deliver to the Company, upon the termination of the Signatory's association with the Company as an employee, consultant, officer and/or director or, if earlier, upon the request of the Company, all documents and other tangible media (including all originals, copies, reproductions, digests, abstracts, summaries, analyses, notes, notebooks, drawings, manuals, memoranda, records, reports, plans, specifications, devices, formulas, storage media, including software, and computer printouts) in the Signatory's actual or constructive possession or control that contain, reflect, disclose or relate to any Confidential Information, Third Party Confidential Information, Assigned Inventions or Proprietary Rights. The Signatory will destroy any related computer entries on equipment or media not owned by the Company.

9. No Use of Name, Etc. Without the prior written consent of the Company, the Signatory shall not, at any time (including, without limitation, at any time after the termination of the Signatory's association with the Company as an employee, consultant, officer and/or director), use, for himself or herself or on behalf of any other person, any name that is identical or similar to or likely to be confused with the name of the Company or the name of any product or service produced or provided by the Company Without the prior written consent of the Company, the Signatory shall not, at any time alter the termination of the Signatory's association with the Company as an employee, consultant, officer and/or director, directly or indirectly represent himself or herself, whether on his, her or its behalf or on behalf of any other person, as then being in any way connected or associated with the Company.

10. No Conflicting Obligation. The Signatory represents that the Signatory is free to enter into this Agreement and that the Signatory's performance of all of the terms of this Agreement and of all of the Signatory's duties and responsibilities as an employee, consultant, officer and/or director of the Company do not and will not breach (i) any agreement to keep in confidence information acquired by the Signatory in confidence or in trust, (ii) any agreement to assign to any third party inventions made by the Signatory and/or (iii) any agreement not to compete against the business of any third party. The Signatory further represents that he has not made and will not make any agreements in conflict with this Agreement.

11. Unique Nature of Agreement; Specific Enforcement. The Company and the Signatory agree and acknowledge that the rights and obligations set forth in this Agreement are of a unique and special nature and that the Company is, therefore, without an adequate legal remedy in the event of the Signatory's violation of any of the covenants set forth in this Agreement. The Company and the Signatory agree, therefore, that, in addition to all other rights and remedies, at law or in equity or otherwise, that may be available to the Company, each of the covenants made by the Signatory under this Agreement (including, without limitation, the covenants made by the Signatory pursuant to Section 6 hereof) shall be enforceable by injunction, specific performance or other equitable relief, without any requirement that the Company have to post a bond or that the Company have to prove any damages. The Signatory hereby agrees, in connection with any action or proceeding to enforce any provisions of this Agreement, to waive any claim or defense that the Company has an adequate remedy at law.

12. Miscellaneous

12.1 Association. The Signatory agrees and understands that nothing in this Agreement shall confer on the Signatory any right with respect to continuation of the Signatory's association with the Company as an employee, consultant, officer and/or director, nor shall it interfere in any way with the Signatory's right or the Company's right to terminate the Signatory's association with the Company as an employee, consultant, officer and/or director at any time, with or without cause

12.2 Entire Agreement. This Agreement represents the entire agreement of the parties with respect to the arrangements contemplated hereby. No prior agreement, whether written or oral, shall be construed to change, amend, alter, repeal or invalidate this Agreement. This Agreement may be amended only by a written instrument executed in one or more counterparts by the parties

12.3 Waiver. No consent to or waiver of any breach or default in the performance of any obligations hereunder shall be deemed or construed to be a consent to or waiver of any other breach or default in the performance of any of the same or any other obligations hereunder, Failure on the part of either party to complain of any act or failure to act of the other party or to declare the other party in default, irrespective of the duration of such failure, shall not constitute a waiver of rights hereunder and no waiver hereunder shall be effective unless it is in writing, executed by the party waiving the breach or default hereunder

12.4 Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. This Agreement may be assigned by the Company to any Affiliate of the Company and to a successor of its business to which this Agreement relates (whether by purchase or otherwise). "Affiliate of the Company" means any person which, directly or indirectly, controls or is controlled by or is under common control with the Company and, for the purposes of this definition, "control" (including the terms "controlled by" and "under common control with') shall mean the possession, directly or indirectly, of the power to direct or cause the direction of' the management and policies of another whether through the ownership of voting securities or holding of office in another, by contract or otherwise. The Signatory may not assign or transfer any or all of his, her or its rights or obligations under this Agreement.

12.5 Jurisdiction and Venue; Waiver of Jury Trial. In case of any dispute hereunder, the parties will submit to the exclusive jurisdiction and venue of any court of competent jurisdiction sitting in Suffolk County, Massachusetts, and will comply with all requirements necessary to give such court jurisdiction over the parties and the controversy EACH PARTY WAIVES ANY RIGHT TO A JURY TRIAL.

12.6 Severability. All headings and subdivisions of this Agreement are for reference only and shall not affect its interpretation. In the event that any provision of this Agreement should he held unenforceable by a court of competent jurisdiction, such court is hereby authorized to amend such provision so as to be enforceable to the fullest extent permitted by law, and all remaining provisions shall continue in full force without being impaired or invalidated in any way.

12.7 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of The Commonwealth of Massachusetts, excluding choice of law rules thereof

12.8 Disclosure. The Signatory shall disclose the existence and terms of this Agreement to any employer or other person that the Signatory may work for or be engaged by during the Term and thereafter. The Signatory agrees that the Company may, after notification to the Signatory, provide a copy of this Agreement to any business or enterprise (i) which the Signatory may directly or indirectly own, manage, operate, finance, join, control or participate in the ownership, management, operation, financing, or control of, or (ii) with which the Signatory may be connected with as an officer, director, employee, partner, principal, agent, representative, consultant or otherwise, or in connection with which the Signatory may use or permit the Signatory's name to be used The Signatory will provide the names and addresses of any of such persons or entities as the Company may from time to time reasonably request.

12.9 Notices. Any notice, demand, request or other communication hereunder to any party shall be deemed to be sufficient if contained in a written instrument delivered in person or duly sent by first class registered, certified or overnight mail, postage prepaid, or telecopied with a confirmation copy by regular, certified or overnight mail, postage prepaid, or sent by electronic mail with a confirmation copy by regular, certified or overnight mail, postage prepaid, to such party at the address, telecopier number or email address, as the case may be, set forth below or such other address, telecopier number, or email address, as the case may be, as may hereafter be designated in writing by the addressee to the addressor listing all parties:

(i) if to the Company, to:

CarGurus, Inc.
Two Canal Park
Cambridge, MA 02141
Attention: CEO
Email: Steinert@CarGurus.com

with a copy to:

CarGurus, Inc.
Two Canal Park
Cambridge, MA 02141
Attention: Director of Legal
Email: abeakley@CarGurus.com

(ii) if to the Signatory, to

Phone:
Email:

All such notices, requests and other communications shall be deemed to have been received: (i) in the case of personal delivery, on the date of such delivery; (ii) in the case of registered or certified mail, upon receipt or on the date of rejection of receipt (iii) in the case of facsimile transmission, when confirmed by facsimile machine report, and (iv) in the case of electronic mail, upon receipt of an electronic message confirming delivery.

THE SIGNATORY HAS READ THIS AGREEMENT CAREFULLY AND UNDERSTANDS ITS TERMS.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have executed and delivered this Agreement as an instrument under seal as of the date first above written.

CARGURUS, INC.

By: */s/ E. Langley Steinert*
Name: E. Langley Steinert
Title: CEO

/s/ Jason Trevisan
Signature

Print Name of Signatory Jason Trevisan
8/11/15

Exhibit 10.7

CARGURUS, LLC
1 Bow Street
Cambridge MA, 02138

Oct 17, 2014

Sam Zales
Lexington, MA

Dear Sam,

We are pleased to extend you this offer of full-time employment to become President International and Dealer Sales at CarGurus, LLC, a Massachusetts limited liability company (the "Company"). This offer, which will remain in effect until October 24, 2014, and can be accepted by countersigning the enclosed copy of this letter where indicated at the end of this letter and returning the countersigned copy to me.

We are excited about the contributions that we expect you will make to the success of the Company, and would like your employment to begin as soon as possible. Accordingly, we and you mutually agree to a start date of November 3, 2014 (the "Start Date").

Duties and Extent of Service

As President International and Dealer Sales you will be a member of the Management team. You will have responsibility for performing those duties as are customary for, and are consistent with, such position, as well as those duties as the Chief Executive Officer (CEO) may from time to time designate. Except for vacations and absences due to temporary illness, you will be expected to devote your full time and effort to the business and affairs of the Company.

Compensation

a. Base Salary

In consideration of your employment with the Company, the Company will pay you a base salary of Three Hundred Thousand Dollars ($300,000) per year, such payments to be made as customarily disbursed by the Company to its employees. Along with other employees of the Company, your base salary will be reviewed for readjustment on an annual basis.

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b. Annual Discretionary Bonus/Signing Bonus/Severance

As long as the Company remains profitable (defined as being cash flow positive for a full annual fiscal year), you will become eligible for an annual discretionary bonus. Your target annual bonus will be $100,000, but the actual amount will be subject to both the performance of the company as well as your individual contributions.

Upon signing this offer letter, the Company will pay you a one-time signing bonus of $50,000. Should you voluntarily resign from the company within 12 months of your start date, you will be required to repay the full $50,000 within 7 business days of your date of resignation.

Should your employment with the Company be terminated without cause, the company will pay you a one time severance payment of $100,000 on your last day of employment with the company. This payment will be treated as income and as such would be subject to normal payroll withholdings for taxes and social security.

c. Fringe Benefits.

You will be entitled to participate from time to time in all fringe benefits made available to employees of the Company. No representation is made, however, that any specific fringe benefits now available will continue or that any other fringe benefits will be made available. Notwithstanding the foregoing, the following benefits will, in any event, be available to you.

(i) Health Insurance. If elected by you, you may participate in the Company's health insurance program, and the Company will pay that portion of the premium for you, on a basis and pursuant to a program, substantially the same as that offered to other employees of the Company.

(ii) Vacations. You will be entitled to three weeks' paid vacation annually at such reasonable times as you and the Company may determine.

(iii) Expense Reimbursement. The Company will reimburse you for all ordinary and necessary expenses incurred on behalf of the Company and in accordance with its reimbursement policy. This will include reimbursement for parking at or near the Company offices.

Equity

As President International and Dealer Sales, the Company is prepared to offer to you the opportunity to acquire an equity interest in the Company upon the terms and conditions set forth below. The Company will grant you an option to purchase 132,533 Company Common Units at a price per unit of $1.50 (the "Option Units") pursuant to the terms of the Company's 2006 Unit Option Plan. The Option Units shall be subject to

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four year vesting during (and only during) your employment by the Company, with the first twenty five percent (25%) vesting on the first anniversary of the Start Date and an additional 6.25% vesting at the end of each three months thereafter until all of the options to acquire Option Units are fully vested. In addition to the vesting provisions set forth above, all of any then unvested Option Units and options to acquire Option Units will become exercisable and vested if (a) the Company is sold or there is a "change in control" (as defined in the agreements referenced below), other than through transfers to employees, additional equity financing or public offerings. Any Option Units that are unvested on the termination of your employment shall be void and of no force or effect. Vested options for Option Units may be exercised up to the first to occur of the date which is the earlier of the expiration of ten years from the Grant Date, as defined in the Plan, or ninety days after termination of your employment by the Company, in each case in accordance with the terms of the Plan.

Promptly following the Start Date, the Company will prepare any and all documentation necessary to implement your options for Option Units and the vesting thereof as provided above. You understand that the Option Units purchased by you will be subject to the same risks as those facing other members of the Company, including, without limitation, the possibility of dilution in the event that the Company issues additional Preferred or Common Units.

Proprietary Information and Inventions

Prior to commencing your employment with the Company, you agree to sign a copy of the Company's standard Nondisclosure, Developments and Non-Competition Agreement, a copy of which is attached as Exhibit A hereto. By signing below you represent that you are free to enter into this agreement and the Nondisclosure, Developments and Non-Competition Agreement and carry out the obligations hereunder and thereunder without any conflict with any prior agreements to which you are a party.

Termination

You acknowledge that the employment relationship between the Company and you is at-will, meaning that the employment relationship may be terminated by the Company or you for any reason or for no reason. However, the Company and you agree to make reasonable efforts to provide the other party at least thirty (30) days' written notice prior to termination of the employment relationship. You acknowledge that, in connection with any termination of your employment with the Company, you will assist the Company in its efforts to find a new President International and will provide such transitional assistance as the Company may reasonably require. In connection with the foregoing, the Company agrees that should your employment be terminated, you will receive as your sole and only payments on account of such termination (and subject to execution of appropriate documentation to this effect) accrued compensation through the date of termination as well as the Severance Payment outlined above. In addition, COBRA rights will be available to you.

Governing Law and Jurisdiction

This agreement shall be governed by and construed in accordance with the internal substantive laws of the Commonwealth of Massachusetts. The Company and you hereby expressly consent and agree that any dispute, controversy, legal action or other proceeding that arises from, concerns or touches this agreement shall be brought in either the Superior Court of Massachusetts or the United States District Court for the District of Massachusetts. The Company and you hereby acknowledge that said courts have sole and exclusive jurisdiction over any such dispute or controversy, and that the Company and you hereby waive any objection to personal jurisdiction or venue in these courts, and waive any right to jury trial.

Entire Agreement; Amendment

This agreement (together with the Nondisclosure, Developments and Non-Competition Agreement) and the Plan set forth the sole and entire agreement and understanding between the Company and you with respect to the specific matters contemplated and addressed hereby and thereby. No prior agreement, whether written or oral, shall be construed to change or affect the operation of this agreement or the other agreements contemplated hereby in accordance with their terms, and any provision of any such prior agreement which conflicts with or contradicts any provision of this agreement or the other agreements contemplated hereby is hereby revoked and superseded.

This agreement may be amended or terminated only by a written instrument executed both by you and the Company, acting through its Board of Directors.

We are excited to have you on board as a President International and Dealer Sales Sales. Please acknowledge your acceptance of this offer and the terms of this agreement by signing below and returning a copy to me.

Sincerely,

CARGURUS, LLC

E. Langley Steinert
CEO/Founder
By: /s/ E. Langley Steinert

Date: 10/24/14

I hereby acknowledge that I have had a full and adequate opportunity to read, understand and discuss the terms and conditions contained in this agreement prior to signing hereunder.

Agreed to and Accepted.

/s/ Samuel Zales

Date: 10/23/14

Exhibit A

CarGurus LLC

Nondisclosure, Developments and Non-Competition Agreement
(Name: Sam Zales)

THIS NONDISCLOSURE, DEVELOPMENTS AND NON-COMPETITION AGREEMENT, dated as of this day of 23rd day of October 2012 (this "Agreement"), is between CarGurus LLC. a Massachusetts limited liability company (hereinafter called the "Company"), and Samuel Zales, (hereinafter called the "Signatory").

WHEREAS, the Signatory is currently, or is about to become, an officer, employee, director, founder and/or consultant of the Company; and

WHEREAS, it is a condition precedent to the commencement or continuation of the Signatory's association with the Company, whether as an officer, employee, director and/or consultant, that the Signatory shall enter into this Agreement with the Company.

NOW, THEREFORE, in consideration of the foregoing premises, the parties hereto hereby mutually agree as follows:

1. Confidential Information.

(a) For purposes of this Agreement, the term "Confidential Information" shall mean (i) confidential information. knowledge or data of the Company, (ii) trade secrets of the Company and (iii) any other information of the Company disclosed to the Signatory or to which the Signatory is given access, whether such disclosure or access is made or given by the Company or any other person. Without limiting the generality of the foregoing, the term Confidential Information shall include (A) all Inventions (as defined in Section 5(a) hereof) that are owned by the Company or that are required to be assigned to the Company by any person, including, without limitation, the Signatory or any other employee or consultant of the Company, or that are licensed to the Company by any person, (B) information regarding the Company's plans for research and development or for new products, (C) engineering or manufacturing information pertaining to the Company or any of its operations or products, (D) information regarding regulatory matters pertaining to the Company, (E) information regarding any acquisition, strategic alliance or joint venture effected by the Company or any proposed acquisition, strategic alliance or joint venture being considered by the Company, (F) information regarding the status or outcome of any negotiations engaged in by the Company, (G) information regarding the existence or terms of any contract entered into by the Company, (H) information regarding any aspect of the Company's intellectual property position, (I) information regarding prices or costs of the Company, (J) information regarding any aspect of the Company's business strategy, including, without limitation, the Company's marketing, selling and distribution strategies, (K) information regarding customers or suppliers of the Company, (L) information regarding the compensation and other terms of employment or engagement of the Company's

employees and consultants, other than of the Signatory, (M) business plans, budgets, unpublished financial statements and unpublished financial data of the Company, (N) information regarding marketing and sales of any actual or proposed product or services of the Company, (O) information regarding web-site visitor behavior, including referral information, and any other information derived from analyzing web site log files and (P) any other information that the Company may designate as confidential.

(b) The Signatory acknowledges that, except to the extent otherwise provided below in this Section 1(b) or in Section 1(d) hereof, all Confidential Information disclosed to or acquired by the Signatory is a valuable, special, and unique asset of the Company and is to be held in trust by the Signatory for the Company's sole benefit. The company acknowledges that it's intent is to protect itself with respect to confidential information that is relevant and material to its business. It is rebuttably presumed that all confidential information is relevant and material to the company's business. The burden of proving any confidential information is not relevant and material shall be on the signatory. Except as otherwise provided below in this Section 1(b) or in Section 1(d) hereof, the Signatory shall not, at any time (including, without limitation, after the termination of the Signatory's association with the Company as an employee, consultant. officer and/or director), use for himself, herself or others, or disclose or communicate to any person for any reason, any Confidential Information without the prior written consent of the Company. Notwithstanding anything in this Section 1(b) to the contrary, it is understood that, except to the extent otherwise expressly prohibited by the Company, (A) the Signatory may disclose or use Confidential Information in performing his, her or its duties and responsibilities to the Company but only to the extent required or necessary for the performance of such duties and responsibilities in the ordinary course and within the scope of his, her or its association with the Company as an employee, consultant, officer and or director, and (B) the Signatory may disclose any Confidential Information pursuant to a request or order of any court or governmental agency, provided that the Signatory promptly notifies the Company of any such request or order and provides reasonable cooperation (at the Company's expense) in the efforts, if any, of the Company to contest or limit the scope of such request or order.

(c) The Signatory acknowledges and agrees that the Company has received, and may receive in the future, confidential or proprietary information from third parties ("Third Party Confidential Information") subject to a duty on the Company's part to maintain the confidentiality of such Third Party Confidential Information and to use it only for certain limited purposes. During the term of the Signatory's association with the Company as an employee, consultant, officer and or director (the "Term") and at all times thereafter, the Signatory shall hold Third Party Confidential Information in the strictest confidence and will not use or disclose to anyone any Third Party Confidential Information, unless expressly authorized in writing by the Company or unless otherwise provided below in this Section 1(c) or in Section 1(d) below. Notwithstanding anything in this Section 1(c) to the contrary, it is understood that, except to the extent otherwise expressly prohibited by the Company. (A) the Signatory may disclose or use Third Party Confidential Information in performing his, her or its duties and responsibilities to the Company but only to the extent required or necessary for the performance of such duties and responsibilities in the ordinary course and within the scope of his, her or its association with the Company as an employee, consultant. officer and/or director, and (B) the Signatory may disclose any Third Party Confidential Information pursuant to a request or order of any court or governmental agency, provided that the Signatory promptly notifies the Company of any such

request or order and provides reasonable cooperation (at the Company's expense or the expense of such third party) in the efforts, if any, of the Company or such third party to contest or limit the scope of such request or order.

(d) The Signatory's obligations under Section 1(b) and or Section 1(c) hereof not to use. disclose or communicate Confidential Information or Third Party Confidential Information to any person without the prior written consent of the Company shall not apply to any Confidential Information or Third Party Confidential Information which (i) is or becomes publicly known (as demonstrated by written evidence provided by the Signatory) under circumstances involving no breach by the Signatory of this Agreement and/or (ii) was or is approved for release by the Board of Directors of the Company or an authorized representative of the Company.

(e) The obligations of the Signatory under this Section 1 are without prejudice, and are in addition, to any other obligations or duties of confidentiality, whether express or implied or imposed by applicable law, that are owed to the Company or any other person to whom the Company owes an obligation of confidentiality, provided the obligation to such other person is known to the signatory.

2. Publication. The Signatory hereby understands that the Company has a compelling business interest in preventing the publication (orally or in writing) of any manuscript, document or information containing Confidential Information. Third Party Confidential Information and/or a description of any unpatented Assigned Invention (as defined in Section 5(a) hereof) and, accordingly, the Signatory hereby agrees to submit to the Company, at least ninety (90) days prior to publication, any manuscript, document or information that the Signatory intends to publish (orally or in writing) and that contains technical or scientific information or information about the Company or its business, in each case for purposes of ascertaining whether such manuscript, document or information contains Confidential Information. Third Party Confidential Information and or any description of any Assigned Invention (whether or not patented). Notwithstanding the foregoing the signatory shall not submit, and shall not be required to submit, any portion of any such manuscript, document, or information if and to the extent that such portion contains any confidential information of Third Parties that the signatory does not have a legal right to disclose to the Company. In the event that the Company determines that any such manuscript, document or information contains Confidential Information. Third Party Confidential Information and/or any description of any Assigned Invention (whether or not patented), then. to the extent requested by the Company, the Signatory shall delete from any such manuscript, document or information any and all references to such Confidential Information, Third Party Confidential Information and or description of such Assigned Invention, and all references thereto. The Signatory shall, no later than thirty (30) days prior to such publication, resubmit to the Company a revised draft of any such manuscript, document or information reflecting the deletion such Confidential Information. Third Party Confidential Information and or description of such Assigned Invention, and all references thereto. Unless and until the Company shall have given its written consent to any proposed publication (orally or in writing) by the Signatory of any manuscript, document or information, the Signatory shall not publish (orally or in writing) all or any portion of such manuscript, document or information. Nothing contained in this Section 2 shall be construed or deemed to

limit, change, amend, alter, repeal or invalidate any of the Signatory's obligations under Section 1 of this Agreement.

3. No Improper Disclosure or Use of Materials. The Signatory shall not improperly use or disclose to or for the Company's benefit any confidential information or trade secrets of (i) any former, present or future employer of the Signatory, (ii) any person to whom the Signatory has previously provided, currently provides or may in the future provide consulting or other services or (iii) any other person to whom the Signatory owes an obligation of

confidentiality. The Signatory shall not bring onto the premises of the Company any unpublished documents or any property belonging to any person referred to in any of the foregoing clauses (i), (ii) or (iii) unless consented to. in writing, by such person and by the Company.

4. Right to Inspect. The Signatory agrees that any of the Signatory's property situated on the Company's premises, including disks and other storage media, filing cabinets or other work areas, is subject to inspection by Company personnel at any time with or without notice.

5. Inventions; Assignment.

(a) For purposes of this Agreement, the term "Inventions" shall mean all inventions, improvements, developments, ideas, processes, prototypes, plans, drawings, designs, models, formulations, specifications, methods, techniques, shop-practices, discoveries. Innovations, creations, technologies, formulas, algorithms, data, computer databases, reports, laboratory notebooks, papers, writings, photographs, source and object codes, software programs, other works of authorship, and know-how (including all records pertaining to any of the foregoing), whether or not reduced to writing and whether or not patented or patentable or registered or registrable under patent, copyright, trademark or similar statute. For purposes of this Agreement, the term "Assigned Inventions" shall mean (i) any and all Inventions that relate to a Competitive Activity that are made, conceived, invented, discovered, originated, authored. Created, learned or reduced to practice by the Signatory. either alone or together with others, in the course of performing the Signatory's duties and responsibilities to the Company or in the course of otherwise rendering any services to the Company during the Term (regardless of whether or not such Inventions were made. conceived. invented. discovered originated. authored. created, learned or reduced to practice by the Signatory at the Company's facilities or during regular business hours or utilizing resources of the Company) or (ii) any and all Inventions that relate to a Competitive Activity that arise out of or are based upon any Confidential Information or Third Party Confidential Information. For purposes of this Agreement, the term "Proprietary Rights" shall mean (x) any and all rights under or in connection with any patents, patent applications, copyrights, copyright applications, trademarks, trademark applications, service marks, service mark applications, trade names, trade name applications, mask works, trade secrets and/or other intellectual property rights with respect to Assigned Inventions and (y) the goodwill associated with any and all of the rights referred to in the foregoing clause (x).

(b) The Signatory hereby agrees to hold any and all Assigned Inventions and Proprietary Rights in trust for the sole right and benefit of the Company, and the Signatory hereby assigns to the Company all of the Signatory's right, title and interest in and to any and all Assigned Inventions and Proprietary Rights. The Signatory agrees to give the Company prompt

written notice of any Assigned Invention or Proprietary Right and agrees to execute such instruments of transfer, assignment, conveyance or confirmation and such other documents as the Company may request to evidence, confirm or perfect the assignment of all of the Signatory's right, title and interest in and to any Assigned Invention or Proprietary Right pursuant to the foregoing provisions of this Section 5(b). The Signatory hereby waives and quitclaims to the Company any and all claims of any nature whatsoever that the Signatory may now or hereafter have for infringement of any Proprietary Rights assigned hereunder to the Company.

(c) The Signatory hereby acknowledges and agrees that those Assigned Inventions that are original works of authorship protectable by copyright are "works made for hire," as that term is defined in the United States Copyright Act.

(d) At the request of the Company, the Signatory will assist the Company in every proper way (including, without limitation, by executing patent applications) to obtain and enforce in any country in the world Proprietary Rights relating to any or all Assigned Inventions. The Signatory's obligation under this Section 5(d) shall continue after the termination of the Signatory's association with the Company as an employee, consultant, officer or director. If and to the extent that, at any time after the termination of the Signatory's association with the Company as an employee, consultant, officer and/or director, the Company requests assistance from the Signatory with respect to obtaining and enforcing in any country in the world any Proprietary Rights relating to Assigned Inventions, the Company shall compensate the Signatory at a reasonable rate for the time actually spent by the Signatory on such assistance.

(e) By this Agreement, the Signatory hereby irrevocably constitutes and appoints the Company as his, her or its attorney-in-fact for the purpose of executing, in the Signatory's name and on his, her or its behalf, (i) such instruments or other documents as may be necessary to evidence, confirm or perfect any assignment pursuant to the provisions of this Section 5 or (ii) such applications, certificates, instruments or documents as may be necessary to obtain or enforce any Proprietary Rights in any country of the world. This power of attorney is coupled with an interest on the part of the Company and is irrevocable.

(f) Without the prior written consent of the Company, the Signatory shall not, at any time (including, without limitation, at any time after the termination of the Signatory's association with the Company as an employee. consultant. officer and. or director, file, cause to be filed or consent to the filing of any patent, trademark, service mark, trade name or copyright application with respect to, or claiming, any Assigned Inventions or Proprietary Rights.

(g) The obligations of the Signatory under this Section 5 are without prejudice, and are in addition to, any other obligations or duties of the Signatory, whether express or implied or imposed by applicable law, to assign to the Company all Assigned Inventions and all Proprietary Rights.

6. Agreement Not to Compete.

(a) If the Signatory is an employee of the Company, he or she hereby agrees that, during the period commencing on the date of this Agreement and ending on the effective date of the termination of the Signatory's employment with the Company, the Signatory shall not

engage, during business hours, in any employment or business activity other than for the Company.

(b) In view of the unique nature of the business of the Company and the need of the Company to maintain its competitive advantage in the industry, the Signatory hereby agrees that, during the Restricted Period (as defined in Section 6(c) below), the Signatory shall not, directly or indirectly, within the United States of America or its Territories or Possessions or within any other country in the world, engage in. own an interest in (except as a holder of no more than five percent (5%) of the shares of any publicly traded corporation). be employed by. consult for, act as an advisor to, or otherwise in any way participate in or become associated with, any Competitive Business (as defined in Section 6(c) below) or any corporation. partnership, limited liability company. business, enterprise. venture or other person or entity that is engaged or participates in any Competitive Business (each, a "Competitive Business Entity"). unless in each case the Signatory shall have given notice to the Board of Directors of the Company of his, her or its intention to be employed by, consult for, act as an advisor to, or otherwise in any way participate in or become associated with, any Competitive Business or any Competitive Business Entity and the Board of Directors of the Company shall have approved the Signatory's relationship with or engagement in such Competitive Business or Competitive Business Entity.

(c) For purposes of this Section 6, the following terms shall have the meanings provided therefor below:

"Competitive Business" shall mean the following companies: AutoTrader.com, Cars.com, Kelley Blue Book, Google, Edmunds and TrueCar.

"Restricted Period" shall mean the period commencing on the date of this Agreement and ending on the first anniversary of the effective date of the termination of the Signatory's association with the Company as an employee, consultant, officer or director.

(d) The time periods provided for in this Section 6 shall be extended for a period of time equal to any period of time in which the Signatory shall be in violation of any provision of this Section 6 and any period of time required for litigation to enforce the provisions of this Section 6. If at any time the provisions of this Section 6 shall be determined to be invalid or unenforceable. by reason of being vague or unreasonable as to area, duration or scope of activity, this Section 6 shall be considered divisible and shall become and be automatically amended to apply only to such area, duration and scope of activity as shall be determined to be reasonable by the court or other body having jurisdiction over the matter; and the Signatory agrees that this Section 6, as so amended, shall be valid and binding as though any invalid or unenforceable provision had not been included herein.

(e) Notwithstanding the foregoing, the Signatory may, after termination of his employment with the Company and during the Restricted Period, be employed by a public company with annual sales in excess of $500 million dollars, provided he does not work for any division that meets the definition of a Competitive Business, and does not otherwise engage or participate on behalf of such company in any activities in connection with or related to a Competitive Business. The Signatory acknowledges that should he be so employed by a

Competitive Business Entity, the burden of proving he is not employed by any division that meets the definition of a Competitive Business, nor engaged or participating in Competitive Businesses, shall be on the Signatory.

7. Agreement Not To Solicit.

(a) During the Restricted Period, the Signatory shall not, directly or indirectly recruit, hire or solicit the employment or services of (whether as an employee, officer, director, agent, consultant or independent contractor) any existing or future employee, officer, director, agent, consultant or independent contractor of the Company or any of the Company's successors or affiliates (except for such employment or hiring by the Company or any of its successors or affiliates), including during the six months following the termination of the employment of such employees, or encourage or aid such employees, officers, directors, agents, consultants or independent contractors to terminate their employment with the Company or any of the Company's successors or affiliates; *provided*, *however* that a general solicitation of the public for employment shall not constitute a solicitation hereunder so long as such general solicitation is not designed to target, or does not have the effect of targeting, any employee, officer, director, agent, consultant or independent contractor of the Company any of the Company's successors or affiliates.

(b) During the Restricted Period, the Signatory shall not, directly or indirectly, solicit, attempt to do business involving or related to a Competitive Activity with, do business involving or related to a Competitive Activity with any customers, business partners or business affiliates of the Company, or any of the Company's current or future successors or those affiliates of the Company that are engaged in a Competitive Activity (collectively. the "***Company Parties***"), or solicit or encourage (regardless of who initiates the contact) any such customers to use the services involving or related to a Competitive Activity of any competitor of any of the Company Parties; provided, however, that, subject to the other provisions of this Agreement, Signatory shall not be prohibited from doing business with any customers, business partners. or business affiliates of the Company Parties if: (i) such business activity by Signatory does not result, directly or indirectly, in the lessening or cessation of the level of business activity between such customers, business partners or business affiliates on the one hand, and any of the Company Panics, on the other hand, and (ii) such business activity by Signatory is not in connection with a Competitive Activity.

8. Return of Documents. The Signatory will promptly deliver to the Company, upon the termination of the Signatory's association with the Company as an employee, consultant, officer and or director or, if earlier, upon the request of the Company, all documents and other tangible media (including all originals, copies, reproductions, digests, abstracts, summaries, analyses, notes, notebooks, drawings, manuals, memoranda, records, reports, plans, specifications, devices, formulas, storage media, including software, and computer printouts) in the Signatory's actual or constructive possession or control that contain, reflect, disclose or relate to any Confidential information. Third Party Confidential Information, Assigned Inventions or Proprietary Rights. The Signatory will destroy any related computer entries on equipment or media not owned by the Company.

9. No Use of Name, Etc. Without the prior written consent of the Company, the Signatory shall not, at any time (including, without limitation, at any time after the termination of the Signatory's association with the Company as an employee, consultant, officer and/or director), use, for himself or herself or on behalf of any other person, any name that is identical or similar to or likely to be confused with the name of the Company or the name of any product or service produced or provided by the Company. Without the prior written consent of the Company, the Signatory shall not, at any time after the termination of the Signatory's association with the Company as an employee, consultant, officer and/or director, directly or indirectly represent himself or herself, whether on his, her or its behalf or on behalf of any other person, as then being in any way connected or associated with the Company.

10. No Conflicting Obligation. The Signatory represents that the Signatory is free to enter into this Agreement and that the Signatory's performance of all of the terms of this Agreement and of all of the Signatory's duties and responsibilities as an employee, consultant, officer and or director of the Company do not and will not breach (i) any agreement to keep in confidence information acquired by the Signatory in confidence or in trust, (ii) any agreement to assign to any third party inventions made by the Signatory and/or (iii) any agreement not to compete against the business of any third party. The Signatory further represents that he has not made and will not make any agreements in conflict with this Agreement.

11. Unique Nature of Agreement; Specific Enforcement. The Company and the Signatory agree and acknowledge that the rights and obligations set forth in this Agreement are of a unique and special nature and that the Company is, therefore, without an adequate legal remedy in the event of the Signatory's violation of any of the covenants set forth in this Agreement. The Company and the Signatory agree, therefore, that, in addition to all other rights and remedies, at law or in equity or otherwise, that may be available to the Company, each of the covenants made by the Signatory under this Agreement (including, without limitation, the covenants made by the Signatory pursuant to Section 6 hereon shall be enforceable by injunction, specific performance or other equitable relief, without any requirement that the Company have to post a bond or that the Company have to prove any damages. The Signatory hereby agrees, in connection with any action or proceeding to enforce any provisions of this Agreement, to waive any claim or defense that the Company has an adequate remedy at law.

12. Miscellaneous.

12.1 Association. The Signatory agrees and understands that nothing in this Agreement shall confer on the Signatory any right with respect to continuation of the Signatory's association with the Company as an employee, consultant, officer and or director, nor shall it interfere in any way with the Signatory's right or the Company's right to terminate the Signatory's association with the Company as an employee, consultant, officer and/or director at any time, with or without cause.

12.2 Entire Agreement. This Agreement represents the entire agreement of the parties with respect to the arrangements contemplated hereby. No prior agreement, whether written or oral, shall be construed to change, amend, alter, repeal or invalidate this Agreement. This Agreement may be amended only by a written instrument executed in one or more counterparts by the parties.

12.3 Waiver. No consent to or waiver of any breach or default in the performance of any obligations hereunder shall be deemed or construed to be a consent to or waiver of any other breach or default in the performance of any of the same or any other obligations hereunder. Failure on the part of either party to complain of any act or failure to act of the other party or to declare the other party in default, irrespective of the duration of such failure, shall not constitute a waiver of rights hereunder and no waiver hereunder shall be effective unless it is in writing, executed by the party waiving the breach or default hereunder.

12.4 Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. This Agreement may be assigned by the Company to any Affiliate of the Company and to a successor of its business to which this Agreement relates (whether by purchase or otherwise). "Affiliate of the Company" means any person, which directly or indirectly, controls or is controlled by or is under common control with the Company and, for the purposes of this definition "control" (including the terms "controlled by" and "under common control with") shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of another whether through the ownership of voting securities or holding of office in another, by contract or otherwise. The Signatory may not assign or transfer any or all of his, her or its rights or obligations under this Agreement.

12.5 Jurisdiction and Venue; Waiver of Jury Trial. In case of any dispute hereunder, the parties will submit to the exclusive jurisdiction and venue of any court of competent jurisdiction sitting in Suffolk County, Massachusetts, and will comply with all requirements necessary to give such court jurisdiction over the parties and the controversy. EACH PARTY WAIVES ANY RIGHT TO A JURY TRIAL.

12.6 Severability. All headings and subdivisions of this Agreement are for reference only and shall not affect its interpretation. In the event that any provision of this Agreement should be held unenforceable by a court of competent jurisdiction, such court is hereby authorized to amend such provision so as to be enforceable to the fullest extent permitted by law, and all remaining provisions shall continue in full force without being impaired or invalidated in any way.

12.7 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of The Commonwealth of Massachusetts, excluding choice of law rules thereof.

12.8 Disclosure. The Signatory shall disclose the existence and terms of this Agreement to any employer or other person that the Signatory may work for or be engaged by during the Term and thereafter. The Signatory agrees that the Company may, after notification to the Signatory, provide a copy of this Agreement to any business or enterprise (i) which the Signatory may directly or indirectly own, manage, operate, finance, join, control or participate in the ownership, management. Operation, financing, or control of, or (ii) with which the Signatory may be connected with as an officer, director, employee, partner, principal, agent, representative, consultant or otherwise, or in connection with which the Signatory may use or permit the Signatory's name to be used. The Signatory will provide the names and addresses of any of such persons or entities as the Company may from time to time reasonably request.

12.9 Notices. Any notice, demand, request or other communication hereunder to any party shall be deemed to be sufficient if contained in a written instrument delivered in person or duly sent by first class registered, certified or overnight mail, postage prepaid, or telecopied with a confirmation copy by regular, certified or overnight mail, postage prepaid. or sent by electronic mail with a confirmation copy by regular, certified or overnight mail, postage prepaid. to such party at the address, telecopier number or email address, as the case may be, set forth below or such other address, telecopier number, or email address, as the case may be, as may hereafter be designated in writing by the addressee to the address or listing all parties:

(i) If to the Company, to:

CarGurus LLC
1 Bow Street, 4th Floor
Cambridge, MA 02138
Attention: CEO

Email: Steinert@CarGurus.com

With a copy to:

Bingham Dana LLP
150 Federal Street
Boston, MA 02110
Attention: Lawrence I. Silverstein, Esq.
Fax: (617) 951-8736
Email: silverli@ bingham.com

If to the Signatory, to:

Samuel Zales
7 Page Road
Lexington, MA 02420
Phone: 617-828-3666
Email: szales@gmail.com

All such notices, requests and other communications shall be deemed to have been received: (i) in the case of personal delivery, on the date of such delivery; (ii) in the case of registered or certified mail, upon receipt or on the date of rejection of receipt (iii) in the case of facsimile transmission, when confirmed by facsimile machine report, and (iv) in the case of electronic mail, upon receipt of an electronic message confirming delivery.

THE SIGNATORY HAS READ THIS AGREEMENT CAREFULLY AND UNDERSTANDS ITS TERMS.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have executed and delivered this Agreement as an instrument under seal as of the date first above written.

CARGURUS LLC

By: /s/ E. Langley Steinert
Name: E. Langley Steinert
Title: CEO

/s/ Samuel Zales
Signature

Print Name

of Signatory:	Samuel Zales

EXHIBIT 1, LEASE DATA
Two Canal Park
Cambridge, Massachusetts 02141
(the "**Building**")

Execution Date:		October 8, 2014
Tenant:		CarGurus LLC, a Massachusetts limited liability company
Tenant's Address:		One Bow Street, 4th Floor Cambridge, Massachusetts 02138 With a copy to: Schlesinger and Buchbinder, LLP 1200 Walnut Street Newton, Massachusetts 02461 Attn: Alan J. Schlesinger, Esq.
Landlord:		BCSP Cambridge Two Property LLC, a Delaware limited liability company
Landlord's Address:		c/o Beacon Capital Partners, LLC 200 State Street, 5th Floor Boston, Massachusetts 02109 with a copy to: Goulston & Storrs PC 400 Atlantic Avenue Boston, Massachusetts 02110 Attn: Two Canal Park
Building:		Two Canal Park Cambridge, Massachusetts 02141
Plot:		The parcel(s) of land on which the Building is located and the other improvements thereon (including the Building, driveways and landscaping).
Common Areas:		The common walkways and accessways located on the Lot, as the same may be changed, from time to time.
Article 2	Premises:	The entirety of the fourth (4th) floor of the Building, containing approximately 48,059 rentable square feet in accordance with the latest BOMA Standard Method of Measurement, substantially as shown on the Lease Plan, attached hereto and incorporated herein as Exhibit 2

		Total Rentable Area of the Premises: 48,059 square feet Total Rentable Area of the Building: 206,567 square feet
Section 3.1	Estimated Commencement Date:	May 1, 2015
	Commencement Date:	As defined in Section 3.1.
	Rent Commencement Date:	The date six (6) months after the Commencement Date
Section 3.2	Expiration Date:	The date eighty-four (84) months (plus the partial month, if any) after the Rent Commencement Date, unless earlier terminated or extended per Article 29.16
Article 5	Permitted Use:	General business offices.
Article 6	Yearly Rent:	

Period	Yearly Rent	Monthly Payment	Per Rentable Square Foot
Commencement Date — day before Rent Commencement Date	$ 0	$ 0	$ 0
Lease Year 1	$ 2,643,245.00	$ 220,270.42	$ 55.00
Lease Year 2	$ 2,691,304.00	$ 224,275.33	$ 56.00
Lease Year 3	$ 2,739,363.00	$ 228,280.25	$ 57.00
Lease Year 4	$ 2,787,422.00	$ 232,285.17	$ 58.00
Lease Year 5	$ 2,835,481.00	$ 236,290.08	$ 59.00
Lease Year 6	$ 2,883,540.00	$ 240,295.00	$ 60.00
Lease Year 7	$ 2,931,599.00	$ 244,299.92	$ 61.00

For purposes hereof, "**Lease Year**" shall mean a twelve-month period beginning on the Rent Commencement Date or any anniversary of the Rent Commencement Date, except that if the Rent Commencement Date does not fall on the first day of a calendar month, then the first Lease Year shall begin on the Rent Commencement Date and end on the last day of the month containing the first anniversary of the Rent Commencement Date, and each succeeding Lease Year shall begin on the day following the last day of the prior Lease Year.

Tenant shall have no obligation to pay Yearly Rent for the period commencing as of the Commencement Date, and expiring as of the day before the Rent Commencement Date (the "**Rent Abatement Period**"). During the Rent Abatement Period, only Yearly Rent shall be abated, and all additional rent and other costs and charges specified in the Lease shall remain as due and payable pursuant to the provisions of the Lease.

Article 7	Security Deposit:	$1,500,000.00, in the form of a Letter of Credit, subject to reduction in accordance with Article 7

Article 8	Utilities:	Landlord shall provide utilities to Tenant as set forth in Article 8 hereof.
Article 9	Operating Costs in the Base Year:	The actual amount of Operating Costs for calendar year 2015
	Tax Base:	The actual amount of Taxes for fiscal year 2016 (i.e., July 1, 2015, through June 30, 2016)
	Tenant's Proportionate Share:	The percentage determined by dividing the rentable square footage of the Premises by the rentable square footage of the Building. Landlord represents that this percentage is 23.27%
Section 29.3	Broker:	For Tenant: CB Richard Ellis/New England For Landlord: CB Richard Ellis/New England
Section 29.5	Enforcement of Arbitration:	Massachusetts; Superior Court
Section 29.12	Parking:	Number of Parking Passes: As set forth in Section 29.12

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EXHIBITS

THIS LEASE between Landlord and Tenant named in Exhibit 1 is entered into on the Execution Date as stated in Exhibit 1.

Landlord demises to Tenant, and Tenant takes from Landlord, the Premises upon and subject to the provisions of this Lease.

1. INCORPORATION OF EXHIBITS; REFERENCE DATA

The Exhibits attached to this Lease are made a part hereof. Any reference in this Lease to any of the terms defined in any such Exhibit shall have the meaning set forth in such Exhibit.

2. DESCRIPTION OF DEMISED PREMISES

2.1 Demised Premises. The Premises are that portion of the Building as described in Exhibit 1, as the same may change from time to time in accordance with the terms hereof.

2.2 Appurtenant Rights. Tenant shall have, as appurtenant to the Premises, the non-exclusive right to use in common with others entitled thereto: (a) the common lobbies, hallways, stairways and elevators of the Building serving the Premises in common with others; (b) the Common Areas, as defined in Exhibit I; (c) if the Premises include less than the entire rentable area of any floor, the common toilets and other common facilities of such floor; and (d) access to the parking areas appurtenant to the Premises, subject to Section 29.12; and no other appurtenant rights or easements. Tenant's use of such areas shall be subject to the terms hereof and to the Rules and Regulations as set forth in Exhibit 4 hereof. Tenant acknowledges that Landlord has no obligation to allow any particular telecommunication service provider to have access to the Building or to the Premises, and that if Landlord permits such access, Landlord may require the service provider to pay Landlord a reasonable fee therefor.

2.3 Exclusions and Reservations. The following are not part of the Premises: all the perimeter walls of the Premises except the inner surfaces thereof, any balconies (except to the extent any balconies are shown as part of the Premises on Exhibit 2), terraces or roofs adjacent to the Premises, and any space in or adjacent to the Premises used for risers, shafts, stacks, pipes, conduits, wires and appurtenant fixtures, fan rooms, ducts, electric or other utilities, sinks or other Building facilities. Landlord reserves the right to access and use any of the foregoing, as well as the right to enter the Premises for the purposes of operation, maintenance, decoration and repair. Notwithstanding anything to the contrary in the Lease contained:

(a) Landlord, its agents, employees and contractors shall not, except in an emergency and except for normal cleaning and maintenance operations, (i) exercise any right which it has to enter the Premises without giving Tenant reasonable advance notice; and (ii) exercise any right which it has to enter the Premises outside of Business Hours without giving Tenant advance notice thereof; and

(b) Landlord shall use reasonable efforts to minimize any interference with Tenant's use and enjoyment of the Premises arising from any entry into the Premises by Landlord.

2.4 Rentable Area. Total Rentable Area of the Premises and the Building are agreed to be the amounts set forth in Exhibit 1.

3. TERM OF LEASE

3.1 Definitions. As used in this Lease the following terms have the following meanings:

(a) "**Estimated Commencement Date**" - The date (as stated in Exhibit 1) on which it is estimated that the Premises will be ready for Tenant's occupancy for the Permitted Use.

(b) "**Commencement Date**" - The date on which the Premises are ready for Tenant's occupancy (as set forth in Section 4.6) for the Permitted Use. If the Premises are not ready for such occupancy, but if Landlord allows Tenant to take possession of the whole or any part of the Premises for the Permitted Use, then the Commencement Date shall be the date on which Tenant takes such possession and commences use of the Premises for the Permitted Use.

3.2 Term. The "**Term**" of this Lease shall commence on the Commencement Date and end on the Expiration Date as stated in Exhibit 1, unless extended or terminated pursuant to the terms hereof.

3.3 Declaration Fixing Commencement Date. Once the Commencement Date has been determined, Landlord and Tenant shall execute an agreement, in the form attached hereto as Exhibit 5, in which shall be stated the Commencement Date, the Rent Commencement Date and the Expiration Date.

4. CONDITION OF PREMISES - LANDLORD'S CONTRIBUTION - ENTRY BY TENANT PRIOR TO COMMENCEMENT DATE

4.1 Definitions. As used in this Lease the words and terms which follow mean and include the following:

(a) "**Construction Force Majeure**" shall mean whenever a period of time is prescribed for the taking of an action or performance of a non-monetary obligation by Landlord, the period of time for the performance of such action or performance of such obligation shall be extended by the number of days that the performance is actually delayed by events or circumstances outside of the reasonable control of Landlord, including industry wide strikes affecting similar construction projects at the time, acts of God, industry wide shortages of labor or materials affecting similar construction projects at the time after reasonably diligent efforts to obtain the same, war, terrorist acts, civil disturbances, government acts or regulations, and other causes beyond the reasonable control (such as an inability to obtain utility services from third-parties) of Landlord, but the unavailability of funds shall not be deemed a cause beyond the reasonable control of Landlord for this purpose. Any dispute as to whether any event or situation constitutes Construction Force Majeure may be referred by either Landlord or Tenant for resolution by binding arbitration pursuant to Section 29.5; provided, however, that Landlord shall notify Tenant within ten (10) business days after Landlord has knowledge of such Construction Force Majeure delay (failing which the time period of the subject Construction

Force Majeure delay shall run from the date such notice is actually received by Tenant); provided further that if and to the extent that any delay is attributable to any act, failure to act or neglect of Landlord or its agents or contractors, or Landlord's failure to utilize its commercially reasonable efforts in the performance of its obligations under this Lease, then in any such event such delay shall not constitute a Construction Force Majeure delay.

(b) "**Landlord's TI Work**" shall mean the work to be performed by Landlord in preparing the Premises for Tenant's occupancy, as shown on Tenant's Approved TI Plans (as defined below) and the actual costs related thereto (but without mark-up by Landlord and specifically excluding all consultant, architect and engineering fees incurred by Tenant), as more particularly described and provided for in the third paragraph of Section 4.2; provided that Landlord's TI Work shall exclude work to be performed in connection with Tenant's data and telephone cabling, computer systems, furniture and furniture systems, office equipment (e.g. copiers) and similar items (such excluded work collectively, "**Tenant Installations**").

(c) "**Punch List Items**" shall mean any and all minor or insubstantial details of construction, decoration or mechanical adjustments that remain to be done in such space or any part thereof following Substantial Completion of such space, or portion thereof, which (taking into account both of the items to be completed and the work required to complete such items) will not materially interfere with Tenant's conduct of business in such space.

(d) "**Substantially Completed**" (or "**Substantial Completion**") shall mean that (i) Landlord's Base Building Work (as hereinafter defined) is Substantially Completed, (ii) Landlord's TI Work, as shown on the Approved TI Plans, has been completed in accordance with the provisions of this Lease (including, without limitation, that such work has been completed in a good and workmanlike manner and substantially in accordance with the Approved TI Plans), except only Punch List Items (as provided below) and such work that Tenant needs to perform in connection with Tenant Installations and (ii) all conditions to the issuance of a temporary certificate of occupancy for the Premises have been satisfied allowing for lawful occupancy of the Premises by Tenant, except only conditions related solely to the completion of Tenant's Installations, as (i) and (ii) are evidenced by a written notice of substantial completion from Landlord to Tenant, which notice of substantial completion shall be subject to confirmation by Tenant's architect (which confirmation or objection, if Tenant's architect does not agree that Substantial Completion of Landlord's TI Work or any applicable portion thereof has occurred, shall be given (if at all) as promptly as possible and no more than three (3) business days after Tenant's receipt of Landlord's notification, and which confirmation (if any) shall specify any good faith objections and/or Tenant's architect's determination that Substantial Completion of Landlord's TI Work (or applicable portions thereof) has not occurred). If Landlord shall provide only a temporary and not a permanent certificate of occupancy then Landlord's notice of Substantial Completion will include Landlord's covenant to complete all of Landlord's TI Work and Landlord's Base Building Work required for obtaining a permanent certificate of occupancy. The failure of Tenant's architect to confirm Landlord's notification of Substantial Completion of Landlord's TI Work as set forth herein or to object in writing thereto within such three (3) business day period shall be deemed a confirmation that Substantial Completion has occurred. If Tenant's architect objects to any matters set forth in Landlord's notice of Substantial Completion of Landlord's TI Work and notifies Landlord thereof within three (3) business days following receipt of the notice and the parties are unable to

resolve the dispute within ten (10) days of Tenant's architect's notice of objection, either party may elect to refer the dispute to resolution by binding arbitration pursuant to Section 29.5.

(e) "**Tenant Delay**" shall mean any delay in Substantial Completion of Landlord's TI Work to the extent actually resulting from any of the following: (i) changes, alterations or additions required or requested by Tenant in the layout or finish of such space or any part thereof made subsequent to the approval by Landlord of the Approved Tl Plans, (ii) caused in whole or in part by Tenant through the delay of Tenant in submitting any plans and/or specifications, supplying information, approving plans, specifications or estimates, giving authorizations or otherwise, in each case beyond the time frames set forth in this Lease (or, in the absence of any time frame, beyond five (5) business days), (iii) caused in whole or in part by delay and/or default on the part of Tenant or its architects, engineers, consultants or vendors, or (iv) due to the inclusion of any "special work" or "long lead time" items (whether by reason of ordering time or complexity of construction) in the work contemplated by the Approved TI Plans and identified by Landlord in writing as such (which writing shall also contain Landlord's good faith estimate as to the length of the delay and proposed alternatives, if any, which will eliminate the Tenant Delay) as soon as is practical but not later than the issuance of the GMP (as hereinafter defined), unless Tenant elects to utilize Landlord's proposed alternatives. The duration of any Tenant Delay shall not exceed the period from the date of occurrence of the condition causing such Tenant Delay through the date upon which such condition is corrected. Notwithstanding anything to the contrary contained herein, any delay by Tenant in submitting any portion of the TI Plans to Landlord by the date required for such portion under this Lease shall automatically (and without any need for such delay to actually cause a delay in the availability of the Premises for occupancy) be deemed a Tenant Delay equal to the number of days Tenant is delayed in submitting such portion of the TI Plans. The consequence of a Tenant Delay is set forth in this Article 4. Landlord shall give Tenant notice of any claim of Tenant Delay on or before five (5) business days following the date that Landlord obtains actual knowledge of the occurrence of the matters giving rise to a claim of Tenant Delay and, if Landlord fails so to give such timely notice, Landlord may not claim Tenant Delay with respect to any period of delay occurring prior to Landlord's delivery of the notice to Tenant with respect to such matters of which Landlord had actual knowledge. If Tenant disputes Landlord's determination as to whether a Tenant Delay has occurred or the length thereof, Tenant shall notify Landlord in writing ("**Tenant Delay Dispute Notice**") within three (3) business days following receipt of Landlord's notice of Tenant Delay whereupon the dispute shall be resolved in accordance with Section 29.5 of this Lease. If Tenant fails to give a timely Tenant Delay Dispute Notice, Tenant shall be deemed to have waived any right to contest the claim of Tenant Delay asserted by Landlord.

4.2 TI Plans.

(a) Submission of Plans. Tenant shall be solely responsible for the timely (as more fully set forth below) preparation and submission to Landlord of the schematic design drawings ("**Schematic Design Drawings for Landlord's TI Work**"), design development drawings ("**Design Development Drawings for Landlord's TI Work**") and of the final full sets of scaled and dimensioned construction documents, including architectural, electrical, mechanical, plumbing, sprinkler, life safety and other construction drawings, plans and specifications ("**Construction Drawings for Landlord's TI Work**", and together with the

Schematic Design Drawings for Landlord's TI Work and the Design Development Drawings for Landlord's TI Work, the "**TI Plans**") (the final Construction Drawings for Landlord's TI Work as approved by Landlord and Tenant pursuant to this Section 4.2 being herein referred to as the "**Approved TI Plans**") necessary to construct the tenant improvements in the Premises for Tenant's occupancy, as well as the ancillary equipment to be installed by Landlord as part of Landlord's TI Work to specifically serve the Premises, which plans shall (i) be certified by an architect or engineer licensed in the Commonwealth of Massachusetts, (ii) comply with all applicable laws, (iii) be submitted to Landlord sufficiently early to meet the Plan Approval Deadlines set forth below and (iv) be subject to approval (in form and substance) by Landlord (which approval shall not be unreasonably withheld, conditioned or delayed). Landlord's approval is solely given for the benefit of Landlord, and neither Tenant nor any third party shall have the right to rely upon Landlord's approval of any of the TI Plans for any purpose whatsoever. Landlord shall respond to any plan submission by Tenant within five (5) business days after (i) Landlord's receipt of the original submission (except that Landlord shall have seven (7) business days to respond to Tenant's submission of the Construction Drawings) and (ii) Landlord's receipt of any resubmission. If Landlord fails to respond within such five (5) business day period, and such failure continues for five (5) business days after notice thereof, the applicable TI Plans shall be deemed approved. In the event Landlord's approval of the any TI Plans is withheld or conditioned, Landlord shall send written notification to Tenant ("**Landlord's Notification**") thereof within the applicable period set forth above, which shall include a reasonably detailed statement identifying the reasons for such refusal or condition. Tenant shall promptly (and in any event within five (5) business days after delivery of the applicable Landlord's Notification) have the Construction Drawings for Landlord's TI Work incorporate the matters referred to in Landlord's Notification, or, in the event a Landlord's Notification is given with respect to the Construction Drawings for Landlord's TI Work, have such Construction Drawings revised by its architect to incorporate all reasonable objections and conditions presented by Landlord's Notification and shall resubmit Construction Drawings for Landlord's TI Work to Landlord within five (5) business days of Landlord's Notification. Such process shall be followed until the Construction Drawings for Landlord's TI Work shall have been approved by Landlord without unreasonable objection or condition. Notwithstanding anything herein to the contrary, Tenant shall submit to Landlord:

(x) the Schematic Design Drawings for Landlord's TI Work on or before November 3, 2014;

(y) the Design Development Drawings for Landlord's TI Work on or before December 1, 2014; and

(z) the Construction Drawings for Landlord's TI Work on or before December 31, 2014 (such dates being collectively referred to as the "**Plan Submittal Deadlines**").

Without limiting the foregoing, Tenant shall be responsible for all elements of the design set forth in the TI Plans (including, without limitation, compliance with law, functionality of design, the structural integrity of the design and the configuration of the Premises), and Landlord's approval of any TI Plans shall in no event relieve Tenant of the responsibility for such design. Tenant agrees to remain solely responsible for the timely preparation and submission of all such TI Plans and for all elements of the design of such TI Plans and, except as

otherwise specifically provided in this Lease, for all costs related thereto, subject to reimbursement from Landlord's Contribution and except as otherwise set forth herein. Notwithstanding the foregoing, Landlord shall pay the cost of demolishing the existing improvements in Area B of the Premises so as to put them in the same condition (vis-à-vis demolition) as Area A of the Premises is as of the Execution Date, and shall not charge the cost thereof against Landlord's Contribution.

(b) Construction Manager. Landlord shall select, and Tenant hereby approves, MJA Construction as the construction manager ("**Construction Manager**") for the performance of Landlord's TI Work, pursuant to a separate construction management agreement (which shall be a guaranteed maximum price contract) to be entered into by Landlord and Construction Manager for Landlord's TI Work (the "**Construction Management Agreement**"). Tenant may appoint a construction representative by written notice to Landlord from time to time ("**Construction Representative**"). In such event, Tenant hereby authorizes Landlord to rely in connection with design and construction upon approval and other actions on Tenant's behalf by such Construction Representative.

(c) Estimating. Promptly after approval of the Schematic Design Drawings for Landlord's TI Work and the Design Development Drawings for Landlord's TI Work, Landlord shall submit such plans to the Construction Manager. Landlord shall cause the Construction Manager to prepare an estimated cost to complete (each a "**Cost Estimate**") based on such submissions. Provided Tenant submits the TI Plans in accordance with the Plan Submittal Deadlines, Landlord shall use reasonable efforts to cause the Construction Manager to deliver the applicable Cost Estimate to Tenant:

(x) with respect to the Schematic Design Drawings for Landlord's TI Work not later than November 17, 2014; and,

(y) with respect to the Design Development Drawings for Landlord's TI Work not later than December 15, 2014 (collectively, the "**Estimate Dates**").

Tenant shall have the right to modify the TI Plans to accommodate value engineering as a result of any Cost Estimate, which revisions shall be included in the next submission to Landlord.

(d) GMP. Upon Landlord's review and final approval of the Approved TI Plans, Construction Manager shall solicit on an open book basis competitive, fixed price bids for the performance of Landlord's TI Work for the Premises from at least three (3) subcontractors per trade from the list of approved subcontractors (although certain long-term lead items may be bid prior to issuance of Approved TI Plans). Landlord shall provide Tenant or Tenant's Representative with a copy of each bid received and all supporting material received by Landlord. During the ten (10) business day period following obtaining of the bids, (1) Landlord shall (x) level the bids, (y) deliver to Tenant the "bid sheet" and (z) provide Tenant the opportunity to review the leveled bids and (2) Tenant shall be entitled to make value engineering changes to the Approved TI Plans, subject to Landlord's approval (which approval shall not be unreasonably withheld, delayed or conditioned) and any such value engineering changes constituting Tenant Delay (to the extent Substantial Completion of Landlord's TI Work is

actually delayed as a result thereof), which value engineering changes shall be incorporated into the leveled bids. After the completion of the leveling of the bids and the value engineering changes, Landlord and Construction Manager shall submit to Tenant the estimated cost of Landlord's TI Work for the Premises which shall consist of, but not be limited to, the following: (i) estimated permit and filing fees (including expediter fees), (ii) a guaranteed maximum price for all work covered under the Construction Management Agreement (the "**GMP**") which shall include all costs reflected in the approved subcontractor bids using the most responsible, competitive and competent subcontractor, fees and costs payable to Construction Manager (provided, however, that the construction management fee payable to Construction Manager shall not exceed 2.75% of the GMP) pursuant to the terms of the approved Construction Management Agreement for Landlord's TI Work, costs of subguard insurance (Landlord confirming that payment and performance bonds will not be requested from the Construction Manager or subcontractors performing Landlord's TI Work), costs of all other insurance required to be obtained in connection with Landlord's TI Work, including builder's risk insurance and comprehensive general liability insurance, general conditions costs and a Landlord's budget contingency amount ("**Contingency**") equal to three percent (3%) of the aggregate amount of the preceding components of the GMP, (iii) third party project management fees, if any, paid by Landlord, if Landlord reasonably deems it necessary to engage a third party project manager, not to exceed $30,000.00, (iv) cost of controlled inspections, contractor preconstruction services and cost estimating and (v) such other out-of-pocket costs reasonably approved by Landlord and Tenant which are reasonably to be incurred by Landlord and are associated with and reasonably necessary for Landlord's TI Work for the Premises and excluding all consultant, architect and engineering fees incurred by Tenant (collectively, the "**Final TI Cost**"). Tenant shall approve or disapprove the Final TI Cost within two (2) business days from receipt thereof (which approval shall not be unreasonably withheld, conditioned or delayed and any delay by Tenant in the approval of the Final TI Cost beyond such four (4) business day period shall constitute deemed approval thereof). Upon Tenant's approval (or deemed approval) of the Final TI Cost (the "**Approved Budget**"), Landlord shall be authorized to proceed with the execution of Landlord's TI Work and award the bids.

(e) Changes. Tenant shall have the right to make changes ("**Changes**") from time to time in the Approved TI Plans by submitting revised plans, indicating the proposed Changes. Such Changes to the extent affecting the Building's systems or the structural integrity of the Building shall be subject to Landlord's approval (which shall not be unreasonably withheld, delayed or conditioned) but shall otherwise not require Landlord's approval. Landlord shall notify Tenant of its approval or disapproval of any such proposed Change for which Landlord's approval is required within seven (7) days following receipt of such proposed Change (or such longer period as may be reasonably necessary for Landlord to price such Change). Within such seven (7) day period (or such longer period as may be reasonably necessary for Landlord to price the Change), if Landlord approves the proposed Change or if the proposed Change does not require Landlord's approval as set forth herein, Landlord shall notify Tenant of the total amount of any net increase or decrease in the cost of Landlord's TI Work, and any Tenant Delay in the completion of Landlord's TI Work, resulting therefrom by presenting Tenant with a change order containing such information (a "**Change Order**"). If Landlord has the right to approve the Change, Landlord's failure to respond to such Change within the seven (7) day period (or such longer period as may be reasonably necessary for Landlord to price such Change) shall be deemed a disapproval of such Change. For time sensitive Changes, Landlord shall

endeavor to respond in a shorter period than seven (7) days if reasonably possible. If Tenant does not accept the Change Order within three (3) business days of the giving of such notice, Landlord shall not make the proposed Change. If Tenant accepts the Change Order (including the adjustment in the cost of Landlord's TI Work and the Tenant Delay in the completion of Landlord's TI Work resulting therefrom as set forth in the Change Order), the provisions of this Article 4 shall apply to Landlord's TI Work as adjusted by the approved Change Order and the Approved Budget and GMP shall be increased or decreased as a result of the Change Order (but maintaining the three percent (3%) Contingency for the GMP and Approved Budget as set forth above). Any time during which the performance of Landlord's TI Work must be postponed or delayed (in whole or in part) in order to review and approve any such Changes and determine the cost thereof as well as any additional time required to implement any such Changes shall all constitute Tenant Delay to the extent the foregoing actually delay Substantial Completion of Landlord's TI Work (provided that Landlord notifies Tenant (i) in writing prior to postponing or delaying Landlord's TI Work that a delay will occur or (ii) in the Change Order that a delay will occur, regardless of whether Tenant accepts the Change Order).

4.3 Landlord's TI Work. Upon finalizing the Approved TI Plans, Landlord shall construct, at Tenant's sole cost and expense (except for Landlord's Contribution and except as otherwise set forth herein), Landlord's TI Work in substantial compliance with the Approved TI Plans in a good and workmanlike manner. Landlord's construction of Landlord's T1 Work shall be performed in such a manner as to most prudently and efficiently complete all of such work in a timely manner in accordance with the terms of this Lease, including, to the extent applicable, construction coordination among contractors, subcontractors and vendors for all such work and for the Tenant Installations to facilitate Tenant's occupancy, as reasonably directed by Landlord. Subject to Construction Force Majeure, Tenant Delay and Section 4.5, Landlord shall use diligent efforts to complete Landlord's TI Work on or before the Estimated Commencement Date.

4.4 Governmental Permits, Certificates of Occupancy and Approvals. All permits, temporary certificates of occupancy and other governmental approvals necessary for the performance of Landlord's TI Work and the use and occupancy of the Premises (or applicable portion thereof) by Tenant upon Substantial Completion shall be obtained by Landlord, provided that those permits, certificates and approvals applicable to Landlord's TI Work shall, except as otherwise specifically provided in this Lease, be obtained by Landlord at Tenant's sole cost and expense (subject to reimbursement from Landlord's Contribution). Landlord shall file with the appropriate governmental authority any and all portions of the Approved TI Plans required in order to obtain such permits, certificates and approvals, and diligently proceed to have the permits and temporary certificate of occupancy issued for the Premises. In connection with any temporary certificate of occupancy obtained by Landlord for Landlord's TI Work, Landlord shall keep and maintain such temporary certificate of occupancy in full force and effect and diligently complete all necessary portions of Landlord's Base Building Work and/or Landlord's TI Work required for issuance of a permanent and unconditional certificate of occupancy.

4.5 Completion Date. Subject to delay by Construction Force Majeure and Tenant Delay, Landlord shall Substantially Complete Landlord's TI Work in substantial conformance with the Approved TI Plans and have the Premises Substantially Complete and ready for Tenant's occupancy on the Estimated Commencement Date. The failure to have the Premises

Substantially Complete and ready for Tenant's occupancy on the Estimated Commencement Date shall not affect the validity of this Lease or the obligations of Tenant hereunder, nor shall the same be construed in any way to extend the term of this Lease except as may be specifically otherwise herein provided. Tenant shall not have any claim against Landlord and Landlord shall have no liability to Tenant if the Premises are not Substantially Complete and ready for Tenant's occupancy on the Estimated Commencement Date. Notwithstanding the foregoing, if the Commencement Date has not occurred on or before the Outside Completion Date (defined below), Tenant shall be entitled to a rent abatement against Tenant's obligation to pay Yearly Rent following the Rent Commencement Date equal to one (1) day for each day between the Outside Completion Date and the Rent Commencement Date. The parties agree that the foregoing rent abatement constitutes liquidated damages reasonably calculated to reimburse Tenant for its costs and expenses and not a penalty. The "Outside Completion Date" shall mean September 1, 2015, provided, however, that the Outside Completion Date shall be extended by the length of any delays in Landlord's TI Work arising from delay by Construction Force Majeure. Notwithstanding the foregoing, if the Commencement Date shall not have occurred on or before the Outside Date, as hereinafter defined, then Tenant shall have the right, exercisable by a written thirty (30) day termination notice given on or after the Outside Date, to terminate the Lease. If the Commencement Date occurs on or before the thirtieth (30th) day after Landlord receives such termination notice, Tenant's termination notice shall be deemed to be void and of no force or effect. If the Commencement Date does not occur on or before such thirtieth (30th) day this Lease shall terminate and shall be of no further force or effect, except that, if Tenant has previously paid any Landlord's TI Work Cost Excess (defined below) to Landlord, then Landlord shall refund such amount to Tenant within ten (10) days after the effective date of such termination. For the purposes hereof, the "Outside Date" shall be defined as November 1, 2015, provided however, that the Outside Date shall be extended by the length of any delays in Landlord's Work arising from any Tenant Delay or from Force Majeure (as that term is defined in Article 26 below).

4.6 When Premises Deemed Ready. The Premises shall be conclusively deemed ready for Tenant's occupancy as soon as Landlord's TI Work has been Substantially Completed and Landlord's Base Building Work is completed. Landlord and Tenant shall set a mutually convenient time on or before such date for Tenant, Tenant's architect, Landlord, and Landlord's contractor to inspect the Premises and Landlord's TI Work therein. With respect to Landlord's TI Work, not later than three (3) business days after such inspection, Tenant's architect shall prepare and submit to Landlord a list of Punch List Items and other items to be completed with respect to such space. Subject to Tenant Delay and Construction Force Majeure, Landlord shall use diligent efforts to complete such Punch List Items as promptly as possible and in any event (subject to extension for Construction Force Majeure and Tenant Delay) within thirty (30) days following such inspection (unless particular Punch List Items cannot be completed within the thirty (30) day period, in which case such sixty (60) day period shall be extended for such time as may be reasonably necessary to enable Landlord to complete such Punch List Items). Notwithstanding any other provisions of this Article 4, if the delay in the Substantial Completion of the Premises is due to a Tenant Delay, then the Commencement Date shall be the

date that the Premises would have been Substantially Completed but for any Tenant Delay. If, pursuant to the foregoing, the Commencement Date occurs before the Premises is in fact Substantially Completed, Tenant shall not (except with Landlord's consent) be entitled to take possession of such space until the Premises is in fact Substantially Completed. Any of Landlord's TI Work in

the Premises not fully completed on the Commencement Date shall thereafter be so completed with reasonable diligence by Landlord. Any dispute as to whether any portion of the Premises is Substantially Complete may be referred by either Landlord or Tenant for resolution by binding arbitration pursuant to Section 29.5. Landlord shall deliver the Premises to Tenant with all Building systems serving the Building, including, without limitation, the HVAC, electrical, life safety and plumbing systems in good working condition.

4.7 Landlord's Base Building Work. Landlord shall, at Landlord's cost and expense, perform the following work ("**Landlord's Base Building Work**") in the Premises: (i) put the Premises in Shell Condition, as defined in Exhibit 7 hereof, and (ii) install a separate meter to measure the consumption of electricity for lights and plugs in the Premises (but specifically excluding electricity for Base Building HVAC). Landlord shall perform Landlord's Base Building Work on or before the Commencement Date, provided however, that Landlord's failure to complete Landlord's Base Building Work on or before the Commencement Date shall not give rise to any claims for abatement of rent or damages on account of the delay in completion of Landlord's Base Building Work.

4.8 Landlord's Contribution.

(a) Landlord shall, in the manner hereinafter set forth, contribute up to Two Million Eight Hundred Eighty-Three Thousand Five Hundred Forty and 00/100 Dollars ($2,883,540.00) ("**Landlord's Contribution**") towards the hard and soft cost of Landlord's TI Work (including, without limitation, architectural, engineering and project management fees) (collectively, the "**Total Cost of Landlord's TI Work**"). If the Total Cost of Landlord's TI Work exceeds the amount of Landlord's Contribution, Tenant shall pay Landlord the excess amount (all such costs, "**Landlord's TI Work Cost Excess**") within twenty (20) business days after demand therefor, which demand Landlord may make at any time after the determination of Landlord's TI Work Cost Excess. Landlord shall notify Tenant from time to time of Landlord's good faith estimate of the Total Cost of Landlord's TI Work and of Landlord's TI Work Cost Excess, and any such notice shall be accompanied by supporting documentation evidencing such cost. Landlord shall disburse from Landlord's Contribution until Landlord has paid the entire cost of Landlord's TI Work or Landlord has expended the entire amount of Landlord's Contribution. Any dispute between Landlord and Tenant with respect to the amount payable pursuant to any requisition that is not resolved within ten (10) days after the date of the requisition shall be resolved by arbitration conducted pursuant to Section 29.5 below. For the purposes of this Section 4.8(a), a "**requisition**" shall mean written documentation showing in reasonable detail the costs of the work or other improvements contracted for by Landlord, issued on AIA Form G702 (or such other form as may be reasonably acceptable to both Landlord and Tenant). Landlord shall follow customary and prudent practices in connection with the requisitioning and payment for Landlord's TI Work, including, without limitation, requirements as to lien waivers and holdback amounts.

(b) Tenant shall have the right to apply any portion of Landlord's Contribution in excess of the Total Cost of Landlord's TI Work to architectural, engineering and project management fees incurred by Tenant in connection with preparation of the Approved TI Plans and the performance of Landlord's TI Work or to Tenant Installations (collectively, the "**Permitted Soft Costs**"). With respect to any portion of Landlord's Contribution that may be

used for Permitted Soft Costs, provided that Tenant is not in default of its obligations under this Lease beyond applicable periods of notice and grace at the time that Tenant requests any requisition on account of Landlord's Contribution, Landlord shall pay the cost of the work shown on each requisition submitted by Tenant to Landlord to Tenant, or if requested by Tenant, to the party performing the work, within thirty (30) days of submission thereof by Tenant to Landlord. For the purposes of this Section 4.8(b), a "**requisition**" shall mean written documentation showing in reasonable detail the costs of the work or other improvements contracted for by Tenant, issued on AIA Form G702 (or such other form as may be reasonably acceptable to both Landlord and Tenant), or in the case of architectural and/or engineering costs or other costs where an AIA G702 is not appropriate written documentation, consisting of invoices evidencing the costs incurred by Tenant. Each requisition shall be accompanied by evidence reasonably satisfactory to Landlord that all work covered by previous requisitions submitted by Tenant and funded by Landlord's Contribution has been fully paid by Tenant (including delivery to Landlord of written waivers of liens from all contractors, laborers and suppliers of materials for such work). Notwithstanding anything to the contrary herein contained:

(1) Landlord shall have no obligation to advance funds on account of Landlord's Contribution with respect to work contracted for by Tenant unless and until Landlord has received the requisition in question, together with certifications from Tenant's architect, if applicable, certifying that the work shown on the requisition has been performed substantially in accordance with applicable law and substantially in accordance with Tenant's approved plans.

(2) Landlord shall pay requisitions of Landlord's Contribution to Tenant with respect to work contracted for by Tenant, in the case of paid invoices submitted by Tenant, or to Tenant's contractor or other party performing the work, in the case of unpaid invoices submitted by Tenant.

(3) Landlord shall have no obligation to pay Landlord's Contribution in respect of any requisition submitted after the first anniversary of the Execution Date of this Lease ("**Outside Requisition Date**"), except to the extent Tenant notifies Landlord prior to the Outside Requisition Date that any amount which is or will be the subject of a requisition is being disputed and that the work which is the subject of such requisition has been completed prior to the Outside Requisition Date.

(4) Tenant shall not be entitled to any unused portion of Landlord's Contribution.

(5) Landlord shall have the right, upon reasonable advance notice to Tenant, to inspect Tenant's books and records relating to each requisition in order to verify the amount thereof. Tenant shall submit requisition(s) no more often than monthly.

(c) Except for Landlord's Contribution, Tenant shall bear all other costs of Landlord's TI Work. Landlord shall have no liability or responsibility for any claim, injury or damage alleged to have been caused by the particular materials, whether building standard or

non-building standard, selected by Tenant in connection with Landlord's TI Work, except to the extent set forth in Section 4.12.

(d) If any work, including, but not by way of limitation, installation of built-in equipment by the manufacturer or distributor thereof, shall be performed by contractors not employed by Landlord, Tenant shall take necessary reasonable measures to the end that such contractor shall cooperate in all ways with Landlord's contractors to avoid any delay to the work being performed by Landlord's contractors or conflict in any other way with the performance of such work.

4.9 Landlord's Space Plan Contribution. In addition to Landlord's Contribution, Landlord shall contribute up to Four Thousand Eight Hundred Five and 90/100 Dollars ($4,805.90) towards the cost of preliminary design work in the Premises ("**Landlord's Space Plan Contribution**"). Landlord's Space Plan Contribution shall be paid to Tenant within thirty (30) days after Tenant's written request therefor accompanied by copies of invoices evidencing the payment of such costs by Tenant.

4.10 Tenant's Delay - Additional Costs. If a Tenant Delay occurs or Tenant fails to comply with any terms or conditions contained in this Article 4, in each case beyond the time frames set forth in this Lease (or, in the absence of any time frame, beyond five (5) business days), and such Tenant Delay or failure is not due to any act or (where there is an obligation under this Lease to act) omission of Landlord, any additional actual cost to Landlord in connection with the completion of the Landlord's TI Work in accordance with the terms of this Lease shall be promptly paid by Tenant to Landlord to the extent that such additional actual cost is the result of such Tenant Delay or failure of Tenant, and Landlord's TI Costs exceed Landlord's Contribution (in which case the unutilized Landlord's Contribution shall be disbursed on account of Tenant to Landlord to pay such additional actual costs). For the purposes of the immediately preceding sentence, the expression "additional actual cost to Landlord" shall mean the actual cost over and above such actual cost as would have been the aggregate actual cost to Landlord of completing Landlord's TI Work in accordance with the terms of this Lease had there been no such failure or Tenant Delay. Nothing contained in this Section 4.10 shall limit or qualify or prejudice any other covenants, agreements, terms, provisions and conditions contained in this Lease, including, but not limited to Section 4.2. Any dispute between Landlord and Tenant as to any amounts owing pursuant to this Section 4.10 may be referred by Landlord or Tenant for resolution by binding arbitration in accordance with Section 29.5.

4.11 Preparation of Premises - Outside Contractors. Landlord shall provide Tenant and its contractors, architects and engineers with access to the Premises at least thirty (30) days prior to the Commencement Date, provided that such entry does not create any material interference in the performance of Landlord's TI Work, solely as follows:

(a) Access shall be coordinated and provided by Landlord at appropriate times (i.e., prior to closing walls and ceilings) during the construction process to Tenant and its contractors to enable Tenant and its contractors to install the Tenant Installations, including, without limitation, data, telecommunication, security, audio visual and other wiring and cabling and to install racking and other equipment, as shown on the Approved TI Plans and shall use commercially reasonable efforts to provide Tenant with reasonable access no later than the date

that is fourteen (14) days prior to the later of (1) Substantial Completion and (2) the Estimated Commencement Date, to install furniture systems and related equipment (and connect the same to power sources), to the extent such installation can be performed without unreasonable interference with Landlord's TI Work;

(b) Tenant and Tenant's architects and engineers shall be given access to the Premises throughout the period that construction of Landlord's TI Work is ongoing, for purposes of inspecting such work; and

(c) All such early access shall be coordinated with and by Landlord and the Construction Manager and their contractors and shall be performed by Tenant and Tenant's contractors, architects and engineers in a manner which does not unreasonably interfere with Landlord's completion of Landlord's TI Work. Any such interference shall constitute Tenant Delay (to the extent it actually delays Substantial Completion).

4.12 Conclusiveness of Landlord's Performance. Except as set forth in the next sentence, Tenant shall be conclusively deemed to have agreed that Landlord has performed all of its obligations under this Article 4 with respect to the Premises except as to matters under warranty unless not later than the end of the second calendar month next beginning after the Commencement Date, Tenant shall give Landlord written notice specifying the respects in which Landlord has not performed any such obligation for the Premises. Notwithstanding the foregoing, Landlord shall, at Landlord's sole cost, not to be included in Operating Costs, correct any defects in Landlord's TI Work of which Tenant shall give Landlord written notice not later than the date that is eleven (11) months after Substantial Completion of Landlord's TI Work. Landlord shall obtain customary warranties from the contractors performing Landlord's TI Work and shall keep such warranties in full force and effect. All warranties related to Landlord's TI Work shall be assignable to Tenant, and at Tenant's request upon the expiration of the eleven (11) month period described above, Landlord shall assign any such warranties then in effect to Tenant unless Landlord is then enforcing any of such warranties (in which case Landlord shall assign such warranties to Tenant upon resolution of such enforcement).

4.13 Tenant Payments of Construction Cost. Landlord shall have the same rights and remedies which Landlord has upon the nonpayment of Yearly Rent and other charges due under this Lease for nonpayment of any amounts which Tenant is required to pay to Landlord or Landlord's contractor in connection with the construction and initial preparation of the Premises (including, without limitation, any amounts which Tenant is required to pay in accordance with Sections 4.7 and 4.9 hereof) or in connection with any construction in the Premises performed for Tenant by Landlord, Landlord's contractor or any other person, firm or entity after the Commencement Date.

4.14 Additional Landlord Contribution. If Landlord's TI Work Cost Excess exceeds Seven Hundred Twenty Thousand Eight Hundred Eighty-Five and 00/100 Dollars ($720,885.00) (the "**Minimum Tenant Funded Cost Excess**"), then Tenant shall have the right, by written notice to Landlord delivered on or before the start of Landlord's TI Work, to request that Landlord fund some or all of Landlord's TI Work Cost Excess in excess of the Minimum Tenant Funded Cost Excess, up to a maximum amount of Seven Hundred Twenty Thousand Eight Hundred Eighty-Five and 00/100 Dollars ($720,885.00) (the amount so requested, "**Landlord's**

Additional Contribution"). If Tenant timely makes such request, then Landlord shall contribute Landlord's Additional Contribution toward the cost of Landlord's TI Work Cost Excess, such funds to be disbursed in the same manner as Landlord's Contribution. For avoidance of doubt, it is the intent of the parties that to the extent there is a Landlord's TI Work Cost Excess, (i) Tenant shall be obligated to fund the first $720,885.00 thereof, (ii) Tenant shall have the right, but not the obligation, to cause Landlord to fund up to the next $720,885.00 thereof as Landlord's Additional Contribution, and (iii) Tenant shall be obligated to fund any Landlord's TI Work Cost Excess in excess of $1,441,770.00.

4.15 Construction Rent. Commencing as of the Commencement Date (if the Commencement Date is the first day of a calendar month, or otherwise on the first day of the calendar month next following the Commencement Date), and continuing on the first day of each month thereafter throughout the term of the Lease, Tenant shall pay to Landlord, as additional rent, Construction Rent, as hereinafter defined, based upon the amount of Landlord's Additional Contribution. Tenant's monthly payments of Construction Rent shall be equal to the amount of equal monthly payments of principal and interest which would be necessary to repay a loan in the amount of Landlord's Additional Contribution, together with interest at the rate of seven percent (7%) per annum, on a level payment direct reduction basis over a term equal to the term of the Lease. Monthly payments of Construction Rent shall be payable at the same time and in the same manner as Yearly Rent is payable under the Lease, but shall commence on the Commencement Date rather than on the Rent Commencement Date. Construction Rent shall not be abated or reduced for any reason whatsoever (including, without limitation, untenantability of the Premises or termination of the Lease). Without limiting the foregoing, the rent abatement provisions of Articles 18 and 20 of the Lease shall not apply to Construction Rent. Since the payment of Construction Rent represents a reimbursement to Landlord of costs which Landlord will incur in connection with the construction of the Premises, if there is any default (beyond the expiration of any applicable grace periods) of any of Tenant's obligations under the Lease (including, without limitation, its obligation to pay Construction Rent) or if the term of this Lease is terminated for any reason whatsoever prior to the termination of the Term of the Lease, Tenant shall pay to Landlord, immediately upon demand, the unamortized balance of Landlord's Additional Contribution. Tenant's obligation to pay the unamortized balance of Landlord's Additional Contribution shall be in addition to all other rights and remedies which Landlord has based upon any default of Tenant under the Lease, and Tenant shall not be entitled to any credit or reduction in such payment based upon amounts collected by Landlord from reletting the Premises after the default of Tenant.

4.16 Base Building Systems. Landlord agrees that the base building systems including, without limitation, HVAC, plumbing, electrical, elevator services, roofing, fire safety access and emergency egress systems serving the Premises shall be in good working order on the Commencement Date.

5. USE OF PREMISES

5.1 Permitted Use. Tenant shall occupy and use the Premises for the Permitted Use as stated in Exhibit 1 and for no other purposes. Without limiting the generality of the foregoing, Tenant agrees that it shall not use the Premises or any part thereof, or permit the Premises or any part thereof to be used for the preparation or dispensing of food, except that Tenant may, with

Landlord's prior written consent (including approval of plans for any such equipment that has a water connection), which consent shall not be unreasonably withheld, install at its own cost and expense so-called hot-cold water fountains, coffee makers, microwave ovens and commonly used pantry equipment (excluding, however, stovetops, hot plates, ovens or toaster ovens; however, toaster ovens with an auto-shutoff feature shall be permitted) for the preparation of beverages and foods, provided that no cooking, frying, etc., are carried on in the Premises to such extent as requires special exhaust venting.

5.2 Prohibited Uses. Notwithstanding any other provision of this Lease, Tenant shall not use, or suffer or permit the use or occupancy of, or suffer or permit anything to be done in or anything to be brought into or kept in or about the Premises or the Building or any part thereof (including, without limitation, any materials, appliances or equipment used in the construction or other preparation of the Premises and furniture and carpeting): (i) which would violate any of the covenants, agreements, terms, provisions and conditions of this Lease or matters of record applicable to or binding upon the Premises; (ii) for any unlawful purposes or in any unlawful manner; (iii) which, in the reasonable judgment of Landlord shall in any way (a) materially impair the appearance of the Building; or (b) materially impair, interfere with or otherwise diminish the quality of any of the Building services or the proper and economic heating, cleaning, ventilating, air conditioning or other servicing of the Building or Premises; or with the use or occupancy of any of the other areas of the Building, occasion injury or damage to any occupants of the Premises or other tenants or occupants of the Building or a material interference with the permitted use and occupancy of the Building by such tenants or occupants; or (iv) which is inconsistent with the maintenance of the Building as an office building of the first class in the quality of its maintenance, use, or occupancy. Tenant shall not install or use any electrical or other equipment of any kind which, in the reasonable judgment of Landlord, might cause any such impairment, interference, discomfort, inconvenience, annoyance or injury.

5.3 Licenses and Permits. Tenant shall be responsible for obtaining and maintaining any governmental license or permit required for the proper and lawful conduct of Tenant's business and shall at all times comply with the terms and conditions of each such license or permit. Tenant shall use the Premises in accordance with all applicable laws.

6. RENT

Commencing on the Rent Commencement Date and continuing throughout the Term, Tenant shall pay the Yearly Rent and other charges, at the rate stated in Exhibit 1, to Landlord monthly, in advance, without demand on the first day of each month. Notwithstanding the foregoing, Tenant shall pay the first monthly installment of rent on the execution of this Lease. Rent shall be prorated for any partial calendar month during the Term. The rent shall be payable to Landlord or, if Landlord shall so direct in writing, to Landlord's agent or nominee, at the office of Landlord or such place as Landlord may designate in writing from time to time, without offset or deduction. Yearly Rent and any other sums due hereunder not paid on or before the date due shall bear interest for each month or fraction thereof from the due date until paid computed at the annual rate of five (5) percentage points over the so-called The Wall Street Journal prime rate or at any applicable lesser maximum legally permissible rate for debts of this nature. In addition, if Tenant fails to pay any installment of rent or any other sums due

hereunder when due, Tenant shall pay Landlord an administration fee equal to five percent (5%) of the past due amount.

7. SECURITY DEPOSIT

7.1 Security Deposit. Tenant shall, at the time that Tenant executes and delivers this Lease to Landlord, pay to Landlord a security deposit (the "**Security Deposit**") in the amount set forth in Exhibit 1 securing Tenant's obligations under this Lease. In no event shall the Security Deposit be deemed to be a prepayment of rent or a measure of liquidated damages. Tenant agrees that no interest shall accrue on the Security Deposit and that Landlord shall have the right to commingle the Security Deposit with other funds of Landlord. In the event that Tenant shall default in any of its obligations under this Lease, Landlord shall have the right, without prior notice to Tenant, to apply the Security Deposit (or any portion thereof) towards the cure of any such default. Tenant shall promptly, upon notice from Landlord, pay to Landlord any amount so applied by Landlord in order to restore the full amount of the Security Deposit. In addition, in the event of a termination based upon the default of Tenant under this Lease, or a rejection of this Lease pursuant to the provisions of the Federal Bankruptcy Code, Landlord shall have the right to apply the Security Deposit (from time to time, if necessary) to cover the full amount of damages and other amounts due from Tenant to Landlord under this Lease. Any amounts so applied shall, at Landlord's election, be applied first to any unpaid rent and other charges which were due prior to the filing of the petition for protection under the Federal Bankruptcy Code. The application of all or any part of the Security Deposit to any obligation or default of Tenant under this Lease shall not deprive Landlord of any other rights or remedies Landlord may have or constitute a waiver by Landlord. Provided that Tenant is not in default of any of its obligations under this Lease at the expiration of the Term, Landlord shall refund to Tenant any portion of the Security Deposit which Landlord is then holding.

7.2 Letter of Credit

(a) In lieu of a cash Security Deposit, Tenant may deliver to Landlord, on the date that Tenant executes and delivers this Lease to Landlord, an Irrevocable Standby Letter of Credit (the "**Letter of Credit**") which shall be (1) in the form attached hereto as Exhibit 6 (with such changes as Landlord may from time to time reasonably request), (2) issued by a bank approved in writing by Landlord with an investment grade credit rating from Moody's (i.e., a rating of Baa3 or above), S&P (i.e., a rating of BBB- or above), or Fitch (i.e., a rating of BBB- or above) (an "Acceptable Bank"), (3) upon which presentment may be made in Boston, MA, Washington, DC, or elsewhere in the continental United States if presentation may be made by overnight courier (e.g., Federal Express), (4) in the amount set forth in Exhibit 1, and (5) for a term of at least one (1) year, subject to automatic extension in accordance with the terms of the Letter of Credit. If the issuer of the Letter of Credit ceases to qualify as an Acceptable Bank or becomes subject to insolvency or receivership proceedings of any sort, Tenant shall be required to deliver a substitute Letter of Credit satisfying the conditions hereof (the "**Substitute Letter of Credit**") within fifteen (15) business days after notice thereof from Landlord. If the issuer of the Letter of Credit gives notice of its election not to renew such Letter of Credit for any additional period, Tenant shall be required to deliver a Substitute Letter of Credit at least thirty (30) days prior to the expiration of the term of such Letter of Credit. If Tenant fails to furnish such renewal or replacement by the applicable deadline set forth above, Landlord may draw upon

such Letter of Credit and hold the proceeds thereof (the "**Security Proceeds**") as a cash Security Deposit pursuant to the terms of Section 7.1. Tenant agrees that it shall maintain the Letter of Credit, in the full amount required hereunder, in effect until a date which is at least sixty (60) days after the Expiration Date of this Lease. Tenant's failure to maintain or replace the Letter of Credit as required hereunder shall be treated as a failure to pay rent for purposes of Landlord's remedies.

(b) If Tenant is in default of its obligations under this Lease, then Landlord shall have the right, at any time after such event, without giving any further notice to Tenant, to draw down from the Letter of Credit (or Substitute Letter of Credit or Additional Letter of Credit, as defined below, as the case may be) (i) the amount necessary to cure such default or (ii) if such default cannot reasonably be cured by the expenditure of money, the amount which, in Landlord's opinion, is necessary to satisfy Tenant's liability in account thereof. In the event of any such draw by Landlord, Tenant shall, within fifteen (15) business days of written demand therefor, deliver to Landlord an additional Letter of Credit satisfying the foregoing conditions (the "**Additional Letter of Credit**"), except that the amount of such Additional Letter of Credit shall be the amount of such draw. In addition, in the event of a termination based upon the default of Tenant under this Lease, or a rejection of this Lease pursuant to the provisions of the Federal Bankruptcy Code, Landlord shall have the right to draw upon the Letter of Credit (from time to time, if necessary) to cover the full amount of damages and other amounts due from Tenant to Landlord under this Lease. Any amounts so drawn shall, at Landlord's election, be applied first to any unpaid rent and other charges which were due prior to the filing of the petition for protection under the Federal Bankruptcy Code. Tenant hereby covenants and agrees not to oppose, contest or otherwise interfere with any attempt by Landlord to draw down from said Letter of Credit including, without limitation, by commencing an action seeking to enjoin or restrain Landlord from drawing upon said Letter of Credit. Tenant also hereby expressly waives any right or claim it may have to seek such equitable relief. In addition to whatever other rights and remedies Landlord may have against Tenant if Tenant breaches its obligations under this paragraph, Tenant hereby acknowledges that it shall be liable for any and all damages which Landlord may suffer as a result of any such breach.

(c) Upon request of Landlord, Tenant shall, at its expense, cooperate with Landlord in obtaining an amendment to or replacement of any Letter of Credit which Landlord is then holding so that the amended or new Letter of Credit reflects the name of any new owner of the Building.

(d) To the extent that Landlord has not previously drawn upon any Letter of Credit, Substitute Letter of Credit, Additional Letter of Credit or Security Proceeds (collectively, the "**Collateral**") held by Landlord, Landlord shall return such Collateral to Tenant on the expiration of the Term, less any amounts due from Tenant hereunder.

(e) In no event shall the proceeds of any Letter of Credit be deemed to be a prepayment of rent or a measure of liquidated damages.

7.3 Reduction in Letter of Credit. Provided that Tenant (i) has not been in default of any of its monetary or material non-monetary obligations under this Lease in the twelve (12) months prior to the applicable Reduction Date, as hereafter defined, and (ii) has not been in

default under this Lease beyond applicable notice and cure periods at any time during the Term (collectively, "**Reduction Conditions**"), the Letter of Credit shall be reduced as set forth below on each of the Reduction Dates. As used herein, the "**Hard Reduction Date**" shall be the first day of the forty-third (43rd) full calendar month following the Rent Commencement Date (e.g., on June 1, 2019 if the Rent Commencement Date is November 10, 2015) and the "**Revenue Reduction Date**" shall be the first day of the month following the end of the first calendar year in the Term in which Tenant's total annual revenue equals or exceeds Seventy Million and 00/100 Dollars ($70,000,00.00), as evidenced by a certified copy of Tenant's most recent audited financial statements. Provided that the Reduction Conditions are met on the applicable Reduction Date, the Letter of Credit shall be reduced by Five Hundred Thousand and 00/100 Dollars ($500,000.00), effective as of the Hard Reduction Date, and by Five Hundred Thousand and 00/100 Dollars ($500,000.00), effective as of the Revenue Reduction Date. The parties acknowledge that the Revenue Reduction Date may occur before or after the Hard Reduction Date, or may never occur. Tenant shall request such reduction in a written notice to Landlord after the applicable Reduction Date, and if the Reduction Conditions have been met, Landlord shall so notify Tenant, whereupon Tenant shall provide Landlord with a Substitute Letter of Credit in the reduced amount (in which event Landlord shall forthwith return the previously held Letter of Credit), or an amendment to the Letter of Credit reducing it to the reduced amount. If the Reduction Conditions are not met on a Reduction Date, Tenant shall have no further right to reduce the amount of the Letter of Credit pursuant to this Section 7.3.

8. SERVICES FURNISHED BY LANDLORD

8.1 Electric Current.

(a) The parties acknowledge that Landlord shall, as part of Landlord's Base Building Work (as defined in Section 4.7), install a separate meter to measure the consumption of electricity in the Premises. Tenant shall contract directly with the company supplying electricity to the Building for electric service, which service shall be billed directly to, and paid for by, Tenant. Landlord shall maintain the separate meter, at Landlord's cost, during the Term of the Lease.

(b) If Tenant shall require electric current for use in the Premises in excess of such amount as is customarily required for office use in the amount of floor area comprised by the Premises, and if (i) in Landlord's reasonable judgment, Landlord's facilities are inadequate for such excess requirements or (ii) such excess use shall result in an additional burden on the Building air conditioning system and additional cost to Landlord on account thereof, then, as the case may be, (x) Landlord, upon written request and at the sole cost and expense of Tenant, will furnish and install such additional wire, conduits, feeders, switchboards and appurtenances as reasonably may be required to supply such additional requirements of Tenant if current therefor be available to Landlord, provided that the same shall be permitted by applicable laws and insurance regulations and shall not cause damage to the Building or the Premises or cause or create a dangerous or hazardous condition or entail excessive or unreasonable alterations or repairs or interfere with or disturb other tenants or occupants of the Building or (y) Tenant shall reimburse Landlord for such additional cost, as aforesaid. In the case of any additional electrical equipment being installed by or for Tenant, all the electricity serving such equipment shall be

submetered, at Tenant's sole cost and expense, and Tenant shall reimburse Landlord for the cost of electricity consumed by such equipment as shown on such submeter.

(c) Subject to the provisions of Section 8.8, Landlord shall not in any way be liable or responsible to Tenant for any loss, damage or expense which Tenant may sustain or incur if the quantity, character, or supply of electrical energy is changed or is no longer available or suitable for Tenant's requirements.

(d) Tenant agrees that it will not make any material alteration or material addition to the electrical equipment and/or appliances in the Premises without the prior written consent of Landlord in each instance first obtained, which consent will not be unreasonably withheld, conditioned, or delayed, and Tenant will promptly advise Landlord of any other alteration or addition to such electrical equipment and/or appliances.

8.2 Water.

Landlord shall furnish cold water for ordinary premises, cleaning, toilet, lavatory and drinking purposes and hot water for the core restroom sinks. If Tenant requires, uses or consumes water for any purpose other than for the aforementioned purposes, Landlord may (i) assess a reasonable charge for the additional water so used or consumed by Tenant or (ii) install a water meter and thereby measure Tenant's water consumption for all purposes. In the latter event, Landlord shall pay the cost of the meter and the cost of installation thereof and shall keep said meter and installation equipment in good working order and repair. Tenant agrees to pay for water consumed, as shown on said meter, together with the sewer charge based on said meter charges, as and when bills are rendered, and on default in making such payment Landlord may pay such charges and collect the same from Tenant. All piping and other equipment and facilities for use of water outside the Building core will be installed and maintained by contractors approved by Landlord at Tenant's sole cost and expense.

8.3 Elevators, Heat, and Cleaning.

(a) "**Business Hours**" shall be defined as Mondays-Fridays (other than Building Holidays, as hereinafter defined) during the hours between 8:00 a.m. and 8:00 p.m. and on Saturdays (other than Building Holidays) during the hours between 8:00 a.m. and 1:00 p.m. "**Building Holidays**" shall include New Year's Day, Martin Luther King Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day and Christmas Day, and any other day declared a holiday by the federal government or the Commonwealth of Massachusetts.

(b) Landlord at its expense shall: (i) provide necessary elevator facilities during Business Hours and have one elevator in operation available for Tenant's non-exclusive use at all other times; (ii) furnish heat (substantially equivalent to that being furnished in first-class office buildings in Cambridge, Massachusetts to the Premises during Business Hours; and (iii) cause the office areas of the Premises to be cleaned on Mondays-Fridays (except for Building Holidays) provided the same are kept in order by Tenant substantially in accordance with the cleaning standards generally prevailing in first-class office buildings in Cambridge, Massachusetts.

(c) With respect to furnishing heat on Saturdays, if Landlord determines that the majority of tenants in the Building are not utilizing their premises on Saturdays, then in order to conserve energy, Landlord reserves the right to provide such service only on request; service during the hours between 8:00 a.m. and 1:00 p.m. will be without charge to Tenant, but Tenant must request same by giving Landlord written notice thereof at least one (1) business day prior to the date such service is required.

8.4 Air Conditioning.

(a) Landlord shall furnish to and distribute in the Premises air conditioning as normal seasonal changes may require during Business Hours when air conditioning may reasonably be required for the comfortable occupancy of the Premises by Tenant. Tenant agrees to close the blinds when necessary because of the sun's position, whenever the air conditioning system is in operation, and to abide by all the reasonable regulations and requirements which Landlord may prescribe for, the proper functioning and protection of the air conditioning system.

(b) With respect to furnishing air conditioning on Saturdays, if Landlord determines that the majority of tenants in the Building are not utilizing their premises on Saturdays, then in order to conserve energy, Landlord reserves the right to provide such service only on request; service during the hours between 8:00 a.m. and 1:00 p.m. will be without charge to Tenant, but Tenant must request same by giving Landlord written notice thereof at least one (1) business day prior to the date such service is required.

8.5 Additional Heat, Cleaning and Air Conditioning Services.

(a) Landlord will use reasonable efforts, upon one (1) business day's advance written notice from Tenant of its requirements in that regard, to furnish additional cleaning services to the Premises on days and at times other than as above provided. Furthermore, Tenant can request additional heat or air conditioning services to the Premises on days and at times other than as above provided on demand from the Premises.

(b) Tenant will pay to Landlord a reasonable charge (i) for any such additional heat or air conditioning service required by Tenant on an hourly basis at the prevailing hourly rate, (ii) for any extra cleaning of the Premises required because of the carelessness or indifference of Tenant or because of the nature of Tenant's business, and (iii) for any cleaning done at the request of Tenant of any portions of the Premises which may be used for storage, a shipping room or other non-office purposes. If the cost to Landlord for cleaning the Premises shall be increased due to the installation in the Premises, at Tenant's request, of any materials or finish other than those which are building standard, Tenant shall pay to Landlord an amount equal to such increase in cost. Landlord hereby represents to Tenant that, as of the Execution Date of this Lease, the charge of overtime heating and cooling is $75.00 per hour (subject to Landlord's right, from time to time, to increase such charge to reflect actual increases in the cost of providing such services after prior notice to Tenant).

8.6 Additional Air Conditioning Equipment. In the event Tenant requires additional air conditioning for business machines, meeting rooms or other special purposes, or because of occupancy or excess electrical loads, any additional air conditioning units, chillers, condensers,

compressors, ducts, piping and other equipment, such additional air conditioning equipment will be installed and maintained by contractors approved by Landlord at Tenant's sole cost and expense, but only if, in Landlord's reasonable judgment, the same will not cause damage or injury to the Building or create a dangerous or hazardous condition or entail excessive or unreasonable alterations, repairs or expense or interfere with or disturb other tenants; and Tenant shall reimburse Landlord in such an amount as will compensate Landlord for the cost incurred by Landlord in operating such additional air conditioning equipment. All such equipment shall be submetered as provided in Section 8.1 hereof Landlord agrees that the HVAC in the Building is sufficient for Tenant's Permitted Use based on the layout provided for Landlord's TI Work.

8.7 Repairs. Except as otherwise provided in Articles 18 and 20, and subject to Tenant's obligations in Article 14, Landlord shall keep and maintain the roof, exterior walls, structural floor slabs, columns, elevators, public stairways and corridors, public lavatories, equipment (including, without limitation, sanitary, plumbing, fire and life safety, electrical, heating, air conditioning, or other systems), exterior windows (except the interior surfaces of windows in tenant spaces), entrance to the Building, lobby of the Building and the Building Garage (as defined in Article 29.12) and other common facilities of both the Building and the Common Areas in good condition and repair.

8.8 Interruption or Curtailment of Services.

(a) When necessary by reason of accident or emergency, or for repairs, alterations, replacements or improvements which in the reasonable judgment of Landlord are desirable or necessary to be made, or of difficulty or inability in securing supplies or labor, or of strikes, or of Force Majeure (as defined in Article 26 hereof), whether such other cause be similar or dissimilar to those hereinabove specifically mentioned until said cause has been removed,

Landlord reserves the right to interrupt, curtail, stop or suspend (i) the furnishing of heating, elevator, air conditioning, and cleaning services and (ii) the operation of the plumbing and electric systems. Landlord shall exercise reasonable diligence to eliminate the cause of any such interruption, curtailment, stoppage or suspension, but there shall be no diminution or abatement of rent or other compensation due from Landlord to Tenant hereunder, nor shall this Lease be affected or any of Tenant's obligations hereunder reduced, and Landlord shall have no responsibility or liability for any such interruption, curtailment, stoppage, or suspension of services or systems.

(b) Notwithstanding anything to the contrary in this Lease contained, if the Premises shall lack any service which Landlord is required to provide hereunder (thereby rendering the Premises or a portion thereof untenantable) (a "**Service Interruption**") so that, for the Landlord Service Interruption Cure Period, as hereinafter defined, the continued operation in the ordinary course of Tenant's business is materially adversely affected and if Tenant ceases to use the affected portion of the Premises during the period of untenantability as the direct result of such lack of service, then, provided that Tenant ceases to use the affected portion of the Premises during the entirety of the Landlord Service Interruption Cure Period and that such untenantability and Landlord's inability to cure such condition is not caused by the fault or neglect of Tenant or Tenant's agents, employees or contractors, Yearly Rent, Operating Expense Excess and Tax Excess shall thereafter be abated in proportion to such untenantability until such condition is cured sufficiently to allow Tenant to occupy the affected portion of the Premises. For the

purposes hereof, the "**Landlord Service Interruption Cure Period**" shall be defined as three (3) consecutive business days after Landlord's receipt of written notice from Tenant of the condition causing untenantability in the Premises, provided however, that the Landlord Service Interruption Cure Period shall be seven (7) consecutive business days after Landlord's receipt of written notice from Tenant of such condition causing untenantability in the Premises if either the condition was caused by causes beyond Landlord's control or Landlord is unable to cure such condition as the result of causes beyond Landlord's control.

(c) The provisions of subparagraph (b) of this Section 8.8 shall not apply in the event of untenantability caused by fire or other casualty, or taking (see Articles 18 and 20). The remedies set forth in this Section 8.8 shall be Tenant's sole remedies in the event of a Service Interruption.

8.9 Energy Conservation. Notwithstanding anything to the contrary in this Article 8 or in this Lease contained, Landlord may institute, and Tenant shall comply with, such policies, programs and measures as may be necessary, required, or expedient for the conservation and/or preservation of energy or energy services, or as may be necessary or required to comply with applicable codes, rules, regulations or standards.

8.10 Miscellaneous. All services provided by Landlord to Tenant are based upon an assumed maximum premises population of one person per two hundred (200) square feet of Total Rentable Area of the Premises (one person per one hundred fifty (150) square feet of Total Rentable Area of the Premises for air conditioning), which limit Tenant shall in no event exceed.

8.11 Access. So long as Tenant shall comply with Landlord's reasonable security program for the Building, Tenant shall have access to the Premises and (for monthly pass holders) the Building Garage twenty-four (24) hours per day, three hundred sixty-five (365) days per year, during the Term of this Lease, except in an emergency. The Building is currently accessed by an electronic access system wherein tenants are permitted access to the Building by presenting electronic access cards at the electronic card readers. Tenant shall have the right, at Tenant's cost and subject to Landlord's review and approval, and provided that Tenant provides Landlord with access cards or codes thereto, to install a security system controlling access to the Premises that is compatible with the Building system.

9. OPERATING COSTS AND TAXES

9.1 Definitions. As used in this Article 9, the words and terms which follow mean and include the following:

(a) "**Operating Year**" shall mean a calendar year in which occurs any part of the Term of this Lease.

(b) "**Operating Costs in the Base Year**" shall be the amount as stated in Exhibit 1.

(c) "**Tenant's Proportionate Share**" shall be the percentage as stated in Exhibit 1.

(d) "**Taxes**" shall mean the real estate taxes and other taxes, levies and assessments imposed upon the Building and the land on which it stands and upon any personal property of Landlord used in the operation thereof, or Landlord's interest in the Building or such personal property; charges, fees and assessments for transit, housing, police, fire or other governmental services or purported benefits to the Building; service or user payments in lieu of taxes; any assessments in connection with any business improvement district in which the Building may be located or any similar program(s) in which the Building may participate; and any and all other taxes, levies, betterments, assessments and charges arising from the ownership, leasing, operating, use or occupancy of the Building or based upon rentals derived therefrom, which are or shall be imposed by National, State, Municipal or other authorities. As of the Execution Date, "Taxes" shall not include any franchise, rental, income or profit tax, capital levy or excise, provided, however, that any of the same and any other tax, excise, fee, levy, charge or assessment, however described, that may in the future be levied or assessed as a substitute for or an addition to, in whole or in part, any tax, levy or assessment which would otherwise constitute "Taxes," whether or not now customary or in the contemplation of the parties on the Execution Date of this Lease, shall constitute "Taxes," but only to the extent calculated as if the Building and the land upon which it stands is the only real estate owned by Landlord. "Taxes" shall also include expenses of tax abatement or other proceedings contesting assessments or levies. Wherever the term "Building" is used in determining Taxes, it shall mean Taxes specific to the actual Building, or the equitably prorated and apportioned portion of those Taxes which apply to the Building together with other buildings or properties.

(e) "**Tax Base**" shall be the amount stated in Exhibit 1 and shall apply to a Tax Period of twelve (12) months. Tax Base shall be reduced pro rata if and to the extent that the Tax Period contains fewer than twelve (12) months.

(f) "**Tax Period**" shall be any fiscal/tax period in respect of which Taxes are due and payable to the appropriate governmental taxing authority, any portion of which period occurs during the Term of this Lease, the first such Tax Period being the one in which the Rent Commencement Date occurs.

(g) "**Operating Costs**":

(1) Definition of Operating Costs. "**Operating Costs**" shall mean all costs incurred by Landlord in the operation and management, for repair and replacements, cleaning and maintenance of the Building including, without limitation, vehicular and pedestrian passageways related to the Building, related equipment, facilities and appurtenances, elevators, cooling and heating equipment. In the event that Landlord or Landlord's managers or agents perform services for the benefit of the Building off-site which would otherwise be performed on-site (e.g., accounting), the cost of such services shall be reasonably allocated among the properties benefiting from such service and shall be included in Operating Costs. Operating Costs shall include, without limitation, those categories of "Specifically Included Categories of Operating Costs", as set forth below, but shall not include "Excluded Costs," as hereinafter defined. If Landlord incurs Operating Costs for the Building together with

one or more other buildings or properties, the shared costs and expenses shall be equitably prorated and apportioned between the Building and the other buildings or properties. Wherever the term "Building" is used in determining Operating Costs, it shall mean Operating Costs specific to the actual Building, or the equitably prorated and apportioned portion of those costs which apply to the Building together with other buildings or properties.

(2) Definition of Excluded Costs. "**Excluded Costs**" shall be defined as the following:

(i) Costs of renovating or otherwise improving, decorating, painting or redecorating space for tenants or other occupants of the Building.

(ii) Leasing fees or commissions, advertising and promotional expenses, legal fees, the cost of tenant improvements, build out allowances, moving expenses, assumption of rent under existing leases and other concessions incurred in connection with leasing space in the Building.

(iii) All capital expenditures, depreciation and amortization, except as otherwise explicitly provided in this Article 9.

(iv) Any cost or expense to the extent that Landlord is reimbursed other than as a payment for Operating Costs, including, but not limited to, (i) work or services performed for any tenant (including Tenant) at such tenant's cost, (ii) the cost of any item for which Landlord is paid or reimbursed by warranties, service contracts, insurance proceeds or otherwise, (iii) increased insurance premiums or taxes assessed specifically to any tenant of the Building, (iv) charges (including applicable taxes) for electricity, water and other utilities for which Landlord is reimbursed by any tenant; and (v) costs incurred in connection with the making of repairs which are the reimbursed by another tenant of the Building.

(v) Wages, salaries, or other compensation paid to any executive employees above the grade of general manager, except that if any such employee performs a service which would have been performed by an outside consultant, the compensation paid to such employee for performing such service shall be included in Operating Costs, to the extent only that the cost of such service does not exceed competitive cost of such service had such service been rendered by an outside consultant.

(vi) Interest on debt or amortization payments on any mortgage or mortgages (except to the extent that such interest is included together with the amortization of capital expenditures which are permitted to be passed through pursuant to the provisions of this Article 9).

(3) Capital Expenditures. Capital expenditures for replacements of existing capital items shall not be included in Operating Costs. If a new capital item is acquired which does not replace another capital item which was worn out, has become obsolete, etc., then there shall be included in Operating Costs for each Operating Year in which and after such capital expenditure is made the Annual Charge-Off of such capital expenditure.

(i) Limitation. Notwithstanding anything to the contrary herein contained, with respect to a new (i.e., as opposed to replacement) capital expenditure, such capital expenditure shall be included in Operating Costs only if:

(x) the new capital item being acquired is required by law first enacted or adopted after the Execution Date of this Lease; or

(y) The new capital item is reasonably projected to reduce Operating Costs.

(ii) Annual Charge-Off. "**Annual Charge-Off**" shall be defined as the annual amount of principal and interest payments which would be required to repay a loan ("**Capital Loan**") in equal monthly installments over the Useful Life, as hereinafter defined, of the capital item in question on a level payment direct reduction basis at an annual interest rate equal to the Capital Interest Rate, as hereinafter defined, where the initial principal balance is the cost of the capital item in question. However, if a particular capital expenditure effects savings in Building operating costs including, without limitation, energy-related costs, and such savings, on an annual basis ("**Annual Savings**"), exceed the Annual Charge-Off of such capital expenditure computed as aforesaid, then and in such event, the Annual Charge-Off shall be increased to an amount equal to the Annual Savings; and in such circumstances, the increased Annual Charge-Off (in the amount of the Annual Savings) shall be made for such period of time as it would take to fully amortize the cost of the capital item in question, together with interest thereon at the Capital Interest Rate as aforesaid, in equal monthly payments, each in the amount of one-twelfth (1/12th) of the Annual Savings, with such payments being applied first to interest and the balance to principal.

(iii) Useful Life. "**Useful Life**" shall be reasonably determined by Landlord in accordance with generally accepted accounting principles and practices in effect at the time of acquisition of the capital item.

(iv) Capital interest Rate. "**Capital Interest Rate**" shall be defined as an annual rate of either the so-called The Wall Street Journal prime rate at the time the capital expenditure is made or, if the capital item is acquired through third-party financing, then the actual (including fluctuating) rate paid by Landlord in financing the acquisition of such capital item.

(4) "**Specifically Included Categories of Operating Costs**." Operating Costs shall include, but not be limited to, the following:

Taxes (other than real estate taxes): Sales, Federal Social Security, Unemployment and Medicare Taxes and contributions and State Unemployment taxes and contributions accruing to and paid by Landlord on account of all employees of Landlord and/or Landlord's managing agent, who are employed in, about or on account of the Building, except that taxes levied upon the net income of Landlord and taxes withheld from employees, and "Taxes" as defined in Section 9.1(d) shall not be included herein.

Water: All charges and rates connected with water supplied to the Building and related sewer use charges.

Heat and Air Conditioning: All charges connected with heat and air conditioning supplied to the Building, excluding capital expenses for replacement, except as otherwise permitted under this Lease.

Wages: Wages and the cost of all employee benefits of all employees of Landlord and/or Landlord's managing agent who are employed in, about or on account of the Building.

Cleaning: The cost of labor and material for cleaning the Building, surrounding areaways and windows in the Building.

Elevator Maintenance: All expenses for or on account of the upkeep and maintenance of all elevators in the Building.

Management Fee: The cost of professional management of the Building in an amount equal to three percent (3%) of the gross revenues of the Building, as adjusted per Section 9.1(g)(5) below.

Office Expenses: The cost of office expense, including, without limitation, rent, business supplies and equipment.

Electricity: The cost of all electric current for the operation of any machine, appliance or device used for the operation of the Premises and the Building, including the cost of electric current for the elevators, lights, air conditioning and heating, but not including electric current which is paid for directly to the utility by any occupant of the Building. If and so long as Tenant is billed directly by the electric utility for its own consumption as determined by its separate meter, or billed directly by Landlord as determined by a check meter, then Operating Costs shall include only Building and public area electric current consumption and not any demised premises electric current consumption. Wherever separate metering is unlawful, prohibited by utility company regulation or tariff or is otherwise impracticable, relevant consumption figures for the purposes of this Article 9 shall be determined by fair and reasonable allocations and engineering estimates made by Landlord. Furthermore, if and to the extent that the figure for Operating Costs in the Base Year shall include any component representing the cost to Landlord of electric current supplied to any tenant's premises under so-called "rent-inclusion" lease arrangements, then if such cost is eliminated from Operating Costs in an Operating Year in accordance with the foregoing provisions, the figure for Operating Costs in the Base Year for the purposes of this Article 9 shall likewise be reduced by the amount for such cost component.

Insurance, etc.: Fire, casualty, liability, rent loss and such other insurance as may from time to time be carried by Landlord with respect to the Building, and the fees of Landlord's insurance consultants or brokers in connection therewith.

Other: Any common area or other charges which Landlord is required to pay with respect to Landlord's interest in the Building pursuant to any condominium, reciprocal easement or other similar documents applicable thereto and all other expenses customarily incurred in connection with the operation and maintenance of first-class office buildings in the City or Town wherein the Building is located including, without limitation, insurance deductible amounts.

(5) Gross-Up Provision. Notwithstanding the foregoing, in determining the amount of Operating Costs for any calendar year or portion thereof falling within the Term (including Operating Costs in the Base Year), if less than ninety-five percent (95%) of the Rentable Area of the Building shall have been occupied by tenants at any time during the period in question, then, at Landlord's election, Operating Costs for such period shall be adjusted to equal the amount Operating Costs would have been for such period had occupancy been ninety-five percent (95%) throughout such period. The extrapolation of Operating Costs under this paragraph shall be performed by appropriately adjusting the cost of those components of Operating Costs that are impacted by changes in the occupancy of the Building.

9.2 Tax Excess. If in any Tax Period the Taxes exceed the Tax Base, Tenant shall pay to Landlord Tenant's Proportionate Share of such excess, such amount being hereinafter referred to as "**Tax Excess**". Tenant shall pay the Tax Excess as follows: commencing July 1, 2016, Tenant shall make monthly estimated payments on account of the projected Tax Excess, as reasonably estimated by Landlord on the basis of the most recent Tax data available. Such monthly estimated payments shall be made commencing on the aforesaid date and otherwise at the same time and in the same manner as Tenant's monthly payments of Yearly Rent. Landlord shall furnish to Tenant, after the end of each year, a statement setting forth in reasonable detail the basis for the computation of Tax Excess. If the total of Tenant's monthly estimated payments with respect to any Tax Period is greater than the actual Tax Excess for such Tax Period, Tenant may credit the difference against the next installment of rental or other charges due to Landlord hereunder. If the total of such payments is less than the actual Tax Excess for such Tax Period, Tenant shall pay the difference to Landlord within thirty (30) days after Landlord's billed therefor.

Appropriate credit against Tax Excess shall be given for any refund obtained by reason of a reduction in any Taxes by the Assessors or the administrative, judicial or other governmental agency responsible therefor. The original computations, as well as reimbursement or payments of additional charges, if any, or allowances, if any, under the provisions of this Section 9.2 shall be based on the original assessed valuations, including the valuation for fiscal/tax year 2016, with adjustments to be made at a later date when the tax refund, if any, shall be paid to Landlord by the taxing authorities. Expenditures for legal fees and for other similar or dissimilar reasonable third party expenses incurred in obtaining the tax refund may be charged against the tax refund before the adjustments are made for the Tax Period.

9.3 Operating Costs Excess. If the Operating Costs in any Operating Year exceed the Operating Costs in the Base Year, Tenant shall pay to Landlord Tenant's Proportionate Share of such excess, such amount being hereinafter referred to as "**Operating Costs Excess**." Tenant shall pay the Operating Costs Excess as follows: commencing on the later to occur of (x) January 1, 2016 and (y) the Rent Commencement Date, Tenant shall make monthly estimated payments on account of the projected Operating Costs Excess, as reasonably estimated by Landlord on the basis of the most recent Operating Costs data or budget available. Such monthly estimated payments shall be made commencing on the aforesaid date and otherwise at the same time and in the same manner as Tenant's monthly payments of Yearly Rent. Landlord shall furnish to Tenant, after the end of each year, a statement setting forth in reasonable detail the basis for the computation of Operating Costs Excess for each year, and shall provide Tenant with reasonable supporting information upon written request therefor given within two hundred seventy (270) days of Tenant's receipt of such statement. If the total of Tenant's monthly estimated payments with respect to any Operating Year is greater than the actual Operating Costs Excess for such Operating Year, Tenant may credit the difference against the next installment of rental or other charges due to Landlord hereunder (or, if the Term shall have been terminated or expired, Landlord shall refund such excess within thirty (30) days after written request therefor). If the total of such payments is less than the actual Operating Costs Excess for such Operating Year, Tenant shall pay the difference to Landlord within thirty (30) days after billed therefor.

9.4 Part Years. If Tenant is obligated to pay Operating Costs Excess or Tax Excess for only a part of an Operating Year or a Tax Period, Tenant's Proportionate Share of the

Operating Costs Excess or Tax Excess, as the case may be, in respect of such Operating Year or Tax Period shall be reduced to an amount determined by multiplying such Tenant's Proportionate Share by a fraction, the numerator of which is the number of days within such Operating Year or Tax Period for which Tenant has liability for the Operating Costs Excess or Tax Excess, as the case may be, and the denominator of which is three hundred sixty-five (365).

9.5 Effect of Taking. In the event of any taking of the Building or the land upon which it stands under circumstances whereby this Lease shall not terminate under the provisions of Article 20 then, for the purposes of determining Tax Excess there shall be substituted for the Tax Base originally provided for herein a fraction of such Tax Base, the numerator of which fraction shall be the Taxes for the first Tax Period subsequent to the condemnation or taking which takes into account such condemnation or taking, and the denominator of which shall be the Taxes for the last Tax Period prior to the condemnation or taking, which did not take into account such condemnation or taking. Tenant's Proportionate Share shall be adjusted appropriately to reflect the proportion of the Premises and/or the Building remaining after such taking.

9.6 Disputes, etc. Any disputes arising under this Article 9 may, at the election of either party, be submitted to arbitration as hereinafter provided. Any obligations under this Article 9 which shall not have been paid at the expiration or sooner termination of the Term of this Lease shall survive such expiration and shall be paid when and as the amount of same shall be determined to be due.

10. CHANGES OR ALTERATIONS BY LANDLORD

Landlord reserves the right, exercisable by itself or its nominee, at any time and from time to time without the same constituting an actual or constructive eviction and without incurring any liability to Tenant therefor or otherwise affecting Tenant's obligations under this Lease, to make such changes, alterations, additions, improvements, repairs or replacements in or to: (i) the Building (including the Premises, provided that any changes made to the Premises shall not materially impact Tenant's use thereof for the Permitted Use or materially reduce the usable area of the Premises) and the fixtures and equipment thereof, (ii) the street entrances, halls, passages, elevators, escalators, and stairways of the Building, and (iii) the Common Areas and facilities located therein, as Landlord may deem necessary or desirable, and to change the arrangement and/or location of entrances or passageways, doors and doorways, and corridors, elevators, stairs, toilets, or other public parts of the Building (other than to or within the Premises) and/or the Common Areas, provided, however, that there be no unreasonable material obstruction of the right of access to the Premises or the parking described in Section 29.12, or unreasonable interference with the use and enjoyment of the Premises by Tenant. Any entry by Landlord shall be in accordance with Section 2.3. Nothing contained in this Article 10 shall be

deemed to relieve Tenant of any duty, obligation or liability of Tenant with respect to making any repair, replacement or improvement or complying with any law, order or requirement of any governmental or other authority. Landlord reserves the right to adopt and at any time and from time to time to change the name or address of the Building provided Landlord gives at least thirty (30) days' prior written notice to Tenant, at any time, and further provided that Landlord shall reimburse Tenant for the actual reasonable cost of new stationery, business cards and marketing materials required as a result of such change. Neither this Lease nor any use by

Tenant shall give Tenant any right or easement for the use of any door, passage, concourse or walkway within the Building (other than to or within the Premises) or in the Common Areas, and the use of such doors, passages, concourses or walkways may be regulated or discontinued at any time and from time to time by Landlord without notice to Tenant and without affecting the obligation of Tenant hereunder or incurring any liability to Tenant therefor, provided, however, that there be no unreasonable obstruction of the right of access to, or unreasonable interference with the use of the Premises by Tenant. Landlord shall use commercially reasonable efforts to perform exceptionally noisy or otherwise invasive work in the vicinity of the Premises in a manner which will minimize interference with Tenant's use and enjoyment of the Premises to the extent reasonably practicable.

If at any time any windows of the Premises are temporarily closed or darkened for any reason whatsoever including but not limited to Landlord's own acts, Landlord shall not be liable for any damage Tenant may sustain thereby, and Tenant shall not be entitled to any compensation therefor nor abatement of rent, nor shall the same release Tenant from its obligations hereunder or constitute an eviction, provided that Landlord shall use commercially reasonable efforts to minimize the period during which any windows are closed or darkened as aforesaid.

11. FIXTURES, EQUIPMENT AND IMPROVEMENTS—REMOVAL BY TENANT

All fixtures, equipment, improvements and appurtenances attached to or built into the Premises prior to or during the Term, whether by Landlord at its expense or at the expense of Tenant (either or both) or by Tenant shall be and remain part of the Premises and shall not be removed by Tenant during or at the end of the Term unless Landlord otherwise elects to require Tenant to remove such fixtures, equipment, improvements and appurtenances, in accordance with Articles 12 and/or 22 of this Lease. All electric, plumbing, heating and sprinkling systems, fixtures and outlets, vaults, paneling, molding, shelving, radiator enclosures, cork, rubber, linoleum and composition floors, ventilating, silencing, air conditioning and cooling equipment, shall be deemed to be included in such fixtures, equipment, improvements and appurtenances, whether or not attached to or built into the Premises. Landlord agrees to notify Tenant whether it will be required to remove any such fixtures, equipment, improvements and appurtenances at the end of the term at the time that Landlord approves Tenant's plans for same. Where not built into the Premises, all removable electric fixtures, carpets, drinking or tap water facilities, furniture, or trade fixtures or business equipment or Tenant's inventory or stock in trade shall not be deemed to be included in such fixtures, equipment, improvements and appurtenances and may be, and upon the request of Landlord, will be, removed by Tenant upon the condition that such removal shall not materially damage the Premises or the Building and that the cost of repairing any damage to the Premises or the Building arising from installation or such removal shall be paid by Tenant. If this Lease shall be terminated by reason of Tenant's breach or default, then, notwithstanding anything to the contrary in this Lease contained, Landlord shall have a lien against all Tenant's property in the Premises or elsewhere in the Building at the time of such termination to secure Landlord's rights under Article 21 hereof. Tenant shall, within ten (10) days of Landlord's written request, from time to time, execute and deliver to Landlord such documentation (e.g., UCC statements) as may be necessary to enable Landlord to perfect such lien.

12. ALTERATIONS AND IMPROVEMENTS BY TENANT

Tenant shall make no alterations, decorations, installations, removals, additions or improvements in or to the Premises ("**Alterations**") without Landlord's prior written consent and then only those that are made by contractors or mechanics approved by Landlord. No installations or work shall be undertaken or begun by Tenant until: (i) Landlord has approved written plans and specifications and a time schedule for such work; (ii) Tenant has made provision for either written waivers of liens from all contractors, laborers and suppliers of materials for such installations or work, the filing of lien bonds on behalf of such contractors, laborers and suppliers, or other appropriate protective measures approved by Landlord; and (iii) Tenant has procured appropriate surety payment and performance bonds with respect to work, the cost of which exceeds Seventy-Five Thousand and 00/100 Dollars ($75,000.00). No amendments or additions to such plans and specifications shall be made without the prior written consent of Landlord. Landlord's consent and approval required under this Article 12 shall not be unreasonably withheld. Landlord's approval is solely given for the benefit of Landlord, and neither Tenant nor any third party shall have the right to rely upon Landlord's approval of Tenant's plans for any purpose whatsoever. Without limiting the foregoing, Tenant shall be responsible for all elements of the design of Tenant's plans (including, without limitation, compliance with law, functionality of design, the structural integrity of the design, the configuration of the Premises and the placement of Tenant's furniture, appliances and equipment), and Landlord's approval of Tenant's plans shall in no event relieve Tenant of the responsibility for such design. Landlord shall have no liability or responsibility for any claim, injury or damage alleged to have been caused by the particular materials, whether building standard or non-building standard, appliances or equipment selected by Tenant in connection with any work performed by or on behalf of Tenant in the Premises including, without limitation, furniture, carpeting, copiers, laser printers, computers and refrigerators. Any such Alterations shall be done at Tenant's sole expense and at such times and in such manner as Landlord may from time to time reasonably designate, and Tenant shall pay Landlord an oversight fee equal to three percent (3%) of the hard costs of any such work. If Tenant shall make any Alterations, then Landlord may elect to require Tenant at the expiration or sooner termination of the Term of this Lease to restore the Premises to substantially the same condition as existed at the Commencement Date. If Tenant so requests in writing at the time that Tenant requests Landlord's approval of such Alterations, Landlord agrees to make such election at the time that Landlord approves Tenant's plans for any such Alterations.

Notwithstanding anything to the contrary herein contained, Tenant shall have the right, without obtaining Landlord's consent and without paying the aforesaid oversight fee, to make interior nonstructural Alterations costing not more than Seventy-Five Thousand and 00/100 Dollars ($75,000.00) in each instance, provided however that:

(a) Tenant shall give prior written notice to Landlord of such Alterations;

(b) Tenant shall submit to Landlord plans for such Alterations if Tenant utilizes plans for such Alterations; and

(c) such Alterations shall not materially affect any of the Building's systems, or the ceiling of the Premises.

13. TENANT'S CONTRACTORS—MECHANICS' AND OTHER LIENS—STANDARD OF TENANT'S PERFORMANCE—COMPLIANCE WITH LAWS

Whenever Tenant shall make any Alterations in or to the Premises—whether such work be done prior to or after the Commencement Date—Tenant will strictly observe the following covenants and agreements:

(a) Tenant agrees that it will not, either directly or indirectly, use any contractors and/or materials if, in the reasonable judgment of Landlord, their use may cause any harm to Landlord or create any difficulty, whether in the nature of a labor dispute or otherwise, in the construction, maintenance and/or operation of the Building or any part thereof

(b) In no event shall any material or equipment be incorporated in or added to the Premises, so as to become a fixture or otherwise a part of the Building, in connection with any such Alteration which is subject to any lien (other than a notice of contract or mechanics' lien which shall be governed by the provisions hereunder set forth), charge, mortgage or other encumbrance of any kind whatsoever or is subject to any security interest or any form of title retention agreement, except for leased office equipment that is not permanently attached to the Premises. No installations or work shall be undertaken or begun by Tenant until Tenant has complied with the requirements of Article 12 hereof. Any mechanic's lien filed against the Premises or the Building for work claimed to have been done for, or materials claimed to have been furnished to, Tenant shall be discharged by Tenant within twenty (20) days thereafter, at Tenant's expense by filing the bond required by law or otherwise. If Tenant fails so to discharge or bond any lien, Landlord may do so at Tenant's expense, and Tenant shall reimburse Landlord for any expense or cost incurred by Landlord in so doing within fifteen (15) days after rendition of a bill therefor.

(c) All installations or work done by Tenant shall be at its own expense (except as otherwise specifically set forth herein) and shall at all times comply with (i) laws, rules, orders and regulations of governmental authorities having jurisdiction thereof; (ii) orders, rules and regulations of any Board of Fire Underwriters, or any other body hereafter constituted exercising similar functions, and governing insurance rating bureaus; (iii) the Rules and Regulations of Landlord, initially set forth in Exhibit 4 hereof, as the same may be modified from time to time over the Term of this Lease; and (iv) plans and specifications prepared by and at the expense of Tenant theretofore submitted to and approved by Landlord.

(d) Tenant shall procure all necessary permits before undertaking any work in the Premises; do all of such work in a good and workmanlike manner, employing materials of good quality and complying with all governmental requirements; and defend, save harmless, exonerate and indemnify Landlord and Landlord's managing agent from all injury, loss or damage to any person or property occasioned by or growing out of such work, except to the extent caused by the negligence or willful misconduct of Landlord. Tenant shall cause contractors employed by Tenant (i) to carry the insurance required in Section II of Exhibit 3 and (ii) to submit certificates evidencing such coverage to Landlord prior to the commencement of such work.

14. REPAIRS BY TENANT—FLOOR LOAD

14.1 Repairs by Tenant. Except as otherwise provided in Article 8 hereof, Tenant shall keep the Premises neat and clean and in such repair, order and condition as the same are in on the Commencement Date or may be put in during the Term hereof, reasonable use and wearing thereof and damage by fire or by other casualty excepted. Tenant shall be solely responsible for the proper maintenance of all equipment and appliances operated by Tenant within the Premises, including, without limitation, copiers, laser printers, computers and refrigerators. Tenant shall make all repairs in and about the Premises necessary to preserve them in such repair, order and condition, which repairs shall be in quality and class equal to the original work. Landlord may elect, at the expense of Tenant, to make any such repairs or to repair any damage or injury to the Building or, during the continuance of any Event of Default, the Premises caused by moving property of Tenant in or out of the Building, or by installation or removal of furniture or other property, or by misuse by, or neglect, or improper conduct of, Tenant or Tenant's servants, employees, agents, contractors, or licensees.

14.2 Floor Load—Heavy Machinery. Tenant shall not place a load upon any floor of the Premises exceeding the floor load per square foot of area which such floor was designed to carry and which is allowed by law. Landlord reserves the right to prescribe the weight and position of all unusually heavy business machines and mechanical equipment, including safes, which shall be placed so as to distribute the weight. 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 move any safe, heavy machinery, heavy equipment, freight, bulky matter, or fixtures into or out of the Building without Landlord's prior written consent. If such safe, machinery, equipment, freight, bulky matter or fixtures require special handling, Tenant agrees to employ only persons holding a Master Rigger's License to do said work, and that all work in connection therewith shall comply with applicable laws and regulations. Any such moving shall be at the sole risk and hazard of Tenant, and Tenant will defend, indemnify and save Landlord harmless against and from any liability, loss, injury, claim or suit resulting directly or indirectly from such moving. Except as otherwise required or directed in writing by Landlord, proper placement of all such business machines, etc., in the Premises shall be Tenant's responsibility.

15. INSURANCE, INDEMNIFICATION, EXONERATION AND EXCULPATION

15.1 General Liability Insurance. Tenant shall procure, keep in force, maintain and pay for insurance throughout the Term in accordance with the terms and in the amounts set forth in Exhibit 3.

15.2 General. Tenant will save Landlord, its agents and employees, harmless and will exonerate, defend and indemnify Landlord, its agents and employees, from and against any and all claims, liabilities or penalties asserted by or on behalf of any person, firm, corporation or public authority arising from Tenant's breach of this Lease or:

(a) On account of or based upon any injury to person, or loss of or damage to property, sustained or occurring on the Premises on account of or based upon the act, omission,

fault, negligence or misconduct of any person whomsoever (except to the extent the same is caused by Landlord, its agents, contractors or employees);

(b) On account of or based upon any injury to person, or loss of or damage to property, sustained or occurring elsewhere (other than on the Premises) in or about the Building (and, in particular, without limiting the generality of the foregoing, on or about the elevators, stairways, public corridors, sidewalks, concourses, arcades, malls, galleries, vehicular tunnels, approaches, areaways, roof, or other appurtenances and facilities used in connection with the Building or Premises) on account of or based upon the act, omission, fault, negligence or misconduct of Tenant, its agents, employees or contractors or anyone acting by, through or under any of the foregoing; and

(c) On account of or based upon (including monies due on account of) any work or thing whatsoever done (other than by Landlord or its contractors, or agents or employees of either, or anyone acting by, through or under any of the foregoing) on the Premises during the Term of this Lease and during the period of time, if any, prior to the Commencement Date that Tenant may have been given access to the Premises.

15.3 Property of Tenant. In addition to and not in limitation of the foregoing, Tenant covenants and agrees that, to the maximum extent permitted by law, all merchandise, furniture, fixtures and property of every kind, nature and description related or arising out of Tenant's leasehold estate hereunder, which may be in or upon the Premises or Building, in the public corridors, or on the sidewalks, areaways and approaches adjacent thereto, shall be at the sole risk and hazard of Tenant, and that if the whole or any part thereof shall be damaged, destroyed, stolen or removed from any cause or reason whatsoever, other than as a direct result of the gross negligence or willful misconduct of Landlord, its agents, contractors, or employees, no part of said damage or loss shall be charged to, or borne by, Landlord.

15.4 Bursting of Pipes, etc. Landlord shall not be liable for any injury or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, air contaminants or emissions, electricity, electrical or electronic emanations or disturbance, water, rain or snow or leaks from any part of the Building or from the pipes, appliances, equipment or plumbing works or from the roof, street or sub-surface or from any other place or caused by dampness, vandalism, malicious mischief or by any other cause of whatever nature, unless (x) caused by or due to the negligence of Landlord, its agents, servants or employees, and (y) if Tenant knew of such condition sufficiently in advance of the occurrence of any such injury or damage as would have enabled Landlord to prevent such damage or loss had Tenant notified Landlord of such condition, only after (i) notice to Landlord of the condition and (ii) the expiration of a reasonable time (such reasonableness to take into account the potential seriousness of the condition and, in the event of imminent danger to persons or property, shall mean promptly upon receipt of such notice) after such notice has been received by Landlord without Landlord having taken all reasonable and practicable means to cure or correct such condition. In the case of (ii) above, pending such cure or correction by Landlord, Tenant shall take such commercially reasonably prudent temporary measures and safeguards to prevent any injury, loss or damage to persons or property within the Premises. Subject to the foregoing, in no event shall Landlord be liable for any loss, the risk of which is covered by Tenant's insurance or is required to be so covered by this Lease; nor shall Landlord or its agents be liable for any such damage caused by other tenants

or persons in the Building or caused by operations in construction of any private, public, or quasi-public work; nor shall Landlord be liable for any latent defect in the Premises or in the Building. Nothing in this Section 15.4 shall abrogate Landlord's continuing repair obligations set forth in Section 8.7 hereof.

15.5 Repairs and Alterations—No Diminution of Rental Value.

(a) Except as may be otherwise specifically provided in this Lease, there shall be no allowance to Tenant for diminution of rental value and no liability on the part of Landlord by reason of inconvenience, annoyance or injury to Tenant arising from any repairs, alterations, additions, replacements or improvements, or any related work made by Landlord, Tenant or others in or to any portion of the Building or Premises or any property adjoining the Building, or in or to fixtures, appurtenances, or equipment thereof, or for failure of Landlord or others to make any repairs, alterations, additions or improvements in or to any portion of the Building, or of the Premises, or in or to the fixtures, appurtenances or equipment thereof.

(b) Notwithstanding anything to the contrary in this Lease contained, if due to any such repairs, alterations, replacements, or improvements made by Landlord or if due to Landlord's failure to make any repairs, alterations, or improvements required to be made by Landlord, any portion of the Premises becomes untenantable so that for the Premises Untenantability Cure Period, as hereinafter defined, the continued operation in the ordinary course of Tenant's business is materially adversely affected, then, provided that Tenant ceases to use the affected portion of the Premises during the entirety of the Premises Untenantability Cure Period by reason of such untenantability, and that such untenantability and Landlord's inability to cure such condition is not caused by the fault or neglect of Tenant or Tenant's agents, employees or contractors, Yearly Rent, Operating Expense Excess and Tax Excess shall thereafter be abated in proportion to such untenantability until the day such condition is completely corrected. For the purposes hereof, the "**Premises Untenantability Cure Period**" shall be defined as three (3) consecutive business days after Landlord's receipt of written notice from Tenant of the condition causing untenantability in the Premises, provided however, that the Premises Untenantability Cure Period shall be seven (7) consecutive business days after Landlord's receipt of written notice from Tenant of such condition causing untenantability in the Premises if either the condition was caused by causes beyond Landlord's control or Landlord is unable to cure such condition as the result of causes beyond Landlord's control.

(c) The provisions of subparagraph (b) of this Section 15.5 shall not apply in the event of untenantability caused by fire or other casualty, or taking (see Articles 18 and 20). The remedies set forth in this Section 15.5 shall be Tenant's sole remedies in the event of Landlord's failure to make any repairs, alterations, or improvements required to be made by Landlord.

16. ASSIGNMENT, MORTGAGING AND SUBLETTING

(a) Except as expressly provided in this Article 16, Tenant covenants and agrees that neither this Lease nor the Term and estate hereby granted, nor any interest herein or therein, will be assigned, mortgaged, pledged, hypothecated, encumbered or otherwise transferred, voluntarily, by operation of law or otherwise, and that neither the Premises, nor any

part thereof will be encumbered in any manner by reason of any act or omission on the part of Tenant, or used or occupied, or permitted to be used or occupied, or utilized for desk space or for mailing privileges, by anyone other than Tenant, or for any use or purpose other than the Permitted Use, or be sublet, or offered or advertised for subletting without the prior written consent of Landlord, which consent shall be granted or withheld in accordance with this Article 16. Notwithstanding the foregoing, it is hereby expressly understood and agreed however, if Tenant is a business entity, that the assignment or transfer of this Lease, and the Term and estate hereby granted, to any business entity into which Tenant is merged or reorganized, or with which Tenant is consolidated, or which purchases all or substantially all of the ownership interests or assets of Tenant, which business entity shall have a net worth at least equal to the greater of (x) that of Tenant immediately prior to such merger, reorganization, consolidation or purchase, or (y) that of Tenant on the Execution Date hereof (such business entity being hereinafter called "**Permitted Assignee**"), shall not be deemed to be prohibited hereby if, and upon the express conditions that (i) Tenant is not in default of its obligations hereunder on the date of such merger, reorganization, consolidation or purchase, (ii) Permitted Assignee owns or will own immediately after such merger, reorganization, consolidation or purchase all or substantially all of the assets of Tenant, and (iii) Permitted Assignee and Tenant shall promptly execute, acknowledge and deliver to Landlord an agreement ("**Assumption Agreement**") in form and substance reasonably satisfactory to Landlord whereby Permitted Assignee shall agree to be independently bound by and upon all the covenants, agreements, terms, provisions and conditions set forth in this Lease on the part of Tenant to be performed, and whereby Permitted Assignee shall expressly agree that the provisions of this Article 16 shall, notwithstanding such assignment or transfer, continue to be binding upon it with respect to all future assignments and transfers.

(b) Except for an assignment or sublease to a Permitted Assignee or to an Affiliated Entity, as defined in Article 16(c) below, and provided that in the case of a proposed sublease, the proposed sublease is for in excess of fifty percent (50%) of the Premises then demised to Tenant under the Lease and is for a term that is for substantially all or all of the then remaining Term of the Lease (a "**Triggering Sublease**") then, notwithstanding anything to the contrary in this Lease contained:

(1) Tenant shall, prior to offering or advertising the Premises, or any portion thereof, for sublease or assignment give Landlord a Recapture Offer, as hereinafter defined.

(2) For the purposes hereof, a "**Recapture Offer**" shall be defined as a notice in writing from Tenant to Landlord which:

(i) States that Tenant desires to sublet the Premises, or a portion thereof, or to assign its interest in this Lease.

(ii) Identifies the affected portion of the Premises ("**Recapture Premises**").

(iii) Identifies the period of time ("**Recapture Period**") during which Tenant proposes to sublet the Recapture Premises or to assign its interest in this Lease.

(iv) Offers to Landlord to terminate this Lease in respect of the Recapture Premises (in the case of a proposed assignment of Tenant's interest in this Lease or a subletting for the remainder of the Term of this Lease) or to suspend the Term of this Lease pro tanto in respect of the Recapture Period (i.e., the Term of this Lease in respect of the Recapture Premises shall be terminated during the Recapture Period and Tenant's rental obligations shall be reduced in proportion to the ratio of the Total Rentable Area of the Recapture Premises to the Total Rentable Area of the Premises then demised to Tenant).

(3) Landlord shall have thirty (30) days to accept a Recapture Offer. If Landlord does not timely give written notice to Tenant accepting a Recapture Offer or, if Tenant desires to enter into a sublease that is not a Triggering Sublease, then Landlord agrees that it will not unreasonably withhold or delay its consent to a sublease of the Recapture Premises for the Recapture Period, or an assignment of Tenant's interest in this Lease, as the case may be, to a Qualified Transferee, as hereinafter defined.

(4) For the purposes hereof, a "**Qualified Transferee**" shall be defined as a person, firm or corporation which, in Landlord's reasonable opinion:

(i) is financially responsible and of good reputation;

(ii) is engaged in a business, the functional aspects of which, with respect to the Premises, are similar to the use of other premises made by other office space tenants in the Building; and

(iii) is not a Restricted Occupant, as hereinafter defined.

(5) For the purposes hereof, a "**Restricted Occupant**" shall be defined as any tenant or subtenant of premises in the Building ("**Occupant**") unless such Occupant satisfies all three of the following criteria:

(i) Such Occupant desires to occupy the Recapture Premises for expansion purposes only; and

(ii) Such Occupant's occupancy of the Recapture Premises will not, either directly or indirectly, cause a vacancy in the premises which such Occupant then occupies in the Building; and

(iii) Such Occupant's need, as to the size of premises and length of term, cannot then (i.e., at the time that Tenant requests Landlord's consent to such Occupant) be satisfied by Landlord.

(6) Notwithstanding anything to the contrary in this Article 16(b) contained:

(i) If Tenant is in default of its obligations under this Lease at the time that it makes the aforesaid offer to Landlord, such default shall be deemed to be a "reasonable" reason for Landlord withholding its consent to any proposed subletting or assignment; and

(ii) If Tenant does not enter into a sublease with a subtenant (or an assignment to an assignee, as the case may be) approved by Landlord, as aforesaid, on or before the date which is one hundred eighty (180) days after the earlier of: (x) the expiration of said thirty (30) day period, or (y) the date that Landlord notifies Tenant that Landlord will not accept Tenant's offer to terminate or suspend this Lease, then Landlord shall have the right arbitrarily to withhold its consent to any subletting or assignment proposed to be entered into by Tenant after the expiration of said one hundred eighty (180) day period unless Tenant again offers, in accordance with this Article 16(b), either to terminate or to suspend this Lease in respect of the portion of the Premises proposed to be sublet (or in respect of the entirety of the Premises in the event of a proposed assignment, as the case may be). If Tenant shall make any subsequent offers to terminate or suspend this Lease pursuant to this Article 16(b), any such subsequent offers shall be treated in all respects as if it is Tenant's first offer to suspend or terminate this Lease pursuant to this Article 16(b), provided that the period of time Landlord shall have in which to accept or reject such subsequent offer shall be thirty (30) days.

(7) Notwithstanding anything to the contrary herein contained, Tenant shall have no right, under this Article 16(b) hereof, prior to the date one (1) year after the Commencement Date. Without limiting the foregoing, Tenant shall have no right to give Landlord a Recapture Offer prior to the date one (1) year after the Commencement Date.

(8) No subletting or assignment shall relieve Tenant of its primary obligation as party-Tenant hereunder, nor shall it reduce or increase Landlord's obligations under this Lease.

(c) Notwithstanding anything to the contrary herein contained, Tenant shall have the right, without obtaining Landlord's consent and without giving Landlord a Recapture Offer, to assign its interest in this Lease or to sublease the Premises, or any portion thereof, to an Affiliated Entity, as hereinafter defined, so long as such entity remains in such relationship to Tenant, and provided that prior to or simultaneously with such assignment or sublease, such Affiliated Entity executes and delivers to Landlord an Assumption Agreement, as hereinabove

defined. For the purposes hereof, an "**Affiliated Entity**" shall be defined as any entity which is controlled by, is under common control with, or which controls Tenant. For the purposes hereof, control shall mean the direct or indirect ownership of more than fifty (50%) percent of the beneficial interest of the entity in question.

(d) If this Lease be assigned, or if the Premises or any part thereof be sublet or occupied by anybody other than Tenant, Landlord may, at any time and from time to time, collect rent and other charges from the assignee, subtenant or occupant, and apply the net amount collected to the rent and other charges herein reserved then due and thereafter becoming due, but no such assignment, subletting, occupancy or collection shall be deemed a waiver of this covenant, or the acceptance of the assignee, subtenant or occupant as a tenant, or a release of Tenant from the further performance by Tenant of covenants on the part of Tenant herein contained. Any consent by Landlord to a particular assignment or subletting shall not in any way diminish the prohibition stated in the first sentence of this Article 16 or the continuing liability of Tenant named on Exhibit 1 as the party Tenant under this Lease. No assignment or subletting shall affect the purpose for which the Premises may be used as stated in Exhibit 1.

(e) In the event of an assignment of this Lease or a sublease of the Premises or any portion thereof to anyone other than a Permitted Assignee or Affiliated Entity, Tenant shall pay to Landlord fifty percent (50%) of any Net Transfer Profit (as defined below), payable in accordance with the following. In the case of an assignment of this Lease, "**Net Transfer Profit**": (1) shall be defined as a lump sum in the amount (if any) by which any consideration paid by the assignee in consideration of or as an inducement to Tenant to make said assignment exceeds the reasonable attorneys' fees, construction costs and brokerage fees incurred by Tenant in order to effect such assignment (collectively, "**Transfer Expenses**"), and (2) shall be payable concurrently with the payment to be made by the assignee to Tenant. In the case of a sublease, "**Net Transfer Profit**": (3) shall be defined as a monthly amount equal to the amount by which the sublease rent and other charges payable by the subtenant to Tenant under the sublease exceed the sum of the rent and other charges payable under this Lease for the Premises or allocable to the sublet portion thereof, once Tenant has recouped the Transfer Expenses applicable to such sublease from such excess, and (4) shall be payable on a monthly basis concurrently with the subtenant's payment of rent to Tenant under the sublease.

(f) The listing of any name other than that of Tenant, whether on the doors of the Premises or on the Building directory, or otherwise, shall not operate to vest in any such other person, firm or corporation any right or interest in this Lease or in the Premises or be deemed to effect or evidence any consent of Landlord, it being expressly understood that any such listing is a privilege extended by Landlord revocable at will by written notice to Tenant.

(g) Tenant shall pay Landlord a review fee of $1,000.00 for Landlord's review of any requests by Tenant to sublet the Premises or assign its interest in this Lease, provided that if Landlord's actual reasonable costs and expenses therefor (including reasonable attorneys' fees) exceed $1,000.00, Tenant shall reimburse Landlord for its actual reasonable costs and expenses in lieu of a fixed review fee. Such fee or costs shall be deemed to be additional rent under this Lease.

17. MISCELLANEOUS COVENANTS

Tenant covenants and agrees as follows:

17.1 Rules and Regulations. Tenant will faithfully observe and comply with the Rules and Regulations annexed hereto as Exhibit 4 and such other and further reasonable Rules and Regulations as Landlord hereafter at any time or from time to time may make and may communicate in writing to Tenant, which in the reasonable judgment of Landlord shall be necessary for the reputation, safety, care or appearance of the Building, or the preservation of good order therein, or the operation or maintenance of the Building, or the equipment thereof, or the comfort of tenants or others in the Building, provided, however, that in the case of any conflict between the provisions of this Lease and any such regulations, the provisions of this Lease shall control, and provided further that nothing contained in this Lease shall be construed to impose upon Landlord any duty or obligation to enforce the Rules and Regulations or the terms, covenants or conditions in any other lease as against any other tenant and Landlord shall not be liable to Tenant for violation of the same by any other tenant, its servants, employees, agents, contractors, visitors, invitees or licensees. Notwithstanding anything to the contrary in this Lease contained, Landlord agrees that it will not enforce said Rules and Regulations against Tenant in a discriminatory or arbitrary manner.

17.2 Access to Premises. Tenant shall: (i) permit Landlord to erect, use and maintain pipes, ducts and conduits in and through the Premises, provided the same do not reduce the floor area to more than a de minimus extent, or materially adversely affect the appearance thereof; (ii) upon prior oral/email notice (except that no notice shall be required in emergency situations), permit Landlord and any mortgagee of the Building or the Building and land or of the interest of Landlord therein, and any lessor under any underlying lease, and their representatives, to have free and unrestricted access to and, subject to Section 2.3 hereof, to enter upon the Premises at all reasonable hours for the purposes of inspection or of making repairs, replacements or improvements in or to the Premises or the Building or equipment (including, without limitation, sanitary, electrical, heating, air conditioning or other systems) or of complying with all laws, orders and requirements of governmental or other authority or of exercising any right reserved to Landlord by this Lease (including the right during the progress of any such repairs, replacements or improvements or while performing work and furnishing materials in connection with compliance with any such laws, orders or requirements to take upon or through, or to keep and store within, the Premises all necessary materials, tools and equipment); and (iii) permit Landlord, at reasonable times, to show the Premises during ordinary Business Hours to any existing or prospective mortgagee, purchaser, or assignee of any mortgage of the Building or of the Building and the land or of the interest of Landlord therein, and during the period of twelve (12) months next preceding the Expiration Date to any person contemplating the leasing of the Premises or any part thereof. If Tenant shall not be personally present to open and permit an entry into the Premises at any time when for any reason an entry therein shall be necessary or permissible, upon not less than two (2) business days' written notice, except that no notice shall be required in an emergency, Landlord or Landlord's agents may enter the same by a master key, or may forcibly enter the same, without rendering Landlord or such agents liable therefor (if during such entry Landlord or Landlord's agents shall accord reasonable care to Tenant's property), and without in any manner affecting the obligations and covenants of this Lease. Provided that Landlord shall incur no material additional expense thereby, Landlord shall

exercise its rights of access to the Premises permitted under any of the terms and provisions of this Lease in such manner as to minimize to the extent practicable interference with Tenant's use and occupation of the Premises.

17.3 Accidents to Sanitary and Other Systems. Tenant shall give to Landlord prompt notice of any fire or accident in the Premises or in the Building and of any damage to, or defective condition in, any part or appurtenance of the Building including, without limitation, sanitary, electrical, ventilation, heating and air conditioning or other systems located in, or passing through, the Premises of which Tenant has actual knowledge. Except as otherwise provided in Articles 18 and 20, and subject to Tenant's obligations in Article 14, such damage or defective condition shall be remedied by Landlord with reasonable diligence, but if such damage or defective condition was caused by Tenant or by the employees, licensees, contractors or invitees of Tenant, the cost to remedy the same shall be paid by Tenant. In addition, all reasonable costs incurred by Landlord in connection with the investigation of any notice given by Tenant shall be paid by Tenant if the reported damage or defective condition was caused by Tenant or by the employees, licensees, contractors, or invitees of Tenant. Tenant shall not be entitled to claim any eviction from the Premises or any damages arising from any such damage or defect unless the same (i) shall have been occasioned by the negligence of Landlord, its agents, servants or employees and (ii) shall not, after notice to Landlord of the condition claimed to constitute negligence, have been cured or corrected within a reasonable time after such notice has been received by Landlord; and in case of a claim of eviction unless such damage or defective condition shall have rendered the Premises untenantable and they shall not have been made tenantable by Landlord within a reasonable time.

17.4 Signs, Blinds and Drapes. Tenant shall put no signs in any part of the Building. No signs or blinds may be put on or in any window or elsewhere if visible from the exterior of the Building, nor may the building standard drapes or blinds be removed by Tenant. Notwithstanding the foregoing, Tenant shall have the right, during the Term of this Lease, to list Tenant's name on the Building directory in the lobby of the Building and on the fourth (4th) floor lobby directory. The initial listing of Tenant's name shall be at Landlord's cost and expense. Any changes, replacements or additions by Tenant to such directory shall be at Tenant's sole cost and expense. Landlord shall, at Landlord's cost and expense, install a Building standard tenant identification sign on Tenant's entrance door to the Premises listing the name of Tenant. Tenant may hang its own drapes, provided that they shall not in any way interfere with the building standard drapery or blinds or be visible from the exterior of the Building and that such drapes are so hung and installed that when drawn, the building standard drapery or blinds are automatically also drawn. Any signs or lettering in the public corridors or on the doors shall conform to Landlord's building standard design. Neither Landlord's name, nor the name of the Building or the name of any other structure erected or used in conjunction therewith shall be used without Landlord's consent in any advertising material (except on business stationery or as an address in advertising matter), nor shall any such name, as aforesaid, be used in any undignified, confusing, detrimental or misleading manner.

17.5 Estoppel Certificate. Each of Landlord and Tenant shall at any time and from time to time upon not less than ten (10) business days' prior notice from the other party (the "**Requesting Party**"), execute, acknowledge and deliver to the Requesting Party a statement in writing certifying that this Lease is unmodified and in full force and effect (or if there have been

modifications, that the same is in full force and effect as modified and stating the modifications), and the dates to which the Yearly Rent and other charges have been paid in advance, if any, stating whether or not the Requesting Party is in default in performance of any covenant, agreement, term, provision or condition contained in this Lease and, if so, specifying each such default and such other facts as the Requesting Party may reasonably request, it being intended that any such statement delivered pursuant hereto may be relied upon by any prospective purchaser of the Building or of the Building and the land or of any interest of Landlord therein or of any interest in Tenant, any mortgagee or prospective mortgagee thereof, any lessor or prospective lessor thereof, any lessee or prospective lessee thereof, or any prospective assignee of any mortgage thereof. Time is of the essence in respect of any such requested certificate, each party hereby acknowledging the importance of such certificates in mortgage financing arrangements, prospective sale and the like. If either of Landlord or Tenant fails to so execute and deliver such estoppel certificate within such ten (10) day period, then the requesting party shall be entitled to send the other party a second notice requesting such execution and delivery of such estoppel certificate ("**Second Notice**"), and if the other party fails to execute and deliver such estoppel certificate within three (3) days after the Second Notice, then such failure shall be deemed to be a default of the other party's obligations under the Lease. The provisions of Section 26(d) shall not apply to any default pursuant to this Section 17.5.

17.6 Prohibited Materials and Property. Tenant shall not bring or permit to be brought or kept in or on the Premises and shall not bring elsewhere in the Building (i) any inflammable, combustible or explosive fluid, material , chemical or substance including, without limitation, any hazardous substances (collectively, "**Hazardous Materials**") as defined under applicable state or local law, under the Federal Comprehensive Environmental Response Compensation and Liability Act (CERCLA), 42 USC §9601 et seq., as amended, under Section 3001 of the Federal Resource Conservation and Recovery Act of 1976, as amended, or under any regulation of any governmental authority regulating environmental or health matters (except for standard office and cleaning supplies used, stored, and disposed of in accordance with applicable law), (ii) any materials, appliances or equipment (including, without limitation, materials, appliances and equipment selected by Tenant for the construction or other preparation of the Premises and furniture and carpeting) which pose any danger to life, safety or health or may cause damage, injury or death; (iii) any unique, unusually valuable, rare or exotic property, work of art or the like unless the same is fully insured under the insurance set forth in Exhibit 3, or (iv) any data processing, electronic, optical or other equipment or property of a delicate, fragile or vulnerable nature unless the same are housed, shielded and protected against harm and damage, whether by cleaning or maintenance personnel, radiations or emanations from other equipment now or hereafter installed in the Building, or otherwise. Tenant shall not cause or permit any potentially harmful air emissions, odors of cooking or other processes, or any unusual or other objectionable odors or emissions to emanate from or permeate the Premises.

17.7 Requirements of Law—Fines and Penalties. Tenant at its sole expense shall comply with all laws, rules, orders and regulations, including, without limitation, all energy-related requirements, of Federal, State, County and Municipal Authorities and with any direction of any public officer or officers, pursuant to law, which shall impose any duty upon Landlord or Tenant with respect to or arising out of Tenant's particular use (as opposed to office use, generically) of the Premises. Tenant shall reimburse and compensate Landlord for all expenditures made by, or damages or fines sustained or incurred by, Landlord due to

nonperformance or noncompliance with or breach or failure to observe any item, covenant, or condition of this Lease upon Tenant's part to be kept, observed, performed or complied with. If Tenant receives notice of any violation of law, ordinance, order or regulation applicable to the Premises, it shall give prompt notice thereof to Landlord.

17.8 Tenant's Acts—Effect on Insurance. Tenant shall not do or permit to be done any act or thing upon the Premises and shall not do any act or thing elsewhere in the Building which will invalidate or be in conflict with any insurance policies covering the Building and the fixtures and property therein; and shall not do, or permit to be done, any act or thing upon the Premises which shall subject Landlord to any liability or responsibility for injury to any person or persons or to property by reason of any business or operation being carried on upon said Premises or for any other reason. Tenant at its own expense shall comply with all rules, orders, regulations and requirements of the Board of Fire Underwriters, or any other similar body having jurisdiction, and shall not (i) do, or permit anything to be done, in or upon the Premises, or bring or keep anything therein, except as now or hereafter permitted by the Fire Department, Board of Underwriters, Fire Insurance Rating Organization, or other authority having jurisdiction, and then only in such quantity and manner of storage as will not increase the rate for any insurance applicable to the Building, or (ii) use the Premises in a manner which shall increase such insurance rates on the Building, or on property located therein, over that applicable when Tenant first took occupancy of the Premises hereunder. If by reason of the failure of Tenant to comply with the provisions hereof the insurance rate applicable to any policy of insurance shall at any time thereafter be higher than it otherwise would be, Tenant shall reimburse Landlord for that part of any insurance premiums thereafter paid by Landlord, which shall have been charged because of such failure by Tenant.

17.9 Miscellaneous. Tenant shall not suffer or permit the Premises or any fixtures, equipment or utilities therein or exclusively serving the same, to be overloaded, damaged or defaced, nor permit any hole to be drilled or made in any part thereof. Tenant shall not suffer or permit any employee, contractor, business invitee or visitor to violate any covenant, agreement or obligations of Tenant under this Lease.

18. DAMAGE BY FIRE, ETC.

(a) During the entire Term of this Lease, and adjusting insurance coverages to reflect current values from time to time:—(i) Landlord shall keep the Building (excluding Alterations installed in the Premises after the Commencement Date ("**Later Alterations**") and any personal property or trade fixtures installed by or at the expense of Tenant) insured in accordance with Exhibit 3; and (ii) Tenant shall keep its personal property and trade fixtures in and about the Premises and the Later Alterations insured in accordance with Exhibit 3.

(b) If any portion of the Premises required to be insured by Landlord under the preceding paragraph shall be damaged by fire or other insured casualty, or the use thereof or access thereto shall be legally prohibited (or prohibited by Landlord) due to fire or other insured casualty (regardless of whether or not such fire or other insured casualty actually damages the Premises), Landlord shall proceed with diligence, subject to the then applicable statutes, building codes, zoning ordinances, and regulations of any governmental authority, and at the expense of Landlord (but only to the extent of insurance proceeds made available to Landlord by any

mortgagee of the real property of which the Premises are a part) to repair or cause to be repaired such damage, provided, however, in respect of any Later Alterations as shall have been damaged by such fire or other casualty and which (in the judgment of Landlord) can more effectively be repaired as an integral part of Landlord's repair work on the Premises, that such repairs to such Later Alterations shall be performed by Landlord but at Tenant's expense; in all other respects, all repairs to and replacements of Tenant's property and Later Alterations shall be made by and at the expense of Tenant. If the Premises or any part thereof shall have been rendered unfit for use and occupation hereunder by reason of such damage, the Yearly Rent (together with Operating Costs Excess and Tax Excess) or a just and proportionate part thereof, according to the nature and extent to which the Premises shall have been so rendered unfit, shall be suspended or abated until the Premises (except as to the property which is to be repaired by or at the expense of Tenant), or legal access thereto or use thereof as aforesaid, shall have been restored as nearly as practicably may be to the condition in which they were immediately prior to such fire or other casualty, provided, however, that if Landlord or any mortgagee of the Building or of the Building and the land or Landlord's interest therein shall be unable to collect the insurance proceeds (including rent insurance proceeds) applicable to such damage or associated business interruption because of some action or inaction on the part of Tenant, or the employees, licensees or invitees of Tenant, there shall be no abatement of rent. Landlord shall not be liable for delays in the making of any such repairs which are due to government regulation, casualties and strikes, unavailability of labor and materials, and other causes beyond the reasonable control of Landlord, nor shall Landlord be liable for any inconvenience or annoyance to Tenant or injury to the business of Tenant resulting from delays in repairing such damage. If (i) the Premises (or legal access thereto or use thereof) are so damaged or prevented by fire or other casualty (whether or not insured) at any time during the last thirty months of the Term hereof that the cost to repair such damage is reasonably estimated to exceed one third of the total Yearly Rent payable hereunder for the period from the estimated date of restoration until the Expiration Date, or (ii) the Building (whether or not including any portion of the Premises) is so damaged by fire or other casualty (whether or not insured) that substantial alteration or reconstruction or demolition of the Building shall in Landlord's judgment be required, then and in either of such events, this Lease and the Term hereof may be terminated at the election of Landlord by a notice in writing of its election so to terminate which shall be given by Landlord to Tenant within sixty (60) days following such fire or other casualty, the effective termination date of which shall be not less than thirty (30) days after the day on which such termination notice is received by Tenant. In the event of any termination, this Lease and the Term hereof shall expire as of such effective termination date as though that were the Expiration Date as stated in Exhibit 1 and the Yearly Rent shall be apportioned as of such date; and if the Premises or any part thereof shall have been rendered unfit for use and occupation by reason of such damage the Yearly Rent (together with Operating Costs Excess and Tax Excess) for the period from the date of the fire or other casualty to the effective termination date, or a just and proportionate part thereof, according to the nature and extent to which the Premises shall have been so rendered unfit, shall be abated.

(c) If any portion of the Premises or any portion of the Building shall be damaged or destroyed by fire or other casualty to the extent that the operation of Tenant's business in the Premises in the normal course is materially adversely affected, then, within forty-five (45) days of such fire or other casualty, Landlord shall submit to Tenant a reasonable engineering estimate as to the estimated length of time to complete such repairs. If the time period ("**Estimated Restoration Period**") set forth in such estimate shall exceed one hundred

eighty (180) days of the date of such casualty, Tenant may elect, by a notice sent within fifteen (15) days after notice of such estimate is sent to Tenant, to terminate this Lease. If such estimate shall fall within the 180-day limit, Tenant shall have no such right to terminate and Landlord shall, subject to the provisions of this Article 18, proceed to complete the repairs or restoration, subject always to delays for causes beyond Landlord's reasonable control including, but not limited to the causes specified in Article 26 hereof, and the other limitations set forth in this Article 18.

19. WAIVER OF SUBROGATION

To the fullest extent permitted by law, the parties hereto waive and release any and all rights of recovery against the other, and agree not to seek to recover from the other or to make any claim against the other, and in the case of Landlord, against Tenant, any affiliate of Tenant, any permitted subtenant or any other permitted occupant of the Premises, and each of their respective direct or indirect partners, officers, shareholders, directors, members, trustees, beneficiaries, servants, employees, principals, contractors, licensees, agents, invitees or representatives, and in the case of Tenant, against Landlord, any affiliate of Landlord, Landlord's managing agents for the Building, each mortgagee (if any), each ground lessor (if any), and each of their respective direct or indirect partners, officers, shareholders, directors, members, trustees, beneficiaries, servants, employees, principals, contractors, licensees, agents or representatives, for any loss or damage incurred by the waiving/releasing party to the extent such loss or damage is insured under any insurance policy required by this Lease or which would have been so insured had the party carried the insurance it was required to carry hereunder. Tenant shall obtain from its subtenants and other occupants of the Premises a similar waiver and release of claims against any or all of Tenant or Landlord. In addition, the parties hereto (and in the case of Tenant, its subtenants and other occupants of the Premises) shall procure an appropriate clause in, or endorsement on, any insurance policy required by this Lease pursuant to which the insurance company waives subrogation. The insurance policies required by this Lease shall contain no provision that would invalidate or restrict the parties' waiver and release of the rights of recovery in this section. The parties hereto covenant that no insurer shall hold any right of subrogation against the parties hereto by virtue of such insurance policy.

20. CONDEMNATION - EMINENT DOMAIN

In the event that the Premises or any part thereof, or the whole or any material part of the Building, shall be taken or appropriated by eminent domain or shall be condemned for any public or quasi-public use, or (by virtue of any such taking, appropriation or condemnation) shall suffer any damage (direct, indirect or consequential) for which Landlord or Tenant shall be entitled to compensation, then (and in any such event) this Lease and the Term hereof may be terminated at the election of Landlord by a notice in writing of its election so to terminate which shall be given by Landlord to Tenant within sixty (60) days following the date on which Landlord shall have received notice of such taking, appropriation or condemnation. In the event that a material part of the Premises or the means of access thereto shall be so taken, appropriated or condemned, then (and in any such event) this Lease and the Term hereof may be terminated at the election of Tenant by a notice in writing of its election so to terminate which shall be given by Tenant to Landlord within sixty (60) days following the date on which Tenant shall have received notice of such taking, appropriation or condemnation.

Upon the giving of any such notice of termination (either by Landlord or Tenant) this Lease and the Term hereof shall terminate on or retroactively as of the date on which Tenant shall be required to vacate any part of the Premises or shall be deprived of a substantial part of the means of access thereto, provided, however, that Landlord may in Landlord's notice elect to terminate this Lease and the Term hereof retroactively as of the date on which such taking, appropriation or condemnation became legally effective. In the event of any such termination, this Lease and the Term hereof shall expire as of such effective termination date as though that were the Expiration Date as stated in Exhibit 1, and the Yearly Rent (together with Operating Costs Excess and Tax Excess) shall be apportioned as of such date. If neither party (having the right so to do) elects to terminate Landlord will, with reasonable diligence and at Landlord's expense, restore the remainder of the Premises, or the remainder of the means of access, as nearly as practicably may be to the same condition as obtained prior to such taking, appropriation or condemnation in which event (i) the Total Rentable Area shall be equitably adjusted, (ii) a just proportion of the Yearly Rent, according to the nature and extent of the taking, appropriation or condemnation and the resulting permanent injury to the Premises and the means of access thereto, shall be permanently abated, and (iii) a just proportion of the remainder of the Yearly Rent, according to the nature and extent of the taking, appropriation or condemnation and the resultant injury sustained by the Premises and the means of access thereto, shall be abated until what remains of the Premises and the means of access thereto shall have been restored as fully as may be for permanent use and occupation by Tenant hereunder. Except for any award specifically reimbursing Tenant for moving or relocation expenses, there are expressly reserved to Landlord all rights to compensation and damages created, accrued or accruing by reason of any such taking, appropriation or condemnation, in implementation and in confirmation of which Tenant does hereby acknowledge that Landlord shall be entitled to receive all such compensation and damages, grant to Landlord all and whatever rights (if any) Tenant may have to such compensation and damages, and agree to execute and deliver all and whatever further instruments of assignment as Landlord may from time to time request. In the event of any taking of the Premises or any part thereof for temporary (i.e., not in excess of one (1) year) use, (i) this Lease shall be and remain unaffected thereby, and (ii) Tenant shall be entitled to receive for itself any award made to the extent allocable to the Premises in respect of such taking on account of such use, provided, that if any taking is for a period extending beyond the Term of this Lease, such award shall be apportioned between Landlord and Tenant as of the Expiration Date or earlier termination of this Lease.

21. DEFAULT

21.1 Conditions of Limitation - Re-entry - Termination. This Lease and the herein Term and estate are, upon the condition that if (a) subject to Section 21.2, Tenant shall neglect or fail to perform or observe any of Tenant's covenants or agreements herein, including (without limitation) the covenants or agreements with regard to the payment when due of rent, additional charges, reimbursement for increase in Landlord's costs, or any other charge payable by Tenant to Landlord when due (all of which shall be considered as part of Yearly Rent for the purposes of invoking Landlord's statutory or other rights and remedies in respect of payment defaults); or (b) intentionally omitted; or (c) Tenant shall be involved in financial difficulties as evidenced by an admission in writing by Tenant of Tenant's inability to pay its debts generally as they become due, or by the making or offering to make a composition of its debts with its creditors; or (d) Tenant shall make an assignment or trust mortgage, or other conveyance or transfer of like

nature, of all or a substantial part of its property for the benefit of its creditors, or (e) an attachment or other legal process shall issue against Tenant or its property and a sale of any of its assets shall be held thereunder; or (f) any judgment, final beyond appeal or any lien, attachment or the like shall be entered, recorded or filed against Tenant in any court, registry, etc. and Tenant shall fail to pay such judgment within sixty (60) days after the judgment shall have become final beyond appeal or to discharge or secure by surety bond such lien, attachment, etc. within sixty (60) days of such entry, recording or filing, as the case may be; or (g) the leasehold hereby created shall be taken on execution or by other process of law and shall not be revested in Tenant within sixty (60) days thereafter; or (h) a receiver, sequesterer, trustee or similar officer shall be appointed by a court of competent jurisdiction to take charge of all or any part of Tenant's property and such appointment shall not be vacated within sixty (60) days; or (i) any proceeding shall be instituted by or against Tenant pursuant to any of the provisions of any Act of Congress or State law relating to bankruptcy, reorganizations, arrangements, compositions or other relief from creditors, and, in the case of any proceeding instituted against it, if Tenant shall fail to have such proceedings dismissed within sixty (60) days or if Tenant is adjudged bankrupt or insolvent as a result of any such proceeding, or (j) any event shall occur or any contingency shall arise whereby this Lease, or the Term and estate thereby created, would (by operation of law or otherwise) devolve upon or pass to any person, firm or corporation other than Tenant, except as expressly permitted under Article 16 hereof - then, and in any such event (except as hereinafter in Section 21.2 otherwise provided) Landlord may, by notice to Tenant, elect to terminate this Lease; and thereupon (and without prejudice to any remedies which might otherwise be available for arrears of rent or other charges due hereunder or preceding breach of covenant or agreement and without prejudice to Tenant's liability for damages as hereinafter stated), upon the giving of such notice, this Lease shall terminate as of the date specified therein as though that were the Expiration Date as stated in Exhibit 1. Without being taken or deemed to be guilty of any manner of trespass or conversion, and without being liable to indictment, prosecution or damages therefor, Landlord may, in any manner permitted by law, enter into and upon the Premises (or any part thereof in the name of the whole); repossess the same as of its former estate; and expel Tenant and those claiming under Tenant. The words "re-entry" and "re-enter" as used in this Lease are not restricted to their technical legal meanings.

21.2 Grace Period. Notwithstanding anything to the contrary in this Article contained, Landlord agrees not to take any action to terminate this Lease (a) for default by Tenant in the payment when due of any sum of money, if Tenant shall cure such default within five (5) days after written notice thereof is given by Landlord to Tenant, provided, however, that no such notice need be given and no such default in the payment of money shall be curable if on two (2) prior occasions in any twelve (12) month period there had been a default in the payment of money which had been cured after notice thereof had been given by Landlord to Tenant as herein provided or (b) for default by Tenant in the performance of any covenant other than a covenant to pay a sum of money, if Tenant shall cure such default within a period of thirty (30) days after written notice thereof given by Landlord to Tenant (except where the nature of the default is such that remedial action should appropriately take place sooner, as indicated in such written notice), or within such additional period as may reasonably be required to cure such default if (because of governmental restrictions or any other cause beyond the reasonable control of Tenant) the default is of such a nature that it cannot be cured within such thirty-(30)-day period, provided, however, (1) that there shall be no extension of time beyond such thirty-(30)-day period for the curing of any such default unless, not more than ten (10) days after the receipt of the notice of default,

Tenant in writing (i) shall specify the cause on account of which the default cannot be cured during such period and shall advise Landlord of its intention duly to institute all steps necessary to cure the default and (ii) shall, as soon as reasonably practicable, duly institute and thereafter diligently prosecute to completion all steps necessary to cure such default and, (2) that no notice of the opportunity to cure a default need be given, and no grace period whatsoever shall be allowed to Tenant, if the default is incurable or if the covenant or condition the breach of which gave rise to default had, by reason of a breach on a prior occasion, been the subject of a notice hereunder to cure such default.

Notwithstanding anything to the contrary in this Section 21.2 contained, except to the extent prohibited by applicable law, any statutory notice and grace periods provided to Tenant by law are hereby expressly waived by Tenant.

21.3 Damages - Termination. Upon the termination of this Lease under the provisions of this Article 21, Tenant shall pay to Landlord the rent and other charges payable by Tenant to Landlord up to the time of such termination, shall continue to be liable for any preceding breach of covenant, and in addition, shall pay to Landlord as damages, at the election of Landlord

either:

(x) the amount (the "**Excess Amount**") by which, at the time of the termination of this Lease (or at any time thereafter if Landlord shall have initially elected damages under subparagraph (y), below), (i) the aggregate of the rent and other charges projected over the period commencing with such termination and ending on the Expiration Date as stated in Exhibit 1 exceeds (ii) the aggregate projected rental value of the Premises for such period, as such Excess Amount is reduced to present value using a discount rate of the then-applicable federal discount rate;

or:

(y) amounts equal to the rent and other charges which would have been payable by Tenant had this Lease not been so terminated, payable upon the due dates therefor specified herein following such termination and until the Expiration Date as specified in Exhibit 1, provided, however, if Landlord shall re-let the Premises during such period, that Landlord shall credit Tenant with the net rents received by Landlord from such re-letting, such net rents to be determined by first deducting from the gross rents as and when received by Landlord from such re-letting the expenses incurred or paid by Landlord in terminating this Lease, as well as the expenses of re-letting, including altering and preparing the Premises for new tenants, brokers' commissions, and all other similar and dissimilar expenses properly chargeable against the Premises and the rental therefrom, it being understood that any such re-letting may be for a period equal to or shorter or longer than the remaining Term of this Lease; and provided, further, that (i) in no event shall Tenant be entitled to receive any excess of such net rents over the sums payable by Tenant to Landlord hereunder and (ii) in no event shall Tenant be entitled in any suit for the collection of damages pursuant to this Subparagraph (y) to a credit in respect of any net rents from a re-letting except to the extent that such net rents are actually received by Landlord. If the Premises or any part thereof should be re-let in combination with other space, then proper

apportionment on a square foot area basis shall be made of the rent received from such re-letting and of the expenses of re-letting.

In calculating the rent and other charges under Subparagraph (x), above, there shall be included, in addition to the Yearly Rent, Tax Excess and Operating Costs Excess, all other considerations agreed to be paid or performed by Tenant, on the assumption that all such amounts and considerations would have remained constant (except as herein otherwise provided) for the balance of the full Term hereby granted.

Suit or suits for the recovery of such damages, or any installments thereof, may be brought by Landlord from time to time at its election, and nothing contained herein shall be deemed to require Landlord to postpone suit until the date when the Term of this Lease would have expired if it had not been terminated hereunder.

Nothing herein contained shall be construed as limiting or precluding the recovery by Landlord against Tenant of any sums or damages to which, in addition to the damages particularly provided above, Landlord may lawfully be entitled by reason of any default hereunder on the part of Tenant.

21.4 Fees and Expenses.

(a) If Tenant shall default in the performance of any covenant on Tenant's part to be performed as in this Lease contained, beyond any applicable notice and grace period except in the case of emergency, Landlord may immediately, or at any time thereafter, without notice, perform the same for the account of Tenant. If Landlord at any time is compelled to pay or elects to pay any sum of money, or do any act which will require the payment of any sum of money, by reason of the failure of Tenant to comply with any provision hereof, beyond any applicable notice and grace period except in the case of emergency, or if Landlord is compelled to or does incur any expense, including reasonable attorneys' fees, in instituting, prosecuting, and/or defending any action or proceeding instituted by reason of any default of Tenant hereunder, Tenant shall on demand pay to Landlord by way of reimbursement the sum or sums so paid by Landlord with all costs and damages, plus interest computed as provided in Article 6 hereof.

(b) Each party shall pay the other party's cost and expense, including reasonable attorneys' fees, incurred (i) in enforcing any obligation under this Lease or (ii) as a result of either party without its fault, being made party to any litigation pending by or against the other party or any persons claiming through or under the other party. In the event of any litigation between the parties, the losing party shall, upon demand, reimburse the prevailing party for its reasonable attorneys' fees and court costs.

21.5 Waiver of Redemption. Tenant does hereby waive and surrender all rights and privileges which it might have under or by reason of any present or future law to redeem the Premises or to have a continuance of this Lease for the Term hereby demised after being dispossessed or ejected therefrom by process of law or under the terms of this Lease or after the termination of this Lease as herein provided.

21.6 Landlord's Remedies Not Exclusive. The specified remedies to which Landlord may resort hereunder are cumulative and are not intended to be exclusive of any remedies or means of redress to which Landlord may at any time be lawfully entitled, and Landlord may invoke any remedy (including the remedy of specific performance) allowed at law or in equity as if specific remedies were not herein provided for.

22. END OF TERM - ABANDONED PROPERTY

Upon the expiration or other termination of the Term of this Lease, Tenant shall peaceably quit and surrender to Landlord the Premises and all alterations and additions thereto, broom clean, in good order, repair and condition (except as provided herein and in Section 8.7 and Articles 18 and 20) excepting only ordinary wear and use and damage by fire or other casualty for which, under other provisions of this Lease, Tenant has no responsibility of repair or restoration. Tenant shall remove all of its property, including, without limitation, all telecommunication, computer and other cabling installed by or for Tenant in the Premises or elsewhere in the Building, and, to the extent specified by Landlord, all alterations and additions made by Tenant and all partitions wholly within the Premises, and shall repair any damages to the Premises or the Building caused by their installation or by such removal. Tenant's obligation to observe or perform this covenant shall survive the expiration or other termination of the Term of this Lease.

Tenant will remove any personal property from the Building and the Premises upon or prior to the expiration or termination of this Lease and any such property which shall remain in the Building or the Premises thereafter shall be conclusively deemed to have been abandoned, and may either be retained by Landlord as its property or sold or otherwise disposed of in such manner as Landlord may see fit. If any part thereof shall be sold, then Landlord may receive and retain the proceeds of such sale and apply the same, at its option, against the expenses of the sale, the cost of moving and storage, any arrears of Yearly Rent, additional or other charges payable hereunder by Tenant to Landlord and any damages to which Landlord may be entitled under Article 21 hereof or pursuant to law.

Any holding over by Tenant or anyone claiming under Tenant after the expiration of the Term of this Lease shall be treated as a tenancy at sufferance and shall be on the terms and conditions as set forth in this Lease, as far as applicable except that Tenant shall pay as a use and occupancy charge an amount equal to the greater of (x) one hundred fifty percent (150%) for the first sixty (60) days of such holding over and two hundred percent (200%) thereafter of the Yearly Rent and Tax Excess and Operating Costs Excess calculated (on a daily basis) at the highest rate payable under the terms of this Lease, or (y) one hundred twenty-five percent (125%) of the fair market rental value of the Premises, in each case for the period measured from the day on which Tenant's hold-over commences and terminating on the day on which Tenant vacates the Premises. In addition, Tenant shall save Landlord, its agents and employees, harmless and will exonerate, defend and indemnify Landlord, its agents and employees, from and against any and all damages which Landlord may suffer on account of Tenant's hold-over in the Premises after the expiration or prior termination of the Term of this Lease. Notwithstanding the foregoing, Tenant shall not be liable for consequential damages unless Tenant fails to vacate the Premises within sixty (60) days after the expiration or earlier termination of the Term of the Lease.

23. SUBORDINATION

(a) Subject to any mortgagee's or ground lessor's election, as hereinafter provided for, this Lease is subject and subordinate in all respects to all matters of record (including, without limitation, deeds and land disposition agreements), ground leases and/or underlying leases, and all mortgages, any of which may now or hereafter be placed on or affect such leases and/or the real property of which the Premises are a part, or any part of such real property, and/or Landlord's interest or estate therein, and to each advance made and/or hereafter to be made under any such mortgages, and to all renewals, modifications, consolidations, replacements and extensions thereof and all substitutions therefor; provided, however, that the holder of any future mortgage shall enter into a subordination, non-disturbance and attornment agreement with Tenant which agreement shall be on such mortgagee's then-current standard form, provided that the same is commercially reasonable. In confirmation of such subordination, Tenant shall execute, acknowledge and deliver promptly any certificate or instrument that Landlord and/or any mortgagee and/or lessor under any ground or underlying lease and/or their respective successors in interest may request. Notwithstanding the foregoing, upon Tenant's written request after the execution and delivery hereof, Landlord agrees to use reasonable efforts to obtain. Tenant shall pay any charges (including reasonable legal fees) required by such mortgagee as a condition to entering into such agreement. Landlord hereby represents that, as of the Execution Date, there are no mortgages affecting the Building.

(b) Any such mortgagee or ground lessor may from time to time subordinate or revoke any such subordination of the mortgage or ground lease held by it to this Lease. Such subordination or revocation, as the case may be, shall be effected by written notice to Tenant and by recording an instrument of subordination or of such revocation, as the case may be, with the appropriate registry of deeds or land records and to be effective without any further act or deed on the part of Tenant. In confirmation of such subordination or of such revocation, as the case may be, Tenant shall execute, acknowledge and promptly deliver any certificate or instrument that Landlord, any mortgagee or ground lessor may request.

(c) Without limitation of any of the provisions of this Lease, if any ground lessor or mortgagee shall succeed to the interest of Landlord by reason of the exercise of its rights under such ground lease or mortgage (or the acceptance of voluntary conveyance in lieu thereof) or any third party (including, without limitation, any foreclosure purchaser or mortgage receiver) shall succeed to such interest by reason of any such exercise or the expiration or sooner termination of such ground lease, however caused, then such successor may, upon notice and request to Tenant (which, in the case of a ground lease, shall be within thirty (30) days after such expiration or sooner termination), succeed to the interest of Landlord under this Lease, provided, however, that such successor shall not: (i) be liable for any previous act or omission of Landlord under this Lease; (ii) be subject to any offset, defense, or counterclaim which shall theretofore have accrued to Tenant against Landlord; (iii) have any obligation with respect to any security deposit unless it shall have been paid over or physically delivered to such successor; or (iv) be bound by any previous modification of this Lease or by any previous payment of Yearly Rent for a period greater than one (1) month, made without such ground lessor's or mortgagee's consent where such consent is required by applicable ground lease or mortgage documents. In the event of such succession to the interest of Landlord — and notwithstanding that any such mortgage or ground lease may antedate this Lease — Tenant shall attorn to such successor and shall ipso facto

be and become bound directly to such successor in interest to Landlord to perform and observe all Tenant's obligations under this Lease without the necessity of the execution of any further instrument, provided that such ground lessor or mortgagee agrees that provided Tenant is not in default under the terms of this Lease beyond all applicable notice and cure periods, it shall not disturb Tenant quiet enjoyment of the Premises. Nevertheless, Tenant agrees at any time and from time to time during the Term hereof to execute a suitable instrument in confirmation of Tenant's agreement to attorn, as aforesaid and the mortgagee's agreement not to disturb Tenant's occupancy.

(d) The term "**mortgage(s)**" as used in this Lease shall include any mortgage or deed of trust. The term "**mortgagee(s)**" as used in this Lease shall include any mortgagee or any trustee and beneficiary under a deed of trust or receiver appointed under a mortgage or deed of trust. The term "**mortgagor(s)**" as used in this Lease shall include any mortgagor or any grantor under a deed of trust.

(e) If Tenant fails to execute, acknowledge and deliver any such certificate or instrument within ten (10) days after Landlord or such mortgagee or such ground lessor has made written request therefor, then Landlord shall be entitled to send Tenant a second notice requesting such execution and delivery of such certificate or instrument ("**Second Notice**"), and if Tenant fails to execute and deliver such certificate or instrument within three (3) days after the Second Notice, then Tenant shall pay to Landlord a fee in the amount of Five Hundred and 00/100 Dollars ($500.00) per day for each day beyond the third (3rd) day after the Second Notice that Tenant fails to execute and deliver such certificate or instrument. Such fee shall be in addition to Landlord's other remedies hereunder.

(f) In the event of any failure by Landlord to perform, fulfill or observe any agreement by Landlord herein, in no event will Landlord be deemed to be in default under this Lease permitting Tenant to exercise any or all rights or remedies under this Lease until Tenant shall have given written notice of such failure to any mortgagee (ground lessor and/or trustee) of which Tenant shall have been advised in writing and until a reasonable period of time shall have elapsed following the giving of such notice, during which such mortgagee (ground lessor and/or trustee) shall have the right, but shall not be obligated, to remedy such failure.

24. QUIET ENJOYMENT

Landlord covenants that if, and so long as, Tenant keeps and performs each and every covenant, agreement, term, provision and condition herein contained on the part and on behalf of Tenant to be kept and performed, Tenant shall quietly enjoy the Premises from and against the claims of all persons claiming by, through or under Landlord subject, nevertheless, to the covenants, agreements, terms, provisions and conditions of this Lease and to the mortgages, ground leases and/or underlying leases to which this Lease is subject and subordinate, as hereinabove set forth.

Without incurring any liability to Tenant, Landlord may permit access to the Premises and open the same, whether or not Tenant shall be present, upon any demand of any receiver, trustee, assignee for the benefit of creditors, sheriff, marshal or court officer entitled to, or reasonably purporting to be entitled to, such access for the purpose of taking possession of, or

removing, Tenant's property or for any other lawful purpose (but this provision and any action by Landlord hereunder shall not be deemed a recognition by Landlord that the person or official making such demand has any right or interest in or to this Lease, or in or to the Premises), or upon demand of any representative of the fire, police, building, sanitation or other department of the city, state or federal governments.

25. ENTIRE AGREEMENT — WAIVER — SURRENDER

25.1 Entire Agreement. This Lease and the Exhibits made a part hereof contain the entire and only agreement between the parties and any and all statements and representations, written and oral, including previous correspondence and agreements between the parties hereto, are merged herein. Tenant acknowledges that all representations and statements upon which it relied in executing this Lease are contained herein and that Tenant in no way relied upon any other statements or representations, written or oral. Any executory agreement hereafter made shall be ineffective to change, modify, discharge or effect an abandonment of this Lease in whole or in part unless such executory agreement is in writing and signed by the party against whom enforcement of the change, modification, discharge or abandonment is sought.

25.2 Waiver by Landlord. The failure of Landlord to seek redress for violation, or to insist upon the strict performance, of any covenant or condition of this Lease, or any of the Rules and Regulations promulgated hereunder, shall not prevent a subsequent act, which would have originally constituted a violation, from having all the force and effect of an original violation. The receipt by Landlord of rent with knowledge of the breach of any covenant of this Lease shall not be deemed a waiver of such breach. The failure of Landlord to enforce any of such Rules and Regulations against Tenant and/or any other tenant in the Building shall not be deemed a waiver of any such Rules and Regulations, provided that Landlord agrees that it will not enforce said Rules and Regulations against Tenant in a discriminatory or arbitrary manner. No provisions of this Lease shall be deemed to have been waived by Landlord unless such waiver be in writing signed by Landlord. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly rent herein stipulated shall be deemed to be other than on account of the stipulated rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent 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 rent or pursue any other remedy in this Lease provided.

25.3 Surrender. No act or thing done by Landlord during the Term hereby demised shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept such surrender shall be valid, unless in writing signed by Landlord. No employee of Landlord or of Landlord's agents shall have any power to accept the keys of the Premises prior to the termination of this Lease. The delivery of keys to any employee of Landlord or of Landlord's agents shall not operate as a termination of this Lease or a surrender of the Premises. In the event that Tenant at any time desires to have Landlord underlet the Premises for Tenant's account, Landlord or Landlord's agents are authorized to receive the keys for such purposes without releasing Tenant from any of the obligations under this Lease, and Tenant hereby relieves Landlord of any liability for loss of or damage to any of Tenant's effects in connection with such underletting.

26. INABILITY TO PERFORM - EXCULPATORY CLAUSE

(a) Except as may be otherwise specifically herein provided, this Lease and the obligations of Tenant to pay rent hereunder and perform all the other covenants, agreements, terms, provisions and conditions hereunder on the part of Tenant to be performed shall in no way be affected, impaired or excused because Landlord is unable to fulfill any of its obligations under this Lease or is unable to supply or is delayed in supplying any service

expressly or impliedly to be supplied or is unable to make or is delayed in making any repairs, replacements, additions, alterations, improvements or decorations or is unable to supply or is delayed in supplying any equipment or fixtures if Landlord is prevented or delayed from so doing by reason of Force Majeure, as hereinafter defined. In each such instance of inability of Landlord to perform, Landlord shall exercise reasonable diligence to eliminate the cause of such inability to perform. For purposes of this Lease, "**Force Majeure**" shall mean any prevention, delay or stoppage due to governmental regulation, strikes, lockouts, acts of God, acts of war, terrorist acts, civil commotions, unusual scarcity of or inability to obtain labor or materials, labor difficulties, casualty or other causes reasonably beyond a party's control or attributable to the other party's action or inaction.

(b) Except as may be otherwise specifically herein provided, this Lease and the obligations of Landlord to perform all the covenants, agreements, terms, provisions and conditions hereunder on the part of Landlord to be performed shall in no way be affected, impaired or excused because Tenant is unable to fulfill any of its obligations under this Lease (specifically excepting, however, the obligation to pay rent and the obligation to vacate the Premises at the expiration or earlier termination of the Term hereof, as to which obligations this Section 26(b) shall not apply) if Tenant is prevented or delayed from so doing by reason of Force Majeure. In each such instance of inability of Tenant to perform, Tenant shall exercise reasonable diligence to eliminate the cause of such inability to perform.

(c) Tenant shall neither assert nor seek to enforce any claim against Landlord, or Landlord's agents or employees, or the assets of Landlord or of Landlord's agents or employees, for breach of this Lease or otherwise, other than against Landlord's interest in the Building of which the Premises are a part and in the uncollected rents, issues and profits thereof, and Tenant agrees to look solely to such interest for the satisfaction of any liability of Landlord under this Lease, it being specifically agreed that in no event shall Landlord or Landlord's agents or employees (or any of the officers, trustees, directors, partners, beneficiaries, joint venturers, members, stockholders or other principals or representatives, and the like, disclosed or undisclosed, thereof) ever be personally liable for any such liability. This paragraph shall not limit any right that Tenant might otherwise have to obtain injunctive relief against Landlord or to take any other action which shall not involve the personal liability of Landlord to respond in monetary damages from Landlord's assets other than Landlord's interest in said real estate, as aforesaid. In no event shall Landlord or Landlord's agents or employees (or any of the officers, trustees, directors, partners, beneficiaries, joint venturers, members, stockholders or other principals or representatives and the like, disclosed or undisclosed, thereof) ever be liable for consequential or incidental damages. Without limiting the foregoing, in no event shall Landlord or Landlord's agents or employees (or any of the officers, trustees, directors, partners, beneficiaries, joint venturers, members, stockholders or other principals or representatives and the like, disclosed or undisclosed, thereof) ever be liable for lost profits of Tenant.

(d) Landlord shall not be deemed to be in default of its obligations under this Lease unless Tenant has given Landlord written notice of such default, and Landlord has failed to cure such default within thirty (30) days after Landlord receives such notice or such longer period of time as Landlord may reasonably require to cure such default. Except as otherwise expressly provided in this Lease, in no event shall Tenant have the right to terminate this Lease nor shall Tenant's obligation to pay Yearly Rent or other charges under this Lease abate based upon any default by Landlord of its obligations under this Lease.

27. BILLS AND NOTICES

Any notice, consent, request, bill, demand or statement hereunder by either party to the other party ("**Notice**") shall be in writing and shall be deemed to have been duly given when either delivered or served personally, or when delivery is first attempted or refused, provided that such Notice shall be addressed to Landlord at its address as stated in Exhibit 1 and to Tenant at the Premises (or at Tenant's address as stated in Exhibit 1, if delivered or mailed prior to Tenant's occupancy of the Premises), or if any address for notices shall have been duly changed as hereinafter provided, if addressed as aforesaid to the party at such changed address. Notices shall be delivered by hand, by United States mail (certified, return receipt requested, and prepaid), or by Federal Express or other recognized overnight delivery service which provides a receipt for, or other proof of, delivery (prepaid). Either party may at any time change the address or specify an additional address for such Notices by delivering or mailing, as aforesaid, to the other party a notice stating the change and setting forth the changed or additional address, provided such changed or additional address is a street address within the United States.

All bills and statements for reimbursement or other payments or charges due from Tenant to Landlord hereunder shall be due and payable in full, unless herein otherwise provided, within thirty (30) days after submission thereof by Landlord to Tenant. Tenant's failure to make timely payment of any amounts indicated by such bills and statements, whether for work done by Landlord at Tenant's request, reimbursement provided for by this Lease or for any other sums properly owing by Tenant to Landlord, shall be treated as a default in the payment of rent, in which event Landlord shall have all rights and remedies provided in this Lease for the nonpayment of rent. If Tenant has not objected to any statement of additional rent which is rendered by Landlord to Tenant within one hundred eighty (180) days after Landlord has rendered the same to Tenant, then the same shall be deemed to be a final account between Landlord and Tenant not subject to any further dispute.

28. PARTIES BOUND — TITLE

The covenants, agreements, terms, provisions and conditions of this Lease shall bind and benefit the successors and assigns of the parties hereto with the same effect as if mentioned in each instance where a party hereto is named or referred to, except that no violation of the provisions of Article 16 hereof shall operate to vest any rights in any successor or assignee of Tenant and that the provisions of this Article 28 shall not be construed as modifying the conditions of limitation contained in Article 21 hereof.

If, in connection with or as a consequence of the sale, transfer or other disposition of the real estate (land and/or Building, either or both, as the case may be) of which the Premises are a

part, Landlord ceases to be the owner of the reversionary interest in the Premises, Landlord shall be entirely freed and relieved from the performance and observance thereafter of all covenants and obligations hereunder on the part of Landlord to be performed and observed, it being understood and agreed in such event (and it shall be deemed and construed as a covenant running with the land) that the person succeeding to Landlord's ownership of said reversionary interest shall thereupon and thereafter assume, and perform and observe, any and all of such covenants and obligations of Landlord.

29. MISCELLANEOUS

29.1 Separability. If any provision of this Lease or portion of such provision or the application thereof to any person or circumstance is for any reason held invalid or unenforceable, the remainder of this Lease (or the remainder of such provision) and the application thereof to other persons or circumstances shall not be affected thereby.

29.2 Captions, etc. The captions are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Lease nor the intent of any provisions thereof. References to "**State**" shall mean, where appropriate, the District of Columbia and other Federal territories, possessions, as well as a state of the United States.

29.3 Broker. Tenant represents and warrants that it has not directly or indirectly dealt, with respect to the leasing of office space in the Building, with any broker or had its attention called to the Premises or other space to let in the Building, etc. by anyone other than the broker, person or firm, if any, designated in Exhibit 1. Tenant agrees to defend, exonerate and save harmless and indemnify Landlord and anyone claiming by, through or under Landlord against any claims for a commission arising out of the execution and delivery of this Lease or out of negotiations between Landlord and Tenant with respect to the leasing of other space in the Building, provided that Landlord shall be solely responsible for the payment of brokerage commissions to the broker, person or firm, if any, designated as Landlord's Broker in Exhibit 1. Landlord represents and warrants that, in connection with the execution and delivery of the Lease, it has not directly or indirectly dealt with any broker other than the brokers designated on Exhibit 1. Landlord agrees to defend, exonerate and save harmless Tenant and anyone claiming by, through, or under Tenant against any claims arising in breach of the representation and warranty set forth in the immediately preceding sentence.

29.4 Intentionally Omitted.

29.5 Arbitration. Any disputes relating to provisions or obligations in this Lease as to which a specific provision or a reference to arbitration is made herein shall be submitted to arbitration in accordance with the provisions of applicable state law (as identified in Section 29.6), as from time to time amended. Arbitration proceedings, including the selection of an arbitrator, shall be conducted pursuant to the rules, regulations and procedures from time to time in effect as promulgated by the American Arbitration Association. Prior written notice of application by either party for arbitration shall be given to the other at least ten (10) days before submission of the application to the said Association's office in Boston, Massachusetts. The arbitrator shall hear the parties and their evidence. The decision of the arbitrator shall be binding and conclusive, and judgment upon the award or decision of the arbitrator may be entered in the

appropriate court of law (as identified on Exhibit 1), and the parties consent to the jurisdiction of such court and further agree that any process or notice of motion or other application to the Court or a Judge thereof may be served outside the Commonwealth of Massachusetts by registered mail or by personal service, provided a reasonable time for appearance is allowed. The costs and expenses of each arbitration hereunder and their apportionment between the parties shall be determined by the arbitrator in his award or decision. No arbitrable dispute shall be deemed to have arisen under this Lease prior to (i) the expiration of the period of twenty (20) days after the date of the giving of written notice by the party asserting the existence of the dispute together with a description thereof sufficient for an understanding thereof; and (ii) where a Tenant payment (e.g., Tax Excess or Operating Costs Excess under Article 9 hereof) is in issue, the amount billed by Landlord having been paid by Tenant.

29.6 Governing Law. This Lease is made pursuant to, and shall be governed by, and construed in accordance with, the laws of the Commonwealth of Massachusetts and any applicable local municipal rules, regulations, by-laws, ordinances and the like.

29.7 Assignment of Rents.

With reference to any assignment by Landlord of its interest in this Lease, or the rents payable hereunder, conditional in nature or otherwise, which assignment is made to or held by a bank, trust company, insurance company or other institutional lender holding a mortgage or ground lease on the Building or Landlord's interest therein, Tenant agrees:

(a) that the execution thereof by Landlord and the acceptance thereof by such mortgagee and/or ground lessor shall never be deemed an assumption by such mortgagee and/or ground lessor of any of the obligations of Landlord thereunder, unless such mortgagee and/or ground lessor shall, by written notice sent to Tenant, elect to receive rent payments; and

(b) that, except as aforesaid, such mortgagee and/or ground lessor shall be treated as having assumed Landlord's obligations thereunder only upon notice of its exercise of the option stated in Article 23 hereof to receive rents under this Lease.

29.8 Representation of Authority. By his execution hereof each of the signatories on behalf of the respective parties hereby warrants and represents to the other that he or she is duly authorized to execute this Lease on behalf of such party. If Tenant is a corporation, Tenant hereby appoints the signatory whose name appears below on behalf of Tenant as Tenant's attorney-in-fact for the purpose of executing this Lease for and on behalf of Tenant.

29.9 Expenses Incurred by Landlord Upon Tenant Requests. Except in connection with requests by Tenant to sublet the Premises or assign its interest in this Lease, as to which the review fee set forth in Article 16 shall apply, and requests in connection with Alterations (as to which the fee set forth in Article 12 shall apply, Tenant shall, upon demand, reimburse Landlord for all reasonable third party expenses, including, without limitation, legal fees, incurred by Landlord in connection with all requests by Tenant for consents, approvals or execution of collateral documentation related to this Lease, including, without limitation, costs incurred by Landlord in the review and approval of Tenant's plans and specifications in connection with proposed alterations to be made by Tenant to the Premises and requests by Tenant for Landlord

to execute waivers of Landlord's interest in Tenant's property in connection with third party financing by Tenant. Such costs shall be deemed to be additional rent under this Lease.

29.10 Survival. Without limiting any other obligation of Tenant which may survive the expiration or prior termination of the Term of this Lease, all obligations on the part of Tenant to indemnify, defend, or hold Landlord harmless, as set forth in this Lease (including, without limitation, Tenant's obligations under Sections 13(d), 15.3, and 29.3) shall survive the expiration or prior termination of the Term of this Lease.

29.11 Financial Statements. Tenant, within fifteen (15) days after request (such request to be made not more than one time in any twelve (12) month period unless required in connection with a contemplated sale or refinancing of the Building, or unless Tenant is in default beyond applicable notice and grace periods of its obligations under the Lease), shall provide Landlord with a current financial statement and such other information as Landlord may reasonably request in order to create a "business profile" of Tenant and determine Tenant's ability to fulfill its obligations under this Lease. Landlord shall maintain all financial information of Tenant in confidence, except Landlord may disclose such information to lenders, prospective purchasers of the Building or Landlord's interest therein, and its professional advisors after obtaining assurances from such parties that they will maintain such information in confidence.

29.12 Parking.

(a) Number of Passes. Landlord shall provide to Tenant certain monthly parking passes ("**Parking Passes**") in the parking garage located beneath the Building ("**Building Garage**"), as follows:

Location	Minimum/Maximum Number of Passes	Reserved/Unreserved
Building Garage	Minimum: 28 Maximum: 28	Unreserved
Building Garage	Minimum: 2 Maximum: 2	Reserved

(b) Parking Passes. During the Term of this Lease, Tenant shall have the right to use, and shall be obligated to pay for, twenty-eight (28) unreserved Parking Passes. The unreserved Parking Passes shall be paid for by Tenant at the then current prevailing rate for unreserved parking in the Building Garage, as such rate may vary from time to time. Landlord hereby represents to Tenant that, as of the Execution Date of this Lease, the charge for unreserved Parking Passes is $250.00 per month, per pass, subject to increase from time to time. During the Term of this Lease, Tenant shall have the right to use, and shall be obligated to pay for, two (2) reserved Parking Passes. The reserved Parking Passes shall be paid for by Tenant at the then current prevailing rate for reserved parking in the Building Garage, as such rate may vary from time to time. Landlord hereby represents to Tenant that, as of the Execution Date of this Lease, the charge for reserved Parking Passes is $300.00 per month, per pass, subject to increase from time to time.

(c) Building Garage Operator. Landlord hereby reserves the right to enter into a management agreement or lease with an entity for the Building Garage ("**Building Garage Operator**"). In such event, Tenant, upon request of Landlord, shall enter into a parking agreement with the Building Garage Operator and pay the Building Garage Operator the monthly charge established hereunder, and Landlord shall have no liability for claims arising through acts or omissions of the Building Garage Operator unless caused by the negligence or willful misconduct of Landlord. It is understood and agreed that the identity of the Building Garage Operator may change from time to time during the Term. In connection therewith, any parking lease or agreement entered into between Tenant and a Building Garage Operator shall be freely assignable by such Building Garage Operator or any successors thereto.

(d) No Liability — Building Garage. Neither Landlord nor any Building Garage Operator shall be responsible for money, jewelry, vehicles or other personal property lost in or stolen from the Building Garage regardless of whether such loss or theft occurs when the Building Garage or other areas therein are locked or otherwise secured. Except as caused by the negligence or willful misconduct of Landlord or any Building Garage Operator and without limiting the terms of the preceding sentence, neither Landlord nor any Building Garage Operator shall be liable for any loss, injury or damage to persons using the Building Garage or vehicles or other property therein, it being agreed that, to the fullest extent permitted by Law, the use of the Building Garage shall be at the sole risk of Tenant and its employees.

(e) General Provisions. Tenant shall have no right to sublet, assign, or otherwise transfer any of the Parking Passes, other than in connection with an assignment of this Lease or a sublease of part or all of the Premises permitted pursuant to Article 16 hereof. No deductions or allowances shall be made for days when Tenant or any of its employees does not utilize the parking facilities or for Tenant utilizing less than all of the Parking Passes, unless Tenant is unable to use the any of Tenant's parking passes for more than one (1) business day pursuant to this Section 29.12 due to the unavailability of such parking passes. If, for any reason, Tenant shall fail timely to pay the charge for said Parking Passes, such failure will be a monetary default hereunder and at Landlord's election, in addition to Landlord's other remedies hereunder, Tenant shall have no further right to such Parking Pass under this Section 29.12. Parking pursuant to the unreserved Parking Passes will be on an unassigned, non-reserved basis, and shall be subject to the rules and regulations from time to time in force. Parking pursuant to the reserved Parking Passes will be on an assigned, reserved basis, and shall be subject to the rules and regulations from time to time in force.

(f) Parking Rules and Regulations. Landlord or the Building Garage Operator shall have the right from time to time to promulgate reasonable rules and regulations regarding the Building Garage, the Parking Passes and the use thereof, including, but not limited to, rules and regulations controlling the flow of traffic to and from various parking areas, the angle and direction of parking and the like. Tenant shall comply with and cause its employees to comply with all such rules and regulations as well as all reasonable additions and amendments thereto.

(g) No Overnight Storage. Tenant shall not store or permit its employees to store any vehicles in the Building Garage without the prior written consent of Landlord or the Building Garage Operator. Except for emergency repairs, Tenant and its employees shall not

perform any work on any vehicles while located in the Building Garage or on the Property. If it is necessary for Tenant or its employees to leave a vehicle in the Building Garage overnight, Tenant shall provide Landlord and the Building Garage Operator with prior notice thereof designating the license plate number and model of such vehicle.

(h) Temporary Closure — Building Garage. Landlord and the Building Garage Operator shall have the right to temporarily close the Building Garage or certain areas therein in order to perform necessary repairs, maintenance and improvements to the Building Garage.

(i) Access Cards. The Building Garage Operator may elect to provide parking cards or keys to control access to the Building Garage. In such event, Landlord or the Building Garage Operator shall provide Tenant with one card or key for each Building Garage Pass that Tenant is entitled to hereunder, provided that Landlord or the Building Garage Operator shall have the right to require Tenant or its employees to place a deposit on such access cards or keys and to pay a fee for any lost or damaged cards or keys.

29.13 Anti-Terrorism Representations. Tenant represents and warrants to Landlord that:

(a) Tenant is not, and shall not during the Term of this Lease become, a person or entity with whom Landlord is restricted from doing business under the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, H.R. 3162, Public Law 107-56 (commonly known as the "**USA Patriot Act**") and Executive Order Number 13224 on Terrorism Financing, effective September 24, 2001 and regulations promulgated pursuant thereto, including, without limitation, persons and entities named on the Office of Foreign Asset Control Specially Designated Nationals and Blocked Persons List (collectively, "**Prohibited Persons**"); and

(b) Tenant is not currently conducting any business or engaged in any transactions or dealings, or otherwise associated with, any Prohibited Persons in connection with the use or occupancy of the Premises; and

(c) Tenant will not in the future during the Term of this Lease engage in any transactions or dealings, or be otherwise associated with, any Prohibited Persons in connection with the use or occupancy of the Premises.

29.14 Waiver of Trial by Jury. Each of Landlord and Tenant hereby waives any right to trial by jury in any action, proceeding or brought by either Landlord or Tenant on any matters whatsoever arising out of or any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises and/or any claim of injury or damage, including but not limited to, any summary process eviction action.

29.15 No Offset. Except as may be otherwise expressly provided in this Lease, in no event shall Tenant have the right to terminate or cancel this Lease or to withhold rent or to set-off any claim or damages against rent as a result of any default by Landlord or breach by Landlord of its covenants or warranties or promises under this Lease, except in the case of a wrongful eviction of Tenant from the Premises (constructive or actual) by Landlord continuing after notice to Landlord thereof and a reasonable opportunity for Landlord to cure the same. Further, Tenant

shall not assert any right to deduct the cost of repairs or any monetary claim against Landlord from rent thereafter due and payable, but shall look solely to Landlord for satisfaction of such claim.

29.16 Tenant's Option to Extend the Term of the Lease. On the conditions, which conditions Landlord may waive, at its election, by written notice to Tenant at any time, that Tenant is not in default of its covenants and obligations under the Lease, beyond applicable grace and cure periods, as of the time of option exercise and as of the commencement of the hereinafter described additional Term, that Tenant has not assigned this Lease other than to a Permitted Assignee, and that Tenant, itself, or a Permitted Assignee, is occupying at least seventy-five percent (75%) of the Premises then demised to Tenant, both as of the time of option exercise and as of the commencement of the hereinafter described additional term, Tenant shall have the option ("**Extension Option**") to extend the Term of this Lease for one (1) additional five (5) year period, such additional term commencing as of commencing as of the expiration of the initial term of the Lease ("**Extension Term**"). Tenant may exercise its Extension Option by giving Landlord written notice ("**Extension Notice**") on or before the date that is twelve (12) months prior to the expiration of the Expiration Date of the initial Term of the Lease. Upon the timely giving of the Extension Notice, the term of this Lease shall be deemed extended upon all of the terms and conditions of this Lease. If Tenant fails to timely give the Extension Notice, as aforesaid, Tenant shall have no further right to extend the term of this Lease, time being of the essence of this Section 29.16.

(b) The Yearly Rent during the Extension Term shall be based upon the Fair Market Rental Value, as defined in and determined pursuant to Subparagraph (e) of this Section 29.16, as of the commencement of the Extension Term, of the Premises then demised to Tenant.

(c) Tenant shall have no further option to extend the Term of the Lease other than the Extension Term.

(d) Notwithstanding the fact that Tenant's exercise of the Extension Option shall be self-executing, as aforesaid, the parties shall promptly execute a lease amendment reflecting the Extension Term after Tenant exercises the Extension Option, except that, if has not yet been determined, the Yearly Rent payable in respect of the Extension Term may not be set forth in said amendment. In such event, after such Yearly Rent is determined, the parties shall execute a written agreement confirming the same. The execution of such lease amendment shall not be deemed to waive any of the conditions to Tenant's exercise of its rights under this Section 29.16, unless otherwise specifically provided in such lease amendment.

(e) (i) "**Fair Market Rental Value**" shall be computed as of the commencement of the Extension Term at the then current annual rental charge (i.e., the sum of Yearly Rent plus escalation and other charges), including provisions for subsequent increases and other adjustments for renewal leases or renewal agreements to lease then currently being executed in comparable space located in the Building, or if no leases or agreements to lease (including letters of intent, if executed by both Landlord and Tenant) are then currently being executed in the Building, the Fair Market Rental Value shall be determined by reference to renewal leases or renewal agreements to lease (including letters of intent, if executed by both Landlord and Tenant) then currently being negotiated or executed for comparable space located

elsewhere in comparable first-class office buildings located in the East Cambridge, Massachusetts market area. In determining Fair Market Rental Value, all relevant factors shall be considered.

(ii) Dispute as to Fair Market Rental Value

Landlord shall initially designate Fair Market Rental Value by notice to Tenant thereof given at least eleven (11) months before the Expiration Date. If Tenant disagrees with Landlord's designation of a Fair Market Rental Value, Tenant shall have the right, by written notice given within thirty (30) days after Tenant has been notified of Landlord's designation, to provide Landlord with Tenant's written designation of Fair Market Rental Value and submit such Fair Market Rental Value to arbitration, failing which, Tenant shall be conclusively deemed to have accepted Landlord's designation of Fair Market Rental Value. If Tenant so notifies Landlord, Fair Market Rental Value shall be submitted to arbitration as follows: Fair Market Rental Value shall be determined by impartial arbitrators, one to be chosen by the Landlord, one to be chosen by Tenant, and a third to be selected, if necessary, as below provided. The arbitrators shall select whichever of Tenant's or Landlord's written designation of Fair Market Rental Value is nearest to the Fair Market Rental Value determined by the arbitrators and shall have no authority to select any other amount as the Fair Market Rental Value. The unanimous written decision of the two first chosen, without selection and participation of a third arbitrator, or otherwise, the written decision of a majority of three arbitrators chosen and selected as aforesaid, shall be conclusive and binding upon Landlord and Tenant. Landlord and Tenant shall each notify the other of its chosen arbitrator within ten (10) days following the call for arbitration and, unless such two arbitrators shall have reached a unanimous decision within thirty (30) days after their designation, they shall so notify the Boston Bar Association (or such organization as may succeed to said Boston Bar Association) and request him to select an impartial third arbitrator, who shall be an office building owner or a real estate broker dealing with like types of properties, to determine Fair Market Rental Value as herein defined. Such third arbitrator and the first two chosen shall, subject to commercial arbitration rules of the American Arbitration Association, hear the parties and their evidence and render their decision within thirty (30) days following the conclusion of such hearing and notify Landlord and Tenant thereof. Landlord and Tenant shall bear the expense of the third arbitrator (if any) equally. The decision of the arbitrator shall be binding and conclusive, and judgment upon the award or decision of the arbitrator may be entered in the appropriate court of law (as identified on **Exhibit 1**); and the parties consent to the jurisdiction of such court and further agree that any process or notice of motion or other application to the Court or a Judge thereof may be served outside the Commonwealth of Massachusetts by registered mail or by personal service, provided a reasonable time for appearance is allowed. If the dispute between the parties as to a Fair Market Rental Value has not been resolved before the commencement of Tenant's obligation to pay rent based upon such Fair Market Rental Value, then Tenant shall pay Yearly Rent and other charges under the Lease in respect of the Premises in question based upon the Fair Market Rental Value designated by Landlord until either the agreement of the parties as to the Fair Market Rental Value, or the decision of the arbitrators, as the case may be, at which time Tenant shall pay any underpayment of rent and other charges to Landlord, or Landlord shall refund any overpayment of rent and other charges to Tenant.

29.17 Tenant's Right of First Refusal.

(a) Grant of Option; Conditions. On the conditions set forth below, which conditions Landlord may waive, at its election, by written notice to Tenant at any time, Tenant shall have the ongoing right of first refusal (the "**Right of First Refusal**") with respect to all or any portion of the third (3rd) floor of the Building (the "**Refusal Space**") for the period from the Execution Date hereof through the date Landlord first executes a lease for the Refusal Space in question with Tenant or another party. (In other words, the Refusal Space is currently vacant, and Tenant's Right of First Refusal with respect to any portion of the Refusal Space shall end on the date Landlord first enters into a lease for such portion, whether such lease is with Tenant or with another party.) Tenant's Right of First Refusal shall be exercised as follows: When Active Negotiations, as hereinafter defined, have occurred with respect to all or a portion of the Refusal Space, Landlord shall advise Tenant (the "**Advice**") of the terms of such Active Negotiations (with the Pro Rata Modifications, as hereinafter defined) (provided, however, that if the Active Negotiations are in effect because of the exchange of 4 bona fide written proposals, as set forth below, then the Advice shall be based upon the terms of Landlord's last proposal, with the Pro Rata Modifications) and Tenant may lease the Refusal Space, under such terms, by providing Landlord with written notice of exercise (the "**Notice of Exercise**") within five (5) business days after the date of the Advice. As used herein, "**Active Negotiations**" means that Landlord has entered into negotiations with a third party tenant (a "**Prospect**") for such portion of the Refusal Space, which negotiations have progressed to the earlier to occur of (i) an exchange of four (4) bona fide written proposals between Landlord and the Prospect, or (ii) a signed letter of intent between Landlord and the Prospect. Notwithstanding the foregoing, Tenant shall have no such Right of First Refusal and Landlord need not provide Tenant with an Advice if:

(1) Tenant is in default under the Lease beyond any applicable notice and cure periods at the time that Landlord would otherwise deliver the Advice; or

(2) the Premises, or any portion thereof, is sublet at the time Landlord would otherwise deliver the Advice, other than to a Permitted Assignee; or

(3) the Lease has been assigned prior to the date Landlord would otherwise deliver the Advice, other than to a Permitted Assignee; or

(4) the Refusal Space is not intended for the exclusive use of Tenant or a Permitted Assignee during the Term.

(b) Terms for Refusal Space.

Upon Tenant's delivery of a Notice of Exercise, the Refusal Space in question shall be considered a part of the Premises, provided that except as otherwise set forth herein, all of the terms stated in the Advice shall govern Tenant's leasing of the Refusal Space and only to the extent that they do not conflict with the Advice, the terms and conditions of the Lease shall apply to the Refusal Space. The following shall apply to Tenant's leasing of the Refusal Space:

(1) The term for the Refusal Space shall commence upon the commencement date stated in the Advice.

(2) If at least five (5) years remain in the Term at the time Tenant delivers its Notice of Exercise, then the term for the Refusal Space shall be coterminous with the Term hereof. If less than five (5) years remain in the Term at the time Tenant delivers its Notice of Exercise, then the term for the Refusal Space shall be as set forth in the Advice.

(3) Tenant shall pay Yearly Rent and additional rent for the Refusal Space in accordance with the terms and conditions of the Advice.

(4) If, pursuant to Section 29.17 (b)(2) above, the term for the Refusal Space is different than the term contemplated by the Active Negotiations, then any free rent or Landlord construction allowance contemplated in the Active Negotiations shall be pro-rated to reflect such difference in term (the "**Pro Rata Modifications**").

(5) The Refusal Space (including improvements and personalty, if any) shall be accepted by Tenant in its condition and as-built configuration existing on the earlier of the date Tenant takes possession of the Refusal Space or the date the term for such Refusal Space commences, unless the Advice specifies work to be performed by Landlord in the Refusal Space, in which case Landlord shall perform such work in the Refusal Space.

(c) Termination of Right of First Refusal. The rights of Tenant hereunder with respect to the Refusal Space shall terminate on the earliest to occur of (i) Tenant's failure to exercise its Right of First Refusal within the five (5) business day period provided in subparagraph (a) above (provided, however, that if Landlord does not lease the Refusal Space to the Prospect whose interest triggered Tenant's Right of First Refusal in substantial accordance with the terms of the Advice, then Tenant shall continue to have a Right of First Refusal with respect to any other Prospect interested in the Refusal Space or with respect to the Prospect on any terms materially different from the Advice, subject to all of the other conditions of this Section 29.17, including without limitation the outside date referenced in (iii) below); (ii) 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 subparagraph (a) above, and (iii) with respect to each portion of the Refusal Space, the date such portion is first leased to Tenant or someone else. (the "**Outside Refusal Space Date**").

(d) Refusal Space Amendment. If Tenant exercises its Right of First Refusal, Landlord shall prepare an amendment (the "**Refusal Space Amendment**") adding the Refusal Space to the Premises in accordance with the provisions set forth above and reflecting the changes in the Yearly Rent, Total Rentable Area of the Premises, Tenant's Proportionate Share and other appropriate terms. A copy of the Refusal Space Amendment shall be sent to Tenant within a reasonable time after Landlord's receipt of the Notice of Exercise executed by Tenant, and Tenant shall execute and return the Refusal Space Amendment to Landlord within fifteen

(15) days thereafter, but an otherwise valid exercise of the Right of First Refusal shall be fully effective whether or not the Refusal Space Amendment is executed.

(e) Confidentiality. Tenant agrees to keep all of the information contained in the Advice, including without limitation the identity of the Prospect, strictly confidential.

(f) Landlord shall keep Tenant apprised of Landlord's receipt of any proposals from potential prospective tenants of the Refusal Space prior to the Outside Refusal Space Date.

29.18 Tenant's Limited Expansion Option.

(a) Grant of Option; Conditions. On the conditions set forth below, which conditions Landlord may waive, at its election, by written notice to Tenant at any time, Tenant shall have the one-time right of expansion (the "**Expansion Option**") to lease a block of space (the "**Expansion Space**") containing a minimum of 20,000 contiguous rentable square feet of floor area and a maximum of the entire remainder of the Unleased (as hereinafter defined) space on the applicable floor of the Building, the exact size and location of which is to be reasonably designated by Landlord, within the Potential Expansion Space, as hereinafter defined. The Expansion Space shall be located on the third (3rd) floor of the Building, provided, however, that if there is not at least 20,000 contiguous rentable square feet of floor area of Unleased space on the third (3rd) floor of the Building, then the Expansion Space shall be located on the fifth (5th) floor of the Building (collectively, the "**Potential Expansion Space**"). Tenant's Expansion Option shall be in effect for the period from the Execution Date hereof through the date that there is no longer sufficient Unleased Potential Expansion Space remaining to satisfy the Expansion Space (such date, the "**Expansion Option Expiration Date**"). As used herein, "**Unleased**" shall mean that Landlord (i) has not executed a lease for the space in question (with Tenant or with another tenant(s)), and (ii) Landlord does not have copies of a lease for such space outstanding. (In other words, the Potential Expansion Space is currently vacant, and Tenant's Expansion Option with respect to each portion of the Potential Expansion Space shall end on the date Landlord first enters into a lease for such portion, whether such lease is with Tenant or with another party. Furthermore, during any period in which Landlord has a draft lease outstanding, Tenant shall also have no rights in the space to which such draft apply.) While the Expansion Space may be located anywhere within the Potential Expansion Space, Tenant shall have only one Expansion Option hereunder, to lease only one Expansion Space. Notwithstanding the foregoing, Tenant shall have no such Expansion Option if, at the time of option exercise or at the Commencement Date with respect to the Expansion Space:

(1) Tenant is in default under the Lease beyond any applicable notice and cure periods; or

(2) more than twenty-five percent (25%) of the Premises is sublet, other than to a Permitted Assignee; or

(3) the Lease has been assigned other than to a Permitted Assignee; or

(4) the Expansion Space is not intended for the exclusive use of Tenant or any Permitted Assignee during the Term.

(b) Exercise of Rights to Expansion Space. Tenant may exercise its option to lease the Expansion Space by giving written notice ("**Expansion Exercise Notice**") to Landlord on or before the Expansion Option Expiration Date. If Tenant fails timely to give such notice, Tenant shall have no further right to lease such Expansion Space, time being of the essence of this Section 29.18. Upon Tenant's delivery of the Expansion Exercise Notice, the Expansion Space shall be considered a part of the Premises, and except as otherwise set forth herein, all of the terms and conditions of the Lease shall apply to the Expansion Space.

(c) Lease Provisions Applying to Expansion Space. The following shall apply to Tenant's leasing of the Expansion Space:

(1) The term for the Expansion Space shall commence upon the date Landlord delivers the Expansion Space to Tenant, broom clean and free of tenants or other occupants.

(2) The term for the Expansion Space shall be coterminous with the Term hereof, but in no event less than five (5) years.

(3) If Tenant delivers the Expansion Exercise Notice within four (4) months of the Execution Date hereof, Tenant shall pay Yearly Rent and additional rent for the Expansion Space, and be entitled to a Landlord's Contribution with respect to the Expansion Space, all at the same rate on a per square foot basis as applicable to the Premises originally demised hereunder, but notwithstanding anything to the contrary herein contained, the Rent Commencement Date with respect to the Expansion Space shall be the same as the Rent Commencement Date for the Premises originally demised hereunder.

(4) If Tenant delivers the Expansion Exercise Notice after the date four (4) months after the Execution Date hereof, the Yearly Rent rental rate in respect of such RFO Premises shall be based upon the Fair Market Rental Value determined as set forth above.

(d) Condition of Expansion Space. Tenant shall take such Expansion Space "as-is" in its then (i.e. as of the date of delivery) state of construction, finish, and decoration, without any obligation on the part of Landlord to construct or prepare the Expansion Space for Tenant's occupancy, unless otherwise agreed by Landlord in writing at Landlord's discretion. The foregoing shall not operate to exclude or waive any improvement allowances, Rent abatement, free Rent or other concessions determined to be part of the Fair Market Rental Value.

(e) Expansion Space Amendment. If Tenant exercises its Expansion Option, Landlord shall prepare an amendment (the "**Expansion Space Amendment**") adding the Expansion Space to the Premises in accordance with the provisions set forth above and reflecting the changes in the Yearly Rent, Total Rentable Area of the Premises, Tenant's Proportionate Share and other appropriate terms. A copy of the Expansion Space Amendment shall be sent to

Tenant within a reasonable time after Landlord's receipt of the Expansion Exercise Notice, and Tenant shall execute and return the Expansion Space Amendment to Landlord within fifteen (15) days thereafter, but an otherwise valid exercise of the Expansion Option shall be fully effective whether or not the Expansion Space Amendment is executed.

29.19 Tenant's Termination Option.On the conditions set forth below (which conditions Landlord may waive by written notice to Tenant at any time), Tenant shall have the right ("**Termination Right**"), provided that the Lack of Expansion Space (as hereinafter defined) is in effect, to terminate the term of the Lease effective as of the fifth (5th) anniversary of the Rent Commencement Date ("**Effective Termination Date**") by giving Landlord notice ("**Tenant's Termination Notice**") on or before the fourth (4th) anniversary of the Rent Commencement Date ("**Notice Date**") and by paying to Landlord, at the time that Tenant gives Tenant's Termination Notice, the Termination Fee, as hereinafter defined. Notwithstanding the foregoing, Tenant shall have no such Termination Right if any of the following conditions (collectively, the "**Prohibited Conditions**") exist:

(1) at the time Tenant delivers Tenant's Termination Notice or at the Effective Termination Date, Tenant is in default under the Lease beyond any applicable notice and cure periods; or

(2) at the time Tenant delivers Tenant's Termination Notice or at the Effective Termination Date, the Premises, or any portion thereof, is sublet to anyone other than a Permitted Assignee; or

(3) at the time Tenant delivers Tenant's Termination Notice or at the Effective Termination Date, the Lease has been assigned to anyone other than a Permitted Assignee; or

(4) the Other Lease Condition, as hereinafter defined, is not met. As used herein, the "**Other Lease Condition**" means both of the following:

(i) within sixty (60) days after the delivery of Tenant's Termination Notice, Tenant shall deliver to Landlord a copy of a fully-executed letter of intent for Tenant to lease premises within the greater Boston metropolitan area containing at least 15,000 square feet of rentable floor area more than the rentable floor area of the Premises at the time Tenant delivered Tenant's Termination Notice (premises meeting such criteria, the "**Other Premises**"); and

(ii) on or before the Effective Termination Date, Tenant shall deliver to Landlord a copy of a fully-executed lease for Other Premises.

(iii) Both the copy of the letter of intent to lease the Other Premises, and the copy of the lease for the Other Premises,

may be redacted to remove financial information, but not the location of the building and the size of the Other Premises.

(b) As noted above, Tenant's Termination Right is conditioned upon the Lack of Expansion Space, as hereinafter defined, being in effect at the time Tenant delivers Tenant's Termination Notice. As used herein, the "**Lack of Expansion Space**" shall mean all of the following:

(1) The aggregate square footage of rentable floor area of the Premises leased to Tenant hereunder, or leased to Tenant in the buildings owned by affiliates of Landlord known as One Canal Park and/or Ten Canal Park, shall have been increased over the period from the Execution Date through the date of Tenant's Termination Notice (whether through the exercise of Tenant's Expansion Option, the exercise of Tenant's Right of First Refusal, or otherwise) (such increased rentable floor area leased to Tenant, the "**Added Space**") by less than 30,000 square feet of rentable floor area; and

(2) Tenant shall give Landlord notice ("**Expansion Request**"), not more than sixty (60) days and not less than thirty (30) days prior to the Notice Date, that it wishes to lease from Landlord additional premises having a minimum square footage of the difference between the Added Space and 30,000 rentable square feet (the "**Requested Space**"); and

(3) Landlord shall not have notified Tenant, on or before the date thirty (30) days after its receipt of the Expansion Request, that Landlord or its affiliates has Qualifying Space, as hereinafter defined, available for leasing to Tenant. As used herein, "**Qualifying Space**" means one or more blocks of space (which need not be contiguous) within the Building, One Canal Park and/or Ten Canal Park provided that (a) the smallest such space shall be equal to or larger than the lesser of (i) 10,000 square feet of rentable floor area and (ii) the size of the Requested Space, and the aggregate rentable floor area of such space(s) does not exceed the greater of (x) the Requested Space, or (y) 50,000 square feet of rentable floor area.

(c) If Tenant timely and properly exercises its Termination Right and timely pays to Landlord the Termination Fee, and if no Prohibited Conditions exist (unless waived in writing by Landlord), then the term of the Lease shall terminate as of the Effective Termination Date, and Yearly Rent and other charges shall be apportioned as of said Effective Termination Date.

(d) For the purposes hereof, the "**Termination Fee**" shall be equal to the sum of (i) the Unamortized Portion, as hereinafter defined, of Landlord's Transaction Costs, as hereinafter defined, plus (ii) an amount equal to one half (1/2) of the Yearly Rent in effect for Lease Year 6. The "**Unamortized Portion**" shall be defined as the amount of principal which would remain unpaid as of the Effective Termination Date with respect to a loan in an original

principal amount equal to Landlord's Transaction Costs and which is repaid in equal monthly payments of principal and interest on a direct reduction basis over the seven (7) year term of the Lease (beginning on the Rent Commencement Date) with interest at the rate of seven (7%) percent per annum. For the purposes hereof, "**Landlord's Transaction Costs**" shall be Landlord's Contribution plus the brokerage commissions incurred by Landlord in connection with this Lease (including any commissions or tenant improvement allowances in connection with any Added Space).

29.20 Notice of Lease. Landlord and Tenant agree not to record this Lease. Both parties will, however, execute, acknowledge and deliver a Notice of Lease in recordable form. Such notice shall include information about all rights of first refusal, extension and expansion options therefor.

IN WITNESS WHEREOF the parties hereto have executed this Deed of Lease in multiple copies, each to be considered an original hereof, as a sealed instrument on the day and year noted in Exhibit 1 as the Execution Date.

LANDLORD:	TENANT:
BCSP CAMBRIDGE TWO PROPERTY LLC, a Delaware limited liability company	CARGURUS LLC, a Massachusetts limited liability company
By: /s/ Philip J. Brannigan, Jr.	By: /s/ E. Langley Steinert
Name: Philip J. Brannigan, Jr.	Name: E. Langley Steinert
Title: Managing Director	Title: CEO

EXHIBIT 2

LEASE PLAN

EXHIBIT 3

INSURANCE PROVISIONS

1. TENANT INSURANCE

A. Tenant shall procure, maintain and pay for, from a company or companies lawfully authorized to do business in the jurisdiction in which the Building is located having a rating of A-VIII or better by AM Best and otherwise reasonably acceptable to Landlord, the following types of insurance as will protect the Tenant and Landlord against claims which may be claimed to have occurred from and after the time Tenant and/or its contractors first enter the Premises and continuing through the expiration of the Term of this Lease or, if later, the last day that Tenant or anyone claiming by, through or under Tenant is in occupancy of all or a portion of the Premises:

(i) Commercial General Liability Insurance, as hereinafter defined, with the following minimum limits:

(a) $1,000,000 Each Occurrence;

(b) $2,000,000 General Aggregate

(c) $1,000,000 Personal and Advertising Injury; and

(d) $2,000,000 Products-Completed Operations Aggregate.

(ii) Umbrella/Excess Liability Insurance, as hereinafter defined, with a per occurrence and annual aggregate limit of $4,000,000 per location ("Umbrella Limit").

(iii) Property Insurance, as hereinafter defined, insuring Tenant's personal property and trade fixtures in and about the Premises and the Later Alterations (as defined in Article 18) in an amount equal to one hundred percent (100%) replacement cost value.

(iv) Flood insurance insuring Tenant's personal property and trade fixtures in and about the Premises and the Later Alterations (as defined in Article 18) in an amount equal to one hundred percent (100%) replacement cost value or, if less, the maximum amount of coverage commercially available.

(v) Terrorism coverage, where commercially available, is recommended.

B. In no event shall Landlord be responsible for Tenant's business interruption exposure or loss which shall be the Tenant's sole responsibility. The foregoing shall not, however, affect any provisions for rent abatement which are specifically set forth in the Lease.

C. All insurance required of Tenant (and Tenant's contractors) shall be primary and non-contributory and maintained under valid and enforceable policies, for the full limits and coverage terms required herein. To the extent such a provision is then available from Tenant's insurer, such insurance shall provide that it shall not be canceled or modified without at least thirty (30) days' prior written notice to Tenant and Landlord. On or before the time Tenant and/or its contractors enter the Premises in accordance with Articles 4 and 12 of this Lease and thereafter not less than fifteen (15) days prior to the expiration date of each expiring policy, copies of the declaration pages of the policies required herein, or certificates of insurance evidencing insurance coverage required herein and setting forth in full the provisions thereof and issued by such insurers, in either case together with evidence satisfactory to Landlord of the payment of all premiums for such policies, shall be delivered by Tenant to Landlord, and certificates as aforesaid of such policies shall, upon request of Landlord, be delivered by Tenant to the holder of any mortgage affecting the Premises. Upon written request from Landlord, full copies of policies shall be made available.

D. Landlord may require, from time to time additional insurance coverages and limits as may be reasonable and customary for similar first-class office buildings in the City or Town wherein the Building is located.

E. In the event Tenant subleases all or any part of the Premises, Tenant shall require its subtenant(s) to also carry and maintain the same insurance coverage terms and limits as required herein of Tenant.

2. TENANT CONTRACTOR INSURANCE

A. Tenant shall cause contractors employed by Tenant to carry:

(i) Worker's Compensation Insurance in compliance with statutory requirements, and Employer's Liability Insurance, as hereinafter defined,

(ii) Automobile Liability Insurance, and

(iii) Commercial General Liability and Umbrella Liability Insurance covering such contractors on or about the Premises in the amount stated in Section 1.A. above or in such other reasonable amount as Landlord shall require.

B. Tenant shall submit, or shall cause such contractors employed by Tenant to submit, certificates evidencing such coverage to Landlord prior to the commencement of any Alterations in or to the Premises and at least 15 days prior to any policy renewals.

C. All insurance carried by Tenant's Contractors shall be primary and non-contributory and Tenant shall cause each of Tenant's contractors to require and

maintain the foregoing insurance requirements of its subcontractors and sub-sub contractors at all tiers.

3. LANDLORD INSURANCE

During the entire Term of this Lease, and adjusting insurance coverages to reflect current values from time to time, Landlord shall keep the Building (excluding Later Alterations, as defined in Article 18, and any personal property or trade fixtures belonging to Tenant or those claiming by, through or under Tenant) insured against loss or damage caused by any peril covered under fire, extended coverage and all risk insurance in an amount equal to one hundred percent (100%) replacement cost value above foundation walls.

4. DEFINITIONS

A. Commercial General Liability Insurance: commercial general liability insurance including coverage for bodily injury (inclusive of but not limited to coverage for death, and mental anguish), property damage, premises operations, personal & advertising injury, independent contractors, products and completed operations, and contractual liability coverages Such policy shall provide coverage on an occurrence form and be endorsed to have the General Aggregate set forth above apply on a per location basis, and the deductibles and/or self-insured retentions thereunder shall be commercially reasonable. The Contractual General Liability Insurance shall include coverage sufficient to meet Tenant's indemnity obligations in this Lease to the extent they are insurable. Landlord, Landlord's managing agent and any other parties requested by Landlord from time to time in writing shall each be added as an additional insured (using form CG2010(11/85) or equivalent, or another form reasonably approved by Landlord in writing) on a primary non-contributory basis on the Commercial General Liability Insurance policy.

B. Umbrella/Excess Liability Insurance: umbrella/excess liability insurance on a follow form basis with a per occurrence and annual aggregate limit of the Umbrella Limit set forth above per location. Coverage shall be excess of Commercial General Liability Insurance (including products and completed operations coverage), Automobile Liability Insurance (if applicable) and Employer's Liability Insurance (if applicable) with coverage being concurrent with and not more restrictive than the underlying insurance policies and shall include the same additional insured provisions as the Commercial General Liability Insurance, and the deductibles and/or self-insured retentions thereunder shall be commercially reasonable.

C. Property Insurance: property insurance against loss or damage caused by any peril covered under an all risk insurance policy or its equivalent. The Property Insurance policy shall include coverage for business interruption including extra expense to insure Tenant's ongoing business operations at Premises should the Tenant be unable to continue operations due to an insurable event. Tenant is also responsible for any and all boiler & machinery/machinery and equipment

insurance relating to its own equipment, and such Property Insurance shall include such coverage. Such Property Insurance shall insure the interests of both Landlord and Tenant as their respective interests may appear from time to time and shall name Landlord as an insured ATIMA, and the deductibles and/or self-insured retentions thereunder shall be commercially reasonable. The proceeds of such Property Insurance shall first be used for the replacement or restoration of such personal property or trade fixtures and the Later Alterations until such restoration or replacement is complete and then to mitigate business interruption loss and extra expense. Such insurance shall include waivers of subrogation (as included in Article 19).

D. Employer's Liability Insurance: employer's liability insurance in the amount of $500,000 each accident for bodily injury by accident, $500,000 each employee for bodily injury by disease, and $500,000 policy limit for bodily injury by disease, or such other amount as may be required by the Umbrella/Excess Liability Insurance to effect umbrella coverage.

EXHIBIT 4

RULES AND REGULATIONS

1. The sidewalks, entrances, passages, courts, elevators, vestibules, stairways, corridors or halls or other parts of the Building not occupied by any tenant shall not be obstructed or encumbered by any tenant or used for any purpose other than ingress and egress to and from the Premises. Landlord shall have the right to control and operate the public portions of the Building, and the facilities furnished for the common use of the tenants, in such a manner as Landlord deems best for the benefit of the tenants generally. No tenant shall permit the visit to its premises of persons in such numbers or under such conditions as to interfere with the use and enjoyment by other tenants of the entrances, corridors, elevators and other public portions or facilities of the Building.

2. No awnings or other projections shall be attached to the outside walls of the Building without the prior written consent of Landlord. No drapes, blinds, shades, 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, screens or other fixtures must be of a quality, type, design and color, and attached in the manner approved by Landlord. Drapes installed by the tenant for their use must be cleaned by the tenant. Landlord shall have the right to require Tenant to remove, in Landlord's reasonable discretion, any items placed on the windowsills of the Premises that are visible from outside of the Building.

3. No sign, advertisement, notice or other lettering shall be exhibited, inscribed, painted or affixed by tenant on any part of the outside or inside of the Premises or Building without the prior written consent of Landlord. In the event of the violation of the foregoing by any tenant, Landlord may remove same without any liability, and may charge the expense incurred by such removal to the tenant or tenants violating this rule. Interior signs on doors and directory tablet shall be inscribed, painted or affixed for each tenant by Landlord at the expense of such tenant, and shall be of a size, color and style acceptable to Landlord.

4. No showcases or other articles shall be put in front of or affixed to any part of the exterior of the Building, nor placed in the halls, corridors or vestibules without the prior written consent of Landlord.

5. 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 the tenant who, or whose servants, employees, agents, visitors or licensees, shall have caused the same.

6. There shall be no marking, painting, drilling into or in any way defacing any part of the Premises or the Building. No boring, cutting or stringing of wires shall be permitted. Tenant shall not construct, maintain, use or operate within the Premises or elsewhere within or on the outside of the Building, any electrical device, wiring or apparatus in connection with a loud speaker system or other sound system.

7. No vehicles or animals, birds or pets of any kind (other than animals providing assistance to persons with disabilities) shall be brought into or kept in or about the Premises, and no cooking shall cause or permit any unusual or objectionable odors to be produced upon or emanate from the Premises. Tenant shall have the right to use the freight elevator to transport bicycles to the Premises.

8. The Premises shall not be used for manufacturing, for the storage of merchandise, or for the sale of merchandise, goods or property of any kind at auction.

9. No tenant shall make, or permit to be made, any unseemly or disturbing noises or disturb or interfere with occupants of this or neighboring buildings or premises of those having business with them whether by the use of any musical instrument, radio, talking machine, unmusical noise, whistling, singing, or in any other way. No tenant shall throw anything out of the doors or windows or down the corridors or stairs.

10. No inflammable, combustible or explosive fluid, chemical or substance shall be brought or kept upon the Premises.

11. No additional locks or bolts of any kind shall be placed upon any of the doors, or windows by any tenant, nor shall any changes be made in existing locks or the mechanism thereof. The doors leading to the corridors or main halls shall be kept closed during Business Hours except as they may be used for ingress or egress. Each tenant shall, upon the termination of its tenancy, restore to Landlord all keys to stores, offices, storage, and toilet rooms either furnished to or otherwise procured by such tenant, and in the event of the loss of any keys, so furnished, such tenant shall pay to Landlord the cost thereof.

12. All removals, or the carrying in or out of any safes, freight, furniture or bulky matter of any description must take place during the hours which Landlord or its Agent may determine from time to time. Landlord reserves the right to inspect all freight to be brought into the Building and to exclude from the Building all freight which violates any of these Rules and Regulations or this Lease of which these Rules and Regulations are a part.

13. Intentionally Omitted.

14. Any person employed by any tenant to do janitorial work within the Premises must obtain Landlord's consent and such person shall, while in the Building and outside of said Premises, comply with all instructions issued by the Superintendent of the Building. No tenant shall engage or pay any employees on the Premises, except those actually working for such tenant on said Premises.

15. Landlord reserves the right to exclude from the Building at all times any person who is not known or does not properly identify himself to the building management or watchman on duty. Landlord may at his option require all persons admitted to or leaving the Building between the hours of 6:00 p.m. and 8:00 a.m., Monday through Saturday, Sundays and legal holidays to register. Each tenant shall be responsible for all persons for whom it authorizes entry into or exit out of the Building, and shall be liable to Landlord for all acts of such persons.

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

17. Each tenant, before closing and leaving the premises at any time, shall see that all windows are closed and all lights turned off.

18. The requirements of tenant will be attended to only upon application at the office of the Building. Employees shall not perform any work or do anything outside of the regular duties, unless under special instruction from the management of the Building.

19. Canvassing, soliciting and peddling in the Building are prohibited, and each tenant shall cooperate to prevent the same.

20. Only hand trucks equipped with rubber tires and side guards may be used in the Building.

21. Access plates to under floor conduits shall be left exposed. Where carpet is installed, carpet shall be cut around access plates. Where tenant elects not to provide removable plates in their carpet for access into the under floor duct system, it shall be the tenant's responsibility to pay for the removal and replacement of the carpet for any access needed into the duct system at any time in the future.

22. Mats, trash or other objects shall not be placed in the public corridors.

23. Landlord does not maintain or clean suite finishes which are non-standard, such as kitchens, bathrooms, wallpaper, special lights, etc. However, should the need for repairs arise, Landlord will arrange for the work to be done at the tenant's expense.

24. Landlord will furnish and install light bulbs for the building standard fluorescent or incandescent fixtures only. For special fixtures, the tenant will stock his own bulbs, which will be installed by Landlord when so requested by the tenant.

25. Tenant shall comply with all workplace smoking Laws. There shall be no smoking in bathrooms, elevator lobbies, elevators, and other common areas, or anywhere in the Building or the Building Garage or within the no-smoking zones outside the Building as designated by Landlord, from time to time (Tenant acknowledging that the entire Building is smoke-free).

26. Each tenant shall handle its newspapers and "office paper" in the manner required by applicable law and shall conform with any recycling plan instituted by Landlord.

27. Prior to serving alcoholic beverages in the Premise, Tenant shall obtain from Landlord a copy of Landlord's then-current policies regarding alcoholic beverages, and shall comply therewith (including, without limitation, compliance with the insurance requirements set forth therein).

28. Violation of these rules and regulations, or any amendments thereto, shall be a default under this Lease, entitling Landlord to all remedies therefor.

29. Landlord may upon request by any tenant, waive the compliance by such tenant of any of the foregoing rules and regulations, provided that (i) no waiver shall be effective unless signed by Landlord or Landlord's authorized Agent, (ii) any such waiver shall not relieve such tenant from the obligation to comply with such rule or regulation in the future unless expressly consented to by Landlord, and (iii) no waiver granted to any tenant shall relieve any other tenant from the obligation of complying with the foregoing rules and regulations unless such other tenant has received a similar waiver in writing from Landlord.

30. In the event of any conflict between any provisions in this Lease and these rules and regulations, the provisions set forth in this Lease shall control.

EXHIBIT 5

FORM OF COMMENCEMENT DATE AGREEMENT

Reference is made to that certain Lease by and between **[[Landlord name]]**, a , Landlord, and , a , Tenant, and dated .

Landlord and Tenant hereby confirm and agree that:

1. The Commencement Date under this Lease is .

2. The Rent Commencement Date under this Lease is .

3. The Expiration Date under this Lease is .

4. With respect to the initial build out of the Premises, Tenant shall be required to remove the following items at the expiration or earlier termination of the Lease: all telecommunication, computer, and other cabling installed by or for Tenant in the Premises or elsewhere in the Building, and . Tenant's obligations to remove any further Alterations to the Premises shall be governed by the provisions of the Lease, including, without limitation, Articles 12 and 22 thereof.

This Commencement Date Agreement is executed as of , 201 .

LANDLORD:

,
a

By: _____
Name: _____
Title: _____

TENANT:

,
a

By: _____
Name: _____
Title: _____

Hereunto Duly Authorized

EXHIBIT 6

FORM OF LETTER OF CREDIT

BENEFICIARY:

ISSUANCE DATE:

, 201

[[LANDLORD]]

IRREVOCABLE STANDBY LETTER OF CREDIT NO.

ACCOUNTEE/APPLICANT:

MAXIMUM/AGGREGATE
CREDIT AMOUNT:
$
USD:

LADIES AND GENTLEMEN:

We hereby establish our irrevocable letter of credit in your favor for account of the applicant up to an aggregate amount not to exceed $ US Dollars available by your draft(s) drawn on ourselves at sight accompanied by:

Your statement, signed by a purportedly authorized officer/official certifying that the Beneficiary is entitled to draw upon this Letter of Credit (in the amount of the draft submitted herewith) pursuant to this Lease (the "**Lease**") dated by and between , as Landlord, and , as Tenant.

Draft(s) must indicate name and issuing bank and credit number and must be presented at this office.

You shall have the right to make partial draws against this Letter of Credit from time to time.

Funds will be made available to Beneficiary on the same day as a sight draft is presented by Beneficiary.

This Letter of Credit is transferable without charge to you at any time and from time to time and may be transferred in its entirety only. In the event of a transfer, we reserve the right to require reasonable evidence of such transfer as a condition to any draw hereunder. Any such transfer is to be effective at our counters and is contingent upon:

A. The satisfactory completion of our transfer form attached hereto; and

B. The return of the original of this Letter of Credit and all amendments thereto for endorsement thereon by us to the transferee.

This Letter of Credit shall expire at our office on , 201 (the "**Stated Expiration Date**"). It is a condition of this Letter of Credit that the Stated Expiration Date shall be deemed automatically extended without amendment for successive one (1) year periods from such Stated Expiration Date, unless at least forty-five (45) days prior to such Stated Expiration Date (or any anniversary thereof) we shall notify you and the Accountee/Applicant in writing by certified mail (return receipt) that we elect not to consider this Letter of Credit extended for any such additional one (1) year period.

We expressly agree and acknowledge that we shall not refuse to pay on any draw permitted under this Letter of Credit in the event that the Accountee/Applicant opposes, contests or otherwise attempts to interfere with any attempt by Landlord to draw down from said Letter of Credit.

Except as otherwise expressly stated herein, this Letter of Credit is subject to the "Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce, Publication No. 500 (1993 Revision)".

EXHIBIT 7

DEFINITION OF SHELL CONDITION

· All partitions and ceilings removed up to the perimeter window wall and building core. This does not include restroom areas.

· All column enclosures to remain where practical

· All non-base building HVAC units to be removed with associated electrical and plumbing removed back to source

· All hangers removed from upper decking

- All flooring (carpet & vinyl) removed to concrete decking
- All electrical and tel/data wiring removed back to source
- All plumbing supply and waste lines removed back to source
- All sprinkler heads to be turned to face up toward ceiling deck (when required)
- Fire alarm system devises will be removed with the exception of required core and elevator lobby devices
- Temporary lighting installed

NOTICE OF LEASE

LANDLORD:	55 Cambridge Parkway, LLC, a Delaware limited liability company
TENANT:	CarGurus, Inc. a Delaware corporation
DATE OF EXECUTION:	March 11, 2016
DEMISED PREMISES:	Approximately 30,534 rentable square feet, consisting of approximately 15,267 rentable square feet of space on the fifth (5th) floor of the West Wing of the Building (the "**Fifth Floor Premises**"), and approximately 15,267 rentable square feet of space on the sixth (e) floor of the West Wing of the Building (the "**Sixth Floor Premises**"). The Premises are located in the building commonly known as 55 Cambridge Parkway (the "**Building**"), having a street address of 55 Cambridge Parkway, Cambridge, MA.
TERM AND COMMENCEMENT DATE:	Commencing on the date on which Landlord delivers the Premises to Tenant with the "Shell Condition Work" (as defined in the Lease) substantially completed and terminating November 30, 2022 (the "**Original Term**") subject to extension as provided herein.
RIGHTS OF EXTENSION:	So long as there shall not then be an Event of Default under the Lease, Tenant may extend this Lease for one (I) additional period of five (5) years (the "Extension Term"), by delivering written notice of the exercise thereof to Landlord not later than twelve (12) months (nor earlier than eighteen (18) months) before the expiration of the Original Term.
RIGHTS OF FIRST OFFER	Subject to the terms and provisions of the Lease, during the Term of the Lease, Tenant has certain rights of first offer to lease: (a) any space that is contiguous to the Premises on the fifth (5th) floor of the East Wing of the Building (the "**5th Floor East Wing Space**") as approximately shown on **Exhibit J-1** attached to the Lease; (b) any space that is contiguous to the Premises on the sixth (6th) floor of the East Wing of the Building (the "**6th Floor East Wing Space**") as approximately shown on **Exhibit J-2** attached to the Lease; and (c) any space that is contiguous to the Premises on the seventh (7th) floor of the West Wing of the Building (the "**7th Floor West Wing Space**") as approximately shown on **Exhibit J-3** attached to the Lease.

[SIGNATURE PAGE FOLLOWS]

Executed as of the 11th day of March, 2016.

LANDLORD:

55 CAMBRIDGE PARKWAY, LLC,
a Delaware limited liability company

By: Invesco ICRE Massachusetts REIT Holdings, LLC,
its sole member

By: /s/ Kevin Johnson
Name: Kevin Johnson
Title: Vice President

Execution Date: As of March 28, 2016

TENANT:

CARGURUS, INC.
a Delaware corporation

By: /s/ E. Langley Steinert
Name: E. Langley Steinert
Title: CEO

Execution Date: As of March 11, 2016

STATE OF TEXAS

Dallas County, Texas

On this 28 of March, 2016, before me, the undersigned notary public, personally appeared Kevin Johnson as Vice President of Invesco ICRE Massachusetts REIT Holdings, LLC, in its capacity as sole member of 55 Cambridge Parkway, LLC, proved to me through satisfactory evidence of identification, which was a Texas driver's license, to be the person whose name is signed on the preceding or attached document and acknowledged to me that he/she signed it voluntarily for its stated purpose.

/s/ Tara L. Hall
Notary Public
My commission expires 10/28/2019

COMMONWEALTH OF MASSACHUSETTS

SS

On this 11th day of March, 2016, before me, the undersigned notary public, personally appeared E. Langley Steinert as CEO of CarGurus, Inc. proved to me through satisfactory evidence of identification, which was a Massachusetts driver's license, to be the person whose name is signed on the preceding or attached document and acknowledged to me that he/she signed it voluntarily for its stated purpose.

/s/ Allison R. Beakley
Notary Public
My commission expires 5/5/2017

OFFICE LEASE AGREEMENT

FOR SPACE AT

55 CAMBRIDGE PARKWAY, CAMBRIDGE, MA

BETWEEN

55 CAMBRIDGE PARKWAY, LLC,
a Delaware limited liability company

AS LANDLORD

AND

CARGURUS, INC.
a Delaware corporation

AS TENANT

DATED

As of March 11, 2016

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BASIC LEASE INFORMATION

This Basic Lease Information is attached to and incorporated by reference to an Office Lease Agreement between Landlord and Tenant, as defined below.

Lease Date: Dated as of March 11, 2016

Landlord: 55 Cambridge Parkway, LLC, a Delaware limited liability company

Tenant: CarGurus, Inc., a Delaware corporation

Premises: Approximately 30,534 rentable square feet, consisting of approximately 15,267 rentable square feet of space on the fifth (5th) floor of the West Wing of the Building (the "**Fifth Floor Premises**"), and approximately 15,267 rentable square feet of space on the sixth (661) floor of die West Wing of the Building (the "**Sixth Floor Premises**"). The Premises are located in the building commonly known as 55 Cambridge Parkway (die "**Building**"), having a street address of 55 Cambridge Parkway, Cambridge, MA. The Premises are outlined on the plan attached to the Lease as **Exhibit A**. The land on which the Building is located (the "**Land**") is described on **Exhibit B**. The term "Project" shall collectively refer to the Building, the Land and the driveways, parking facilities, and similar improvements and easements associated with the foregoing or the operation thereof, including without limitation die Common Areas (as defined in Section 7(c)).

Original Term: The period beginning on the Commencement Date and ending at 5:00 p.m. local time on November 30, 2022.

Commencement Date: The date on which Landlord delivers the Premises to Tenant with the "Shell Condition Work" (as such term is defined herein) substantially completed.

Base Rent Commencement Date: Sixth Floor Premises: September 1, 2016 (the "**Sixth Floor Premises Rent Commencement Date**")
Fifth Floor Premises: November 1, 2016 (the "**Fifth Floor Premises Rent Commencement Date**")

Base Rent: Base Rent shall be payable at the following amounts (the monthly components of which Base Rent shall be referred to herein as "**Monthly Base Rent**"):

(i) For the two (2) month period commencing on the Sixth Floor Premises Rent Commencement Date (i.e., September 1, 2016) and ending on October 31, 2016: at the rate of $1,114,491.00 per annum ($92,874.25 per month);

(ii) For the ten (10) month period commencing on the Fifth Floor Premises Rent Commencement Date (i.e., November 1, 2016) and ending on August 31, 2017: at the rate of $2,228,982.00 per annum ($185,748.50 per month);

(iii) For the twelve (12) month period commencing on September 1, 2017 and ending on August 31, 2018: at the rate of $2,259,516.00 per annum ($188,293.00 per month);

(iv) For the twelve (12) month period commencing on September 1, 2018 and ending on August 31, 2019: at the rate of $2,290,050.00 per annum ($190,837.50 per month);

(v) For the twelve (12) month period commencing on September 1, 2019 and ending on August 31, 2020: at the rate of $2,320,584.00 per annum ($193,382.00 per month);

(vi) For the twelve (12) month period commencing on September 1, 2020 and ending on August 31, 2021: at the rate of $2,351,118.00 per annum ($195,926.50 per month);

(vii) For the twelve (12) month period commencing on September 1, 2021 and ending on August 31, 2022: at the rate of $2,381,652.00 per annum ($198,471.00 per month); and

(viii) For the three (3) month period commencing on September 1, 2022 and ending on November 30, 2022: at the rate of $2,412,186.00 per annum ($201,015.50 per month).

Security Deposit: $773,528.00 in the form of a Letter of Credit, subject to reduction in accordance with Paragraph 6.

Rent: Base Rent, Additional Rent, Taxes and Insurance (each as defined in **Exhibit C** hereto) and electricity charges and Parking Charges (as defined in **Exhibit I** hereto) and all other sums that Tenant may owe to Landlord or otherwise be required to pay under the Lease.

Permitted Use: General office use, and for no other purpose whatsoever.

Tenant's Proportionate Share: 11.13%, which is the percentage obtained by dividing (a) the number of rentable square feet in the Premises as stated above by (b) the rental square feet in the Building at the time a respective charge was incurred, which at the time of execution of this Lease is 274,235 rentable square feet.

Initial Liability Insurance Amount: $5,000,000

Broker/Agent: For Tenant: CBRE / New England

For Landlord: Lincoln Property Company

Tenant's Address:

Two Canal Park, Suite 4
Cambridge, MA 02141
Attention: Jason Trevisan
Telephone: 617-466-3670

With a copy to:

Alan J. Schlesinger
Schlesinger and Buchbinder, LLP
1200 Walnut Street
Newton, MA 02461

Landlord's Address:

For all Notices:

c/o Lincoln Property Company
55 Cambridge Parkway
Cambridge, MA 02142
Attention: Baron Hartley
Telephone: (617) 494-9197

With a copy to:

Invesco Real Estate
1166 Avenue of the Americas
New York, New York 10036
Attention: Asset Manager
55 Cambridge Parkway
Cambridge, MA 02142
Telephone: (212) 278-9224

[SIGNATURES TO BASIC LEASE INFORMATION ON FOLLOWING PAGE]

The foregoing Basic Lease Information is incorporated into and made a part of the Lease identified above. If any conflict exists between any Basic Lease Information and the Lease, then the Lease shall control.

LANDLORD:
55 CAMBRIDGE PARKWAY, LLC,
a Delaware limited liability company

By: Invesco ICRE Massachusetts REIT Holdings, LLC,
its sole member

By: /s/ Kevin Johnson
Name: Kevin Johnson
Title: Vice President

TENANT:

CARGURUS, INC.
a Delaware corporation

By: /s/ E. Langley Steinert
Name: E. Langley Steinert
Title: CEO

Execution Date: As of March 11, 2016

OFFICE LEASE AGREEMENT

This Office Lease Agreement (this "**Lease**") is entered into as of March 11, 2016, between 55 Cambridge Parkway, LLC, a Delaware limited liability company ("**Landlord**"), and CarGurus, Inc., a Delaware corporation ("**Tenant**").

1. **Definitions and Basic Provisions**. The definitions and basic provisions set forth in the Basic Lease Information (the "**Basic Lease Information**") executed by Landlord and Tenant contemporaneously herewith are incorporated herein by reference for all purposes. Additionally, the following terms shall have the following meanings when used in this Lease: "**Affiliate**" means any person or entity which, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the party in question; "**Building's Structure**" means the Building's exterior walls, roof, elevator shafts (if any), footings, foundations, structural portions of load-bearing walls, structural floors and subfloors, and structural columns and beams; "**Building's Systems**" means the Premises' and Building's HVAC, life-safety, plumbing, electrical, and mechanical systems; "**Business Day(s)**" means Monday through Friday of each week, exclusive of Holidays; "**Holidays**" means New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, and any other nationally, regionally or state recognized holiday observed by Landlord at the Building; "Laws" means all federal, state, and local laws, ordinances, rules and regulations, all court orders, governmental directives, and governmental orders and all interpretations of the foregoing, and all restrictive covenants affecting the Project, and "**Law**" shall mean any of the foregoing; "**Normal Business Hours**" means 8 a.m. to 6 p.m. on Business Days and 8 a.m. to 1 p.m. on Saturdays, exclusive of Holidays; "**Tenant's Off-Premises Equipment**" means any of Tenant's equipment or other property that may be located on or about the Project (other than inside the Premises); and "**Tenant Party**" means any of the following persons: Tenant; any assignees claiming by, through, or under Tenant; any subtenants claiming by, through, or under Tenant; and any of their respective agents, contractors and employees.

2. **Lease Grant**. Subject to the terms of this Lease, Landlord leases to Tenant, and Tenant leases from Landlord, the Premises (as defined in the Basic Lease Information).

3. **Tender of Possession**. Subject to the other terms and provisions of this Lease, Landlord and Tenant presently anticipate that possession of the Premises will be tendered to Tenant in the condition required by this Lease on or about the date that is twenty (20) days from the date that both parties have executed and delivered this Lease (such 20th day shall be referred to herein as the "**Estimated Delivery Date**"). If Landlord is unable to tender possession of the Premises in such condition to Tenant by the Estimated Delivery Date, then: (a) the validity of this Lease shall not be affected or impaired thereby; (b) Landlord shall not be in default hereunder or be liable for damages therefor; and (c) Tenant shall accept possession of the Premises when Landlord tenders possession thereof to Tenant, provided that for each day of delay in Landlord's tender of possession beyond the tenth (le) day after the Estimated Delivery Date, each Base Rent Commencement Date shall be extended for one (1) day. Except for the work described in **Exhibit D** hereto (the "**Shell Condition Work**"), Tenant hereby acknowledges and agrees that it shall accept the Premises in their "**AS-IS**" condition, and Landlord shall have no obligation to perform any work therein (including, without limitation, the construction of any tenant finish-work or other improvements therein), and shall not be obligated to reimburse Tenant or provide an allowance for any costs related to the demolition or construction of improvements therein other than the Landlord's Allowance, the Landlord's Space Planning Allowance and, if so elected by Tenant, the Additional Landlord Allowance (as such terms are defined in **Exhibit E** hereto) pursuant to the terms and provisions of **Exhibit E** hereto. Landlord shall use reasonable efforts to substantially complete the Shell Condition Work on or before the Estimated Delivery Date, subject to the conditions of this Section 3. By occupying the Premises, Tenant shall be deemed to have accepted the Premises in their condition as of the date of such occupancy except as to items noted by Tenant within fifteen (15) days. Prior to occupying the

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Premises, Tenant shall execute and deliver to Landlord a letter substantially in the form of **Exhibit G** hereto confirming: (1) the Commencement Date (as defined in the Basic Lease Information), the applicable Base Rent Commencement Dates (as defined in the Basic Lease Information) and the expiration date of the Original Term (as defined in the Basic Lease Information); (2) that Tenant has accepted the Premises; and (3) that subject to Tenant's right to note deficiencies within fifteen (15) days, Landlord has performed all of its obligations with respect to the Premises; however, the failure of the parties to execute such letter shall not defer the Commencement Date, the applicable Base Rent Commencement Date or otherwise invalidate this Lease. Tenant's failure to execute such document within ten (10) days of receipt thereof from Landlord shall be an Event of Default (as defined in Section 17) under this Lease if such execution is warranted by the facts and shall be deemed to constitute Tenant's agreement to the contents of such document. Occupancy of the Premises by Tenant prior to the Commencement Date shall be subject to all of the provisions of this Lease excepting only those requiring the payment of Rent.

4. **Rent**. Tenant shall timely pay to Landlord Rent (as defined in the Basic Lease Information), including the amounts set forth in **Exhibit C** hereto, without notice, demand, deduction or set-off (except as otherwise expressly provided herein), by good and sufficient check drawn on a national banking association at Landlord's address provided for in this Lease or as otherwise specified by Landlord and shall be accompanied by all applicable state and local sales or use taxes, if applicable. Unless otherwise prohibited by law, Tenant shall make Rent payments to Landlord via Automated Clearing House payment processing approved by Landlord. Except as otherwise expressly set forth in this Lease, Tenant shall have no right to withhold or abate any payment of Base Rent, Additional Rent, Taxes, Insurance or other payment, or to set off any amount against the Base Rent, Additional Rent, Taxes, Insurance or other payment then due and payable, or to terminate this Lease, because of any breach or alleged breach by Landlord of this Lease or because of the condition of the Premises. Tenant hereby acknowledges and agrees that it has been represented by counsel of its choice and has participated fully in the negotiation of this Lease.

Base Rent, adjusted as herein provided, shall be payable monthly in advance beginning on the Sixth Floor Premises Rent Commencement Date. Thereafter, Base Rent shall be payable on the first (1st) day of each month beginning on the Sixth Floor Premises Rent Commencement Date. Tenant shall pay Additional Rent, Taxes and Insurance (each as defined in **Exhibit C**) at the same time and in the same manner as Base Rent.

5. **Delinquent Payment; Handling Charges**. All payments required of Tenant hereunder which are past due for more than five (5) days shall bear interest from the date due until paid at the lesser of fifteen percent (15%) per annum or the maximum lawful rate of interest (such lesser amount is referred to herein as the "**Default Rate**"); additionally, Landlord, in addition to all other rights and remedies available to it, may charge Tenant a fee equal to five percent (5%) of a payment delinquent by more than seven (7) days to reimburse Landlord for its cost and inconvenience incurred as a consequence of Tenant's delinquency. Any such late charge and interest payment shall be payable as Additional Rent under this Lease, shall not be considered a waiver by Landlord of any default by Tenant hereunder, and shall be payable immediately on demand. In no event, however, shall the charges permitted under this Section 5 or elsewhere in this Lease, to the extent they are considered to be interest under applicable Law, exceed the maximum lawful rate of interest.

6. **Security Deposit**. On the date hereof, Tenant shall deliver the Security Deposit to Landlord, which Landlord shall hold, as security, for and during the Term.

Tenant shall deliver the Security Deposit to Landlord on the date hereof in the form of an irrevocable and unconditional letter of credit (the "**Letter of Credit**") issued by and drawable upon any

commercial bank, trust company, national banking association or savings and loan association satisfactory to Landlord (the "**Issuing Bank**"). A current list of acceptable Issuing Banks is attached to this Lease as **Exhibit M**. Such Letter of Credit shall (a) name Landlord as beneficiary, (b) be in the amount of the Security Deposit, (c) have a term of not less than one year, (d) permit multiple drawings, (e) be fully transferable by Landlord without the payment of any fees or charges by Landlord, and (f) otherwise be in form and content satisfactory to Landlord. If upon any transfer of the Letter of Credit, any fees or charges shall be so imposed, then such fees or charges shall be payable solely by Tenant and the Letter of Credit shall so specify. The Letter of Credit shall provide that it shall be deemed automatically renewed, without amendment, for consecutive periods of one year each thereafter during the Term unless the Issuing Bank sends a notice (the "**Non-Renewal Notice**") to Landlord by certified mail, return receipt requested, not less than forty-five (45) days next preceding the then expiration date of the Letter of Credit stating that the Issuing Bank has elected not to renew the Letter of Credit. Landlord shall have the right, upon receipt of the Non-Renewal Notice, to draw the full amount of the Letter of Credit, by sight draft on the Issuing Bank, and shall thereafter hold or apply the cash proceeds of the Letter of Credit pursuant to the terms of this Section. The Issuing Bank shall agree with all drawers, endorsers and bona fide holders that drafts drawn under and in compliance with the terms of the Letter of Credit will be duly honored upon presentation to the Issuing Bank at an office location in Boston or another location acceptable to Landlord. The Letter of Credit shall be subject in all respects to the Uniform Customs and Practice for Documentary Credits (1993 revision), International Chamber of Commerce Publication No. 500.

If there shall be an Event of Default (as defined in Section 17), Landlord may apply or retain the whole or any part of the cash Security Deposit or may notify the Issuing Bank and thereupon receive all or a portion of the Security Deposit represented by the Letter of Credit and use, apply, or retain the whole or any part of such proceeds, as the case may be, but only to the extent required for the payment of any rent or any other sums as to which Tenant is in default including (a) any sum which Landlord may expend or may be required to expend by reason of Tenant's default, and/or (b) any damages or deficiency to which Landlord is entitled pursuant to this Lease or applicable legal requirements, whether such damages or deficiency accrues before or after summary proceedings or other reentry by Landlord. If Landlord applies or retains any part of the Security Deposit, Tenant, upon demand, shall deposit with Landlord the amount so applied or retained so that Landlord shall have the full Security Deposit on hand at all times during the Term. If Tenant shall fully and faithfully comply with all of the terms, covenants and conditions of this Lease, die Security Deposit shall be returned to Tenant within thirty (30) days after the expiration of the Term and after delivery of possession of the Premises to Landlord in the manner required by this Lease. Tenant expressly agrees that Tenant shall have no right to apply any portion of the Security Deposit against any of Tenant's obligations to pay rent or other sums due hereunder.

Upon a sale of the Land or the Building or any financing of Landlord's interest therein, Landlord shall transfer the cash Security Deposit or the Letter of Credit, as applicable, to the vendee or lender (if required by such lender). With respect to the Letter of Credit, within five (5) days after notice of such sale or financing, Tenant, at its sole cost, shall arrange for the transfer of the Letter of Credit to the new landlord or the lender (if required by such lender), as designated by Landlord in the foregoing notice or have the Letter of Credit reissued in the name of the new landlord or the lender. Provided that such cash Security Deposit or Letter of Credit is transferred to the new landlord or lender, Tenant shall look solely to the new landlord or lender for the return of such cash Security Deposit or Letter of Credit and the provisions hereof shall apply to every transfer or assignment made of the Security Deposit to a new landlord. Tenant shall not assign or encumber or attempt to assign or encumber the cash Security Deposit or Letter of Credit and neither Landlord nor its successors or assigns shall be bound by any such action or attempted assignment, or encumbrance.

Provided that Tenant (i) has not been in default of any of its monetary or material non-monetary obligations under this Lease in the twelve (12) months prior to the applicable Reduction Date, as hereafter

defined, and (ii) has not been in default under this Lease beyond applicable notice and cure periods at any time during the Term (collectively, "**Reduction Conditions**"), the Letter of Credit may be reduced as set forth below on the Reduction Date. As used herein, "**Reduction Date**" shall be the first day of the month following the end of the first full calendar year in the Term in which Tenant's total annual revenue from Tenant's sales equals or exceeds One Hundred Fifty Million and 00/100 Dollars ($150,000,00.00) for such calendar year, as evidenced by Tenant's written financial statements prepared in accordance with GAAP, as certified by Tenant's chief financial officer and held in confidence by Landlord in the same manner as provided for financial statements in Section 26(q). Provided that die Reduction Conditions are met on the Reduction Date, die Letter of Credit shall be reduced by $193,382.00 effective as of the Reduction Date, thereby leaving a remaining balance of $580,146.00 (the "**Reduced Amount**"). Tenant shall request such reduction in a written notice to Landlord within sixty (60) days after die applicable Reduction Date, and if the Reduction Conditions have been met, Landlord shall so notify Tenant, whereupon Tenant shall provide Landlord with a Substitute Letter of Credit in the Reduced Amount (in which event Landlord shall forthwith return the previously held Letter of Credit), or an amendment to the Letter of Credit reducing it to the Reduced Amount.

7. **Services; Utilities; Common Areas**.

(a) **Services**. Landlord covenants during the Term: (i) to furnish through Landlord's employees or independent contractors, the Building services listed in **Exhibit K**, the costs for which shall be included in Operating Costs; and (ii) to furnish through Landlord's employees or independent contractors, reasonable additional Building operation services upon reasonable advance request of Tenant at equitable rates from time to time established by Landlord to be paid by Tenant. If Tenant desires HVAC service at a time other than Normal Business Hours, then such services shall be supplied to Tenant upon the written request of Tenant delivered to Landlord before 3:00 p.m. on the Business Day preceding such extra usage, and Tenant shall pay to Landlord the cost of such services within thirty (30) days after Landlord has delivered to Tenant an invoice therefor. Notwithstanding die foregoing, as an energy conservation measure, Landlord will not run heating and air conditioning equipment serving the Premises on Saturdays unless requested by Tenant (provided that Tenant shall not be charged for such Saturday service unless it is outside of Normal Business Hours). The costs incurred by Landlord in providing HVAC service to Tenant at a time other than Normal Business Hours, shall include costs for electricity, water, sewage, water treatment, labor, metering, filtering, and maintenance reasonably allocated by Landlord to providing such service (collectively, the "**Overtime HVAC Charge**"). The current hourly Overtime HVAC Charge, which hourly rate is subject to change from time-to-time, is $75.00 per hour per air handler utilized for the Premises.

(b) **Excess Utility Use**. Landlord shall not be required to furnish electrical current for equipment whose electrical energy consumption exceeds normal office usage. If Tenant's requirements for or consumption of electricity exceed the electricity to be provided by Landlord as described in **Exhibit K**, Landlord shall, at Tenant's expense, make reasonable efforts to supply such service through the then-existing feeders and risers and electrical panels serving the Building and the Premises, and Tenant shall pay to Landlord the cost of such service within thirty (30) days after Landlord has delivered to Tenant an invoice therefor. Landlord may determine the amount of such additional consumption and potential consumption by any verifiable method, including installation of a separate meter in the Premises installed, maintained, and read by Landlord, at Tenant's expense. Tenant shall not install any electrical equipment requiring voltage in excess of Building capacity unless approved in advance by Landlord, which approval may be withheld in Landlord's sole discretion. The use of electricity in the Premises shall not exceed the capacity of existing feeders and risers and electrical panels to or wiring in the Premises. Any risers or wiring required to meet Tenant's excess electrical requirements shall, upon Tenant's written request, be installed by Landlord, at Tenant's cost, if, in Landlord's judgment, the same are necessary and shall not cause permanent damage to the Building or the Premises,

cause or create a dangerous or hazardous condition, entail excessive or unreasonable alterations, repairs, or expenses, or interfere with or disturb other tenants of the Building. If Tenant uses machines or equipment in the Premises which affect the temperature otherwise maintained by the air conditioning system or otherwise overload any utility, Landlord may install supplemental air conditioning units or other supplemental equipment in the Premises, and the cost thereof, including the cost of installation, operation, use, and maintenance, shall be paid by Tenant to Landlord within thirty (30) days after Landlord has delivered to Tenant an invoice therefor. Landlord's obligation to furnish services under **Exhibit K** shall be subject to the rules and regulations of the supplier of such services and governmental rules and regulations. Landlord may, upon not less than thirty (30) days' prior written notice to Tenant, discontinue any such service to the Premises, provided Landlord first arranges for a direct connection thereof through die supplier of such service. Tenant shall, however, be responsible for contracting with the supplier of such service and for paying all deposits for, and costs relating to, such service.

Landlord shall have the right to install on-site power (i.e., solar or small wind) at the Building or Project provided that no such installation shall unreasonably interfere with Tenant's operations or machinery. Tenant agrees to cooperate with Landlord in connection with the installation and on-going operation of such on-site power. Tenant shall have no right to any renewable energy credits resulting from on-site renewable energy generation, even if Tenant uses such energy. Landlord may retain or assign such renewable energy credits in Landlord's sole discretion.

(i) Consumption Data. Tenant shall within ten (10) days of request by Landlord provide consumption data in form reasonably required by Landlord: (i) for any utility billed directly to Tenant and any subtenant or licensee; and (ii) for any submetered or separately metered utility supplied to the Premises for which Landlord is not responsible for reading. If Tenant utilizes separate services from those of Landlord, Tenant hereby consents to Landlord obtaining the information directly from such service providers and, upon ten (10) days prior written request, Tenant shall execute and deliver to Landlord and the service providers such written releases as the service providers may request evidencing Tenant's consent to deliver the data to Landlord. Any information provided hereunder shall be held confidential except for its limited use to evidence compliance with any sustainability standards.

(ii) Data Center. Tenant may not operate a Data Center within the Premises without the express written consent of Landlord. The term "**Data Center**" shall have the meaning set forth in the U.S. Environmental Protection Agency's ENERGY STAR® program and is a space specifically designed and equipped to meet the needs of high-density computing equipment, such as server racks, used for data storage and processing. The space will have dedicated, uninterruptible power supplies and cooling systems. Data Center functions may include traditional enterprise services, on-demand enterprise services, high-performance computing, internet facilities and/or hosting facilities. A Data Center does not include space within the Premises utilized as a "server closet" or for a computer training area. In conjunction with the completion and operation of the Data Center approved by Landlord, Tenant shall furnish the following information to Landlord:

(1) Within ten (10) days of completion, Tenant shall report to Landlord the total gross floor area (in square feet) of the Data Center measured between the principal exterior surfaces of the enclosing fixed walls and including all supporting functions dedicated for use in the Data Center, such as any raised-floor computing space, server rack aisles, storage silos, control console areas, battery rooms, mechanical rooms for cooling equipment, administrative office areas, elevator shafts, stairways, break rooms and restrooms. If Tenant alters or modifies the area of the Data Center approved by Landlord in its sole discretion, Tenant shall furnish an updated report to Landlord on the square footage within ten (10) days following completion of the alterations or modifications.

(2) Within ten (10) days following the close of each month of operation of the Data Center, monthly IT Energy Readings at the output of the Uninterruptible Power Supply (UPS), measured in total kWh utilized for die preceding month (as opposed to instantaneous power readings), failing which in addition to same being an Event of Default, Tenant shall be obligated to pay to Landlord the Late Reporting Fee.

(c) **Common Areas**. The term "**Common Area**" is defined for all purposes of this Lease as that part of the Project intended for the common use of all tenants, including among other facilities, the ground floor lobby, elevator lobbies and hallways on multi-tenant floors, parking areas, private streets and alleys, landscaping, curbs, loading areas, sidewalks, malls and promenades (enclosed or otherwise), lighting facilities, drinking fountains, meeting rooms, public toilets, the parking garage (if any), and specifically including the third floor exterior roof deck and the like, but excluding: (i) space in the Building designated for rental for commercial purposes, as the same may exist from time to time; (ii) streets and alleys maintained by a public authority; and (iii) areas leased to a single-purpose user where access is restricted. In addition, although the roof(s) of the Building is not literally part of the Common Area, it will be deemed to be so included for purposes of: (x) Landlord's ability to prescribe rules and regulations regarding same; and (y) its inclusion for purposes of Operating Costs reimbursements. Landlord reserves the right to change from time to time the dimensions and location of the Common Area, as well as the dimensions, identities, locations and types of any buildings, signs or other improvements in the Building provided that any such change shall not materially and adversely impact Tenant's access to the Premises. For example, and without limiting the generality of the immediately preceding sentence, Landlord may from time to time substitute for any parking area other areas reasonably accessible to the tenants of the Building, which areas may be elevated, surface or underground. Tenant, and its employees and customers, and when duly authorized pursuant to the provisions of this Lease, its subtenants, licensees and concessionaires, shall have the non-exclusive right to use the Common Area (excluding roof(s)) as constituted from time to time, such use to be in common with Landlord and other tenants in the Building and other persons permitted by the Landlord to use the same, and subject to rights of governmental authorities, easements, other restrictions of record, and such reasonable rules and regulations governing use as Landlord may from time to time prescribe. For example, and without limiting the generality of Landlord's ability to establish rules and regulations governing all aspects of the Common Area, Tenant agrees as follows:

(i) Tenant shall not solicit business within the Common Area nor take any action which would interfere with the rights of other persons to use the Common Area.

(ii) Landlord may temporarily close any part of the Common Area for such periods of time as may be necessary to make repairs or alterations or to prevent the public from obtaining prescriptive rights.

(iii) With regard to the roof(s) of the building(s) in the Project, use of the roof(s) is reserved to Landlord, or with regard to any tenant demonstrating to Landlord's satisfaction a need to use same, to such tenant after receiving prior written consent from Landlord.

(d) **Recycling and Waste Management**. Tenant covenants and agrees, at its sole cost and expense: (i) to comply with all present and future laws, orders and regulations of the Federal, State, county, municipal or other governing authorities, departments, commissions, agencies and boards regarding the collection, sorting, separation, and recycling of garbage, trash, rubbish and other refuse (collectively, "**trash**"); (ii) to comply with Landlord's recycling policy as part of Landlord's Sustainability Initiative (defined below) where it may be more stringent than applicable Law; (iii) to sort and separate its trash and recycling into such categories as are provided by Law or Landlord's Sustainability Initiative; (iv) that each separately sorted category of trash and recycling shall be placed in

separate receptacles as provided and directed by Landlord; (v) that Landlord reserves the right to refuse to collect or accept from Tenant any waste that is not separated and sorted as required by Law, and to require Tenant to arrange for such collection at Tenant's sole cost and expense, utilizing a contractor satisfactory to Landlord; and (vi) that Tenant shall pay all costs, expenses, fines, penalties or damages that may be imposed on Landlord or Tenant by reason of Tenant's failure to comply with the provisions of this Section. Tenant shall use reasonable efforts to provide Landlord as reasonably requested and no less than annually with copy of waste manifests for all waste that leaves the Building that is within Tenant's direct control, including but not limited to off-site paper shredding and electronic waste.

(e) **Sustainability Initiative**. Tenant acknowledges that Landlord may elect, in Landlord's sole discretion, to implement energy efficient and environmentally sustainable practices (collectively, the "**Sustainability Initiative**") and, in furtherance of same may pursue an environmental sustainability monitoring and certification program such as Energy Star, Green Globes-CIEB, LEED, or similar programs ("**Green Certification**"). Tenant acknowledges that in order to further its Sustainability Initiative or pursue Green Certification, Landlord may be required to provide information, including a copy of this Lease (redacted if necessary to remove confidential information) and historical and current data regarding energy use, materials, procedures and systems operation within the Project, Building and/or Premises to the Green Building Certification Institute ("**GBCI**") or to another certification body or agency, in order to demonstrate compliance with various program requirements. Tenant agrees that throughout the Term of this Lease: (i) Landlord may furnish a copy of this Lease (redacted as necessary) and other information provided from Tenant to Landlord as reasonably necessary to comply with Green Certification requirements; and (ii) Tenant shall use reasonable efforts to cooperate with Landlord and comply with the sustainability standards, so long as such cooperation does not involve a material expense to Tenant. Before closing and leaving the Premises at any time, Tenant shall use reasonable efforts to turn off all lights, electrical appliances and mechanical equipment that are not otherwise required to remain on. The use of space heaters is prohibited.

8. **Alterations; Repairs; Maintenance; Signs**.

(a) **Alterations**. Tenant shall not make any alterations, additions or improvements to the Premises (collectively, the "**Alterations**") without the prior written consent of Landlord. Notwithstanding the foregoing, if Tenant desires to install any items that require drilling, cutting or otherwise making holes in the Premises, Landlord's prior written consent shall be required, which consent shall not be unreasonably withheld or delayed with respect to de minimis drilling, cutting or holes. Tenant shall furnish complete plans and specifications to Landlord for its approval at the time Tenant requests Landlord's consent to any Alterations if the desired Alterations: (i) may affect the Building's Systems or Building's Structure; (ii) will require the filing of plans and specifications with any governmental or quasi-governmental agency or authority; (iii) will cost in excess of Fifty Thousand Dollars ($50,000.00); or (iv) will require a building permit or similar governmental approval to undertake. Subsequent to obtaining Landlord's consent and prior to commencement of the Alterations, Tenant shall deliver to Landlord a copy of any building permit required by applicable Law and a copy of the executed construction contract(s). Tenant shall reimburse Landlord within ten (10) days after the rendition of a bill for all of Landlord's reasonable actual out-of-pocket costs incurred in connection with any Alterations, including all management, engineering, outside consulting, and construction fees incurred by or on behalf of Landlord for the review and approval of Tenant's plans and specifications and for the monitoring of construction of the Alterations not to exceed two thousand ($2,000.00) dollars in any case. If Landlord consents to the making of any Alteration, such Alteration shall be made by Tenant at Tenant's sole cost and expense by a contractor approved in writing by Landlord. Tenant shall require its contractor to maintain insurance in such amounts and in such form as Landlord may require. Without Landlord's prior written consent, Tenant shall not use any portion of the Common Areas in connection with the making of any Alterations. If the Alterations which Tenant causes to be constructed result in Landlord being

required to make any alterations and/or improvements to other portions of the Project, as applicable, in order to comply with any applicable Laws, then Tenant shall reimburse Landlord upon demand for all costs and expenses incurred by Landlord in making such alterations and/or improvements. Any Alterations made by Tenant shall become the property of Landlord upon installation and shall remain on and be surrendered with the Premises upon the expiration or sooner termination of this Lease, unless Landlord requires the removal of such Alterations; provided, however, that Landlord shall have the right to require Tenant to remove any Alterations, at Tenant's sole cost and expense, in accordance with the provisions of this Section 8, which removal requirement shall be specified by Landlord when Landlord consents to Tenant's requested Alterations, but only if Tenant's request for Landlord's consent contains the following legend in bold 14 point font in all capitalized letters at the top of any such request for consent: **"IF LANDLORD REQUIRES REMOVAL OF ANY OF THE PROPOSED ALTERATIONS DESCRIBED IN THIS REQUEST FOR CONSENT, THEN LANDLORD SHALL NOTIFY TENANT IN WRITING OF ANY SUCH REMOVAL REQUIREMENT AT THE TIME OF LANDLORD'S CONSENT. IF LANDLORD DOES NOT SO NOTIFY TENANT OF ANY REMOVAL REQUIREMENT, THEN LANDLORD SHALL BE DEEMED TO HAVE WAIVED ITS RIGHT TO REQUIRE REMOVAL OF ANY OF THE PROPOSED ALTERATIONS."** Landlord shall also have the right to require Tenant to remove any Alterations that Tenant makes to the Premises without Landlord's consent by notice given to Tenant prior to the expiration of the Term or upon the earlier termination of this Lease. If Landlord requires the removal of such Alterations, Tenant shall at its sole cost and expense, forthwith and with all due diligence (but in any event not later than ten (10) days after the expiration or earlier termination of the Lease) remove all or any portion of any Alterations made by Tenant which are designated by Landlord to be removed (including without limitation stairs, bank vaults, and cabling, if applicable) and repair and restore the Premises in a good and workmanlike manner to their original condition, reasonable wear and tear excepted. All construction work done by Tenant within the Premises shall be performed in a good and workmanlike manner with new materials of first-class quality, lien-free and in compliance with all Laws, and in such manner as to cause a minimum of interference with other construction in progress and with the transaction of business in the Project. Tenant agrees to indemnify, defend and hold Landlord harmless against any loss, liability or damage resulting from such work. The foregoing indemnity shall survive the expiration or earlier termination of this Lease. Landlord's consent to or approval of any alterations, additions or improvements (or the plans therefor) shall not constitute a representation or warranty by Landlord, nor Landlord's acceptance, that the same comply with sound architectural and/or engineering practices or with all applicable Laws, and Tenant shall be solely responsible for ensuring all such compliance. All voice, data, video, audio and other low voltage control transport system cabling and/or cable bundles installed in the Building by Tenant or its contractor shall be (A) plenum rated and/or have a composition makeup suited for its environmental use in accordance with NFPA 70/National Electrical Code; (B) labeled every 3 meters with the Tenant's name and origination and destination points; (C) installed in accordance with all EIAITIA standards and the National Electric Code; and (D) installed and routed in accordance with a routing plan showing "as built" or "as installed" configurations of cable pathways, outlet identification numbers, locations of all wall, ceiling and floor penetrations, riser cable routing and conduit routing (if applicable), and such other information as Landlord may request. The routing plan shall be available to Landlord and its agents at the Building upon request.

(b) **Repairs; Maintenance**.

(i) **By Landlord**. Landlord shall, subject to reimbursement as set forth in **Exhibit C** keep and maintain in good repair and working order and make repairs to and perform maintenance upon: (1) structural elements of the Building; (2) standard mechanical (including HVAC), electrical, plumbing and fire/life safety systems serving the Building generally; (3) Common Areas; (4) the roof of the Building; (5) exterior windows of the Building; and (6) elevators serving the Building. Landlord shall not be liable for any failure to make any such repairs or to perform any maintenance unless

such failure shall persist for an unreasonable time after written notice of the need of such repairs or maintenance is given to Landlord by Tenant. If any of the foregoing maintenance or repair is necessitated due to the acts or omissions of any Tenant Party, Tenant shall pay the costs of such repairs or maintenance to Landlord within thirty (30) days after receipt of an invoice, together with an administrative charge in an amount equal to five percent (5%) of the cost of the repairs. Landlord shall not be liable to Tenant for any interruption of Tenant's business or inconvenience caused due to any work performed in the Premises or in the Project pursuant to Landlord's rights and obligations under the Lease. Notwithstanding the foregoing, if (i) any Essential Services (as said term is hereinafter defined) are unavailable solely as a result of the negligence or willful misconduct of the Landlord (any such unavailability of an Essential Service being hereinafter referred to as a "**Service Interruption**"), and (ii) such Service Interruption continues for more than five (5) consecutive Business Days after notice from Tenant and (iii) as a result of such Service Interruption, the conduct of Tenant's normal operations in the Premises are materially adversely affected, then all Base Rent and Additional Rent due hereunder with respect to the materially adversely affected portion of the Premises shall be abated for the period beginning immediately following the expiration of such five (5) business day period and shall continue until the applicable Essential Service is restored to a level that the material, adverse effect is eliminated. For purposes hereof the term "**Essential Services**" shall mean the following services: electricity, water and sewer.

(ii) **By Tenant**. Tenant shall, at its sole cost and expense, promptly perform all maintenance and repairs within the Premises that are not Landlord's express responsibility under this Lease, and shall keep the Premises in good condition and repair, ordinary wear and tear excepted. Tenant's repair obligations include, without limitation, repairs to: (1) floor covering and/or raised flooring; (2) interior partitions; (3) doors; (4) the interior side of demising walls; (5) electronic, phone and data cabling and related equipment (collectively, "**Cable**") that is installed by or for the benefit of Tenant and located in the Premises or other portions of the Building or Project; (6) supplemental air conditioning units, private showers and kitchens, including hot water heaters, plumbing, dishwashers, ice machines and similar facilities serving Tenant exclusively; (7) phone rooms used exclusively by Tenant; (8) Alterations performed by contractors retained by or on behalf of Tenant, including related HVAC balancing; and (9) all of Tenant's furnishings, trade fixtures, equipment and inventory. Landlord reserves die right to perform any of the foregoing maintenance or repair obligations or require that such obligations be performed by a contractor approved by Landlord, all at Tenant's expense. All work shall be performed in accordance with the rules and procedures described in Section 8(a). If Tenant fails to make any repairs to the Premises for more than fifteen (15) days after notice from Landlord (although notice shall not be required if there is an emergency, or if the area to be repaired is visible from the exterior of the Building), Landlord may, in addition to any other remedy available to Landlord, make the repairs, and Tenant shall pay the reasonable cost of the repairs to Landlord within thirty (30) days after receipt of an invoice, together with an administrative charge in an amount equal to fifteen percent (15%) of the cost of the repairs. At the expiration of this Lease, Tenant shall surrender the Premises in good condition, excepting reasonable wear and tear and losses required to be restored by Landlord. If Landlord elects to store any personal property of Tenant, including goods, wares, merchandise, inventory, trade fixtures and other personal property of Tenant, same shall be stored at the sole risk of Tenant. Except to die extent of Landlord's negligence or matters for which the Landlord is strictly liable at law, Landlord or its agents shall not be liable for any loss or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water or rain which may leak from any part of the Project or from the pipes, appliances or plumbing works therein or from the roof, street or subsurface or from any other places resulting from dampness or any other cause whatsoever, or from die act or negligence of any other tenant or any officer, agent, employee, contractor or guest of any such tenant. It is generally understood that mold spores may be present and that mold can grow in moist locations. Emphasis is properly placed on prevention of moisture and on good housekeeping and ventilation practices. Tenant acknowledges the necessity of housekeeping, ventilation, and moisture control (especially in kitchens, janitor's closets,

bathrooms, break rooms and around outside walls) for mold prevention. In signing this Lease, Tenant has first inspected the Premises and certifies that it has not observed mold, mildew or moisture visible within die Premises. Tenant agrees to immediately notify Landlord if it observes mold/mildew and/or moisture conditions (from any source, including leaks), and allow Landlord to evaluate and make recommendations and/or take appropriate corrective action. Tenant shall adopt and implement the moisture and mold control guidelines set forth on **Exhibit L** attached hereto.

(c) **Performance of Work**. All work described in this **Section 8** shall be performed only by contractors and subcontractors approved in writing by Landlord. Tenant shall cause all contractors and subcontractors to procure and maintain insurance coverage against such risks, in such amounts, and with such companies as Landlord may reasonably require, but in no event less than: (i) Commercial General Liability insurance on an occurrence basis in amounts not less than $5,000,000 naming Landlord, Landlord's property management company and Invesco Advisers, Inc. ("Invesco") as additional insureds; (ii) workers' compensation insurance in amounts required by statute; and (iii) Business Automobile Liability insurance on an occurrence basis in amounts not less than $1,000,000. Tenant shall provide Landlord with insurance certificates for such contractors and subcontractors prior to commencement of any work. Tenant shall provide Landlord with the identities, mailing addresses and telephone numbers of all persons performing work or supplying materials prior to beginning such construction and Landlord may post on and about the Premises notices of non-responsibility pursuant to applicable Laws. All such work shall be performed in accordance with all Laws and in a good and workmanlike manner so as not to damage the Building (including the Premises, the Building's Structure and the Building's Systems). All such work which may affect the Building's Structure or the Building's Systems, at Landlord's election, must be performed by Landlord's usual contractor for such work or a contractor approved by Landlord. All work affecting the roof of the Building must be performed by Landlord's roofing contractor or a contractor approved by Landlord and no such work will be permitted if it would void or reduce the warranty on the roof.

All maintenance (including without limitation janitorial services and pest control services) and repairs made by Tenant must comply with Landlord's Sustainability Initiative, including any third-party rating system concerning the environmental compliance of the Building or the Premises, as the same may change from time to time.

Notwithstanding local ordinances and building codes, any and all improvements, alterations or additions performed by Tenant will be performed in accordance with Landlord's "Contractor Rules and Regulations" attached hereto as **Exhibit E-1** and the Energy and Sustainability Construction Guidelines & Requirements attached hereto as **Exhibit E-2**. If Landlord reasonably determines that Tenant's maintenance or repair will affect the Building's designation, Tenant further agrees to engage a qualified third party LEED or Green Globe Accredited Professional or similarly qualified professional during the design phase through implementation of improvements, alterations or additions performed by Tenant to review all plans, material procurement, demolition, construction and waste management procedures to ensure they are in full conformance to Landlord's Sustainability Initiative.

(d) **Mechanic's Liens**. All work performed, materials furnished, or obligations incurred by or at the request of a Tenant Party shall be deemed authorized and ordered by Tenant only, and Tenant shall not permit any mechanic's liens to be filed against the Premises or the Project in connection therewith. Upon completion of any such work, Tenant shall deliver to Landlord final lien waivers from all contractors, subcontractors and materialmen who performed such work. If such a lien is filed, then Tenant shall, within ten (10) days after Landlord has delivered notice of the filing thereof to Tenant (or such earlier time period as may be necessary to prevent the forfeiture of the Premises, Project or any interest of Landlord therein or the imposition of a civil or criminal fine with respect thereto), either: (1) pay the amount of the lien and cause the lien otherwise to be released of record; or (2)

diligently contest such lien and deliver to Landlord a statutory bond or any other security reasonably satisfactory to Landlord. If Tenant fails to timely take either such action, then Landlord may post a bond against such lien or cause the bond to otherwise be released of record, and any amounts paid for such bond or release, including expenses and interest, shall be paid by Tenant to Landlord within ten (10) days after Landlord has invoiced Tenant therefor. Landlord and Tenant acknowledge and agree that their relationship is and shall be solely that of "landlord-tenant" (thereby excluding a relationship of "owner-contractor," "owner-agent" or other similar relationships). Accordingly, to the extent permitted by law, all materialmen, contractors, artisans, mechanics, laborers and any other persons now or hereafter contracting with Tenant, any contractor or subcontractor of Tenant or any other Tenant Party for the furnishing of any labor, services, materials, supplies or equipment with respect to any portion of the Premises, at any time from the date hereof until the end of the Term, are hereby charged with notice that they look exclusively to Tenant to obtain payment for same. Nothing herein shall be deemed a consent by Landlord to any liens being placed upon the Premises, the Project or Landlord's interest therein due to any work performed by or for Tenant or deemed to give any contractor or subcontractor or materialman any right or interest in any funds held by Landlord to reimburse Tenant for any portion of the cost of such work. Tenant shall indemnify, defend and hold harmless Landlord, its property manager, Invesco, any subsidiary or affiliate of the foregoing, and their respective officers, directors, shareholders, partners, employees, managers, contractors, attorneys and agents (collectively, the "**Indemnitees**") from and against all claims, demands, causes of action, suits, judgments, damages and expenses (including attorneys' fees) in any way arising from or relating to the failure by any Tenant Party to pay for any work performed, materials furnished, or obligations incurred by or at the request of a Tenant Party. The foregoing indemnity shall survive termination or expiration of this Lease.

(e) **Signs**. Tenant shall not place or permit to be placed any signs upon: (i) die roof of the Building; or (ii) the Common Areas; or (iii) any area visible from the exterior of the Premises without Landlord's prior written approval, which approval shall be granted or withheld by Landlord in its sole discretion. If approved by Landlord, any proposed sign shall only be placed in those locations as may be designated by Landlord, and shall comply with the sign criteria promulgated by Landlord from time to time. At Landlord's expense, Landlord shall provide to Tenant a listing on the main Building lobby directory and on any directory located in the elevator common areas on each floor that the Premises are located. Upon request of Landlord, Tenant shall immediately remove any sign, advertising material or lettering which Tenant has placed or permitted to be placed upon the exterior or interior surface of any door or window or at any point inside the Premises, which in Landlord's reasonable opinion, is of such a nature as to not be in keeping with the standards of the Building, and if Tenant fails to do so, Landlord may without liability remove the same at Tenant's expense. Tenant shall comply with such regulations as may from time to time be promulgated by Landlord governing signs, advertising material or lettering of all tenants in the Project. The Tenant, upon vacation of the Premises, or the removal or alteration of its sign for any reason, shall be responsible for the repair, painting or replacement of the Building fascia surface or other portion of the Building where signs are attached. If Tenant fails to do so, Landlord may have the sign removed and the cost of removal plus fifteen percent (15%) as an administrative fee shall be payable by Tenant within ten (10) days of invoice.

9. **Use**. Tenant shall continuously occupy and use the Premises only for the Permitted Use (as set forth in the Basic Lease Information) and shall comply with all Laws relating to the use, condition, access to, and occupancy of the Premises and will not commit waste, overload the Building's Structure or the Building's Systems or subject the Premises to use that would damage the Premises. Subject to Landlord's after hours security procedures, repair situations, and subject to events beyond Landlord's reasonable control, Tenant shall have the right to access the Premises on a 24-hour, 7-day a week basis. Tenant, at its sole cost and expense, shall obtain and keep in effect during the Term, all permits, licenses, and other authorizations necessary to permit Tenant to use and occupy the Premises for the Permitted Use in accordance with applicable Law. The population density within the Premises as a whole shall at no

time exceed one (1) person for each one hundred twenty-five (125) rentable square feet in the Premises. Notwithstanding anything in this Lease to the contrary, as between Landlord and Tenant: (a) Tenant shall bear the risk of complying with Title III of the Americans With Disabilities Act of 1990, any state laws governing handicapped access or architectural bathers, and all rules, regulations, and guidelines promulgated under such laws, as amended from time to time (the "Disabilities Acts") in the Premises; and (b) Landlord shall bear the risk of complying with the Disabilities Acts in the Common Areas (subject to reimbursement as set forth in **Exhibit C**), other than compliance that is necessitated by the use of the Premises for other than the Permitted Use or as a result of any alterations or additions made by Tenant (which risk and responsibility shall be borne by Tenant). Tenant shall not use any substantial portion of the Premises for a "call center", any other telemarketing use, or any credit processing use. In addition, the Premises shall not be used for any purpose which creates strong, unusual, or offensive odors, fumes, dust or vapors; which emits noise or sounds that are objectionable due to intermittence, beat, frequency, shrillness, or loudness; which is associated with indecent or pornographic matters; or which involves political or moral issues (such as abortion issues). Tenant shall conduct its business and control each other Tenant Party so as not to create any nuisance or unreasonably interfere with other tenants or Landlord in its management of the Building. Tenant shall not knowingly conduct or permit to be conducted in the Premises any activity, or place any equipment in or about the Premises or the Building, which will invalidate the insurance coverage in effect or increase the rate of fire insurance or other insurance on the Premises or the Building. If any invalidation of coverage or increase in the rate of fire insurance or other insurance occurs or is threatened by any insurance company due to activity conducted from the Premises, or any act or omission by Tenant, or its agents, employees, representatives, or contractors, such statement or threat shall be conclusive evidence that the increase in such rate is due to such act of Tenant or the contents or equipment in or about the Premises, and, as a result thereof, Tenant shall be liable for such increase and shall be considered Additional Rent payable with the next monthly installment of Base Rent due under this Lease and Landlord's acceptance of such amount shall not waive any of Landlord's other rights. In no event shall Tenant introduce or permit to be kept on the Premises or brought into the Building any dangerous, noxious, radioactive or explosive substance.

Tenant shall use reasonable efforts not to use or operate the Premises in any manner that will cause the Building or any part thereof not to conform with Landlord's Sustainability Initiative or certification of the Building in accordance with Green Certification, as may be reasonably determined by Landlord, so long as such efforts do not involve a material expense to Tenant.

Tenant agrees to use reasonable efforts to comply with and cooperate with Landlord's efforts to comply with energy efficiency, green building and/or carbon reduction laws, including without limitation occupant, water, energy and transportation surveys within die city, county, state or any other jurisdiction, so long as such efforts do not involve a material expense to Tenant.

10. **Assignment and Subletting**.

(a) **Transfers**. Except as provided herein, Tenant shall not, without the prior written consent of Landlord: (1) assign, transfer, or encumber this Lease or any estate or interest herein, whether directly or by operation of law; (2) permit any other entity to become Tenant hereunder by merger, consolidation, or other reorganization; (3) sublet any portion of the Premises; (4) grant any license, concession, or other right of occupancy of any portion of the Premises; or (5) permit the use of the Premises by any parties other than Tenant (any of the events listed in Section 10(a)(1) through Section 10(a)(6) being a "**Transfer**").

(b) **Consent Standards**. Landlord shall not unreasonably withhold its consent to any assignment or subletting of the Premises, provided that Tenant is not then in default under the Lease and the proposed transferee: (1) is creditworthy; (2) has a good reputation in the business community; (3) will

use the Premises for the Permitted Use (thus, excluding without limitation, uses for credit processing and telemarketing); (4) will not use the Premises or Project in a manner that would materially increase the pedestrian or vehicular traffic to the Premises or Project; (5) is not a governmental entity, or subdivision or agency thereof; (6) is not another occupant of the Building; and (7) is not a person or entity with whom Landlord is then, or has been within the six-month period prior to the time Tenant seeks to enter into such assignment or subletting, negotiating to lease space in the Building, or any Affiliate of any such person or entity; otherwise, Landlord may withhold its consent in its sole discretion. Notwithstanding the foregoing, it shall be a reasonable basis for Landlord to withhold its consent if Tenant tenders for Landlord's approval an assignment of this Lease or a sublease of the Premises or any part of the Premises to a proposed assignee/subtenant whose proposed use or operation in the Premises may or will cause the Building or any part thereof not to conform with the environmental and green building clauses in this Lease.

Notwithstanding the above, Tenant shall have the right to assign this Lease or sublet the Premises to an Affiliate (an "Affiliate Transfer") or to a successor entity resulting from an acquisition, merger, spin off or consolidation without the need to obtain Landlord's consent so long as (1) Tenant is not in default under this Lease; (2) Tenant's successor shall own all or substantially all of the assets of Tenant; (3) any such assignee shall have a tangible net worth as of the date of such assignment at least equal to or greater than the tangible net worth of Tenant as of the date of this Lease; and (4) the Premises shall not be used for retail purposes.

(c) **Request for Consent**. If Tenant requests Landlord's consent to a Transfer, then, at least thirty (30) days prior to the effective date of the proposed Transfer, Tenant shall provide Landlord with a written description of all terms and conditions of the proposed Transfer, copies of the proposed pertinent documentation, and the following information about the proposed transferee: name and address; reasonably satisfactory information about its business and business history; its proposed use of the Premises;, financial information; and general references sufficient to enable Landlord to determine that the proposed transferee does not have an adverse reputation. Concurrently with Tenant's notice of any request for consent to a Transfer, Tenant shall pay to Landlord a fee of $1,000 to defray Landlord's expenses in reviewing such request, and Tenant shall also reimburse Landlord immediately upon request for its reasonable attorneys' fees incurred in connection with considering any request for consent to a Transfer.

(d) **Conditions to Consent**. If Landlord consents to a proposed Transfer, then the proposed transferee shall deliver to Landlord a written agreement whereby it expressly assumes Tenant's obligations hereunder; however, any transferee of less than all of the space in the Premises shall be liable only for obligations under this Lease that are properly allocable to the space subject to the Transfer for the period of the Transfer. No Transfer (including an

Transfer not requiring Landlord's consent) shall release Tenant from its obligations under this Lease, but rather Tenant and its transferee shall be jointly and severally liable therefor. Landlord's consent to any Transfer shall not be deemed consent to any subsequent Transfers. If an Event of Default occurs while the Premises or any part thereof are subject to a Transfer, then Landlord, in addition to its other remedies, may collect directly from such transferee all rents becoming due to Tenant and apply such rents against Rent. Tenant authorizes its transferees to make payments of rent directly to Landlord upon receipt of notice from Landlord to do so following the occurrence of an Event of Default hereunder. All rents paid to Tenant by an assignee or subtenant shall be received by Tenant in trust for Landlord and shall be forwarded to Landlord without offset or reduction of any kind. Tenant shall pay for the cost of any demising walls or other improvements necessitated by a proposed subletting or assignment (provided that the foregoing shall not waive any approval right that Landlord may have with respect to such improvements pursuant to another provision of this Lease).

(e) **Attornment by Subtenants**. Each sublease by Tenant hereunder shall be subject and subordinate to this Lease and to the matters to which this Lease is or shall be subordinate, and each subtenant by entering into a sublease is deemed to have agreed that in the event of termination, re-entry or dispossession by Landlord under this Lease, Landlord may, at its option, either terminate the sublease or take over all of the right, title and interest of Tenant, as sublandlord, under such sublease, and such subtenant shall, at Landlord's option, attom to Landlord pursuant to the then executory provisions of such sublease, except that Landlord shall not be: (1) liable for any previous act or omission of Tenant under such sublease; (2) subject to any counterclaim, offset or defense that such subtenant might have against Tenant; (3) bound by any previous modification of such sublease or by any rent or additional rent or advance rent which such subtenant might have paid for more than the current month to Tenant, and all such rent shall remain due and owing, notwithstanding such advance payment; (4) bound by any security or advance rental deposit made by such subtenant which is not delivered or paid over to Landlord and with respect to which such subtenant shall look solely to Tenant for refund or reimbursement; or (5) obligated to perform any work in the subleased space or to prepare it for occupancy, and in connection with such adornment, the subtenant shall execute and deliver to Landlord any instruments Landlord may reasonably request to evidence and confirm such attornment. Each subtenant or licensee of Tenant shall be deemed, automatically upon and as a condition of its occupying or using the Premises or any part thereof, to have agreed to be bound by the terms and conditions set forth in this Section 10(e). The provisions of this Section 10(e) shall be self-operative, and no further instrument shall be required to give effect to this provision.

(f) **Cancellation**. Except in connection with an Affiliate Transfer, in the event Tenant requests Landlord's consent to an assignment of this Lease or a sublease of the Premises, Landlord may, within thirty (30) days after submission of Tenant's written request for Landlord's consent, cancel this Lease as to the portion of the Premises proposed to be sublet or assigned as of the date the proposed Transfer is to be effective; provided, however, that Tenant may sublet one-time during the Term up to one entire wing (i.e., either an East floor wing or a West floor wing) on one floor of the Premises (including in the term "Premises" for these purposes any additional space that Tenant may lease pursuant to its rights under **Exhibit J**) without triggering such cancellation right by Landlord. If Landlord cancels this Lease as to any portion of the Premises, then this Lease shall cease for such portion of the Premises, Tenant shall pay to Landlord all Rent accrued through the cancellation date relating to the portion of the Premises covered by the proposed Transfer, and Rent shall be reduced proportionately based on the remaining square footage in the Premises. Thereafter, Landlord may lease such portion of the Premises to the prospective transferee (or to any other person) without liability to Tenant. Notwithstanding the foregoing, if Landlord provides written notification to Tenant of its election to cancel this Lease as to any portion of the Premises as provided above, Tenant may rescind its proposed assignment or subletting of all or any portion of the Premises by notifying Landlord in writing within five (5) Business Days following Landlord's written cancellation notice.

(g) **Additional Compensation**. Tenant shall pay to Landlord, immediately upon receipt thereof, one-half (1/2) of the excess of all compensation received by Tenant for a Transfer over the Rent allocable to the portion of the Premises covered thereby, after first deducting from such excess Tenant's reasonable and customary legal, brokerage and leasehold improvement costs incurred in connection with such Transfer, all of which costs shall be amortized ratably over the term of the Transfer.

11. **Insurance; Waivers; Subrogation; Indemnity**.

(a) **Tenant's Insurance**. Effective as of the earlier of: (1) the date Tenant enters or occupies the Premises; or (2) the Commencement Date, and continuing throughout the Term, Tenant shall maintain the following insurance policies:

(i) Commercial General Liability Insurance in amounts of no less than $5,000,000 per occurrence for bodily injury and property damage, $5,000,000 each person or organization for personal and advertising injury, $5,000,000 general aggregate, and $5,000,000 products and completed operations aggregate covering: (A) premises/operations liability, (B) products/completed operations liability, (C) personal and advertising injury liability, (D) independent contractors liability, and (E) broad form contractual liability. Such policy shall: (1) be primary and non-contributory to any insurance or self insurance maintained by Tenant, Landlord, Landlord's property management company and Invesco with respect to the use and occupancy of the Premises including all operations conducted thereon; (2) include severability of interests or cross liability provisions; (3) be endorsed to add Landlord, Landlord's property management company, and Invesco as additional insureds using Insurance Services Office ("**ISO**") form CG 20 26 11 85 or a substitute equivalent form approved in writing by Landlord; (4) include terrorism coverage up to the full per occurrence and aggregate limits available under the policy; and (5) insure other activities that the Landlord deems necessary, such as insurance for liquor liability. Limits can be satisfied through the maintenance of a combination of primary and umbrella policies. Tenant may maintain such insurance on a multi-location basis provided that the aggregate limits or sublimits on each policy are dedicated to the Premises and thereby not subject to dilution by claims occurring at other locations.

(ii) Intentionally Omitted.

(iii) Commercial Property Insurance covering at full replacement cost value the following property in the Premises: (A) inventory; (B) FF&E (unattached furniture, fixtures, and equipment); (C) alterations, improvements and betterments made by the Tenant including but not necessarily limited to all permanently attached fixtures and equipment; and (D) any other property in which the Tenant retains the risk of loss including electronic data processing equipment, employee personal property or other property owned or leased by Tenant. Such property insurance shall include: (1) coverage against such perils as are commonly included in the special causes of loss form, with no exclusions for wind and hail, vandalism and malicious mischief, and endorsed to add the perils of terrorism; (2) business income coverage providing for the full recovery of loss of rents and continuing expenses on an actual loss sustained basis for a period of not less than twelve (12) months; (3) an "agreed amount" endorsement waiving any coinsurance requirements; and (4) a loss payable endorsement providing that Tenant, Landlord, and Landlord's Mortgagee (as hereinafter defined) shall be a loss payee on the policy with regard to the loss of rents coverage. "Full replacement value," as used herein, means the cost of repairing, replacing, or reinstating, including demolishing, any item of property, with materials of like kind and quality in compliance with, (and without, an exclusion pertaining to application of), any law or building ordinance regulating repair or construction at the time of loss and without deduction for physical, accounting, or any other depreciation, in an amount sufficient to meet the requirements of any applicable co-insurance clause and to prevent Tenant from being a co-insurer.

(iv) Builders' Risk Insurance on an "all risk" form that does not exclude the perils of flood, earthquake, and terrorism covering on a completed value basis all work incorporated in the Building and all materials and equipment in or about the Premises in connection with construction activities where Tenant notifies Landlord of its intent to undertake a substantial rebuild of the existing structure and Landlord determines that such coverage is necessary. Limits and terms to coverage are to be determined by Landlord upon notification by Tenant.

(v) Workers Compensation Insurance covering statutory benefits in the state where the Premises is located. This policy shall include "other states" insurance, so as to include all states not named on the declarations page of the insurance policy, except for the monopolistic states. Tenant is required to carry this insurance regardless of eligibility for waiver or exemption of coverage under any applicable state statute. Such insurance shall include an employers liability coverage part with limits that

shall be not less than $1,000,000 each accident for bodily injury by accident and $1,000,000 each employee and policy limit for bodily injury by disease.

(vi) Such other insurance or any changes or endorsements to the insurance required herein, including increased limits of coverage, as Landlord, or any mortgagee or lessor of Landlord, may reasonably require from time to time, so long as such requirements are commercially reasonable and aligned with the industry standard.

Tenant's commercial general liability insurance, automobile liability insurance and, all other insurance policies, where such policies permit coverage for Landlord as an additional insured, shall provide primary coverage to Landlord and shall not require contribution by any insurance maintained by Landlord, when any policy issued to Landlord provides duplicate or similar coverage, and in such circumstance Landlord's policy will be excess over Tenant's policy. Tenant shall furnish to Landlord certificates of such insurance, and where applicable with an additional insured endorsement in form CG 20 26 11 85 (or another equivalent form approved in writing by Landlord), and such other evidence satisfactory to Landlord of the maintenance of all insurance coverages required hereunder at least ten (10) days prior to the earlier of the Commencement Date or the date Tenant enters or occupies the Premises, and at least fifteen (15) days prior to each renewal of said insurance, and Tenant shall obtain a written obligation on the part of each insurance company to notify Landlord at least thirty (30) days before cancellation, non-renewal or a material change of any such insurance policies. All such insurance policies shall be in form, and issued by companies licensed to do business in the state where the Premises is located, rated by AM Best as having a financial strength rating of "A-" or better and a financial size category of "DC" or greater, or otherwise reasonably satisfactory to Landlord. If Tenant fails to comply with the foregoing insurance requirements or to deliver to Landlord the certificates or evidence of coverage required herein, Landlord, in addition to any other remedy available pursuant to this Lease or otherwise, may, but shall not be obligated to, obtain such insurance and Tenant shall pay to Landlord on demand the premium costs thereof, plus an administrative fee of fifteen percent (15%) of such cost. It is expressly understood and agreed that the foregoing minimum limits of liability and coverages required of Tenant's insurance shall not reduce or limit the obligation of the Tenant to indemnify the Landlord as provided in this Lease. All policies required herein shall use occurrence based forms. Any and all of the premiums, deductibles and self-insured retentions associated with the policies providing the insurance coverage required herein shall be assumed by, for the account of, and at the sole risk of Tenant. Deductibles or self-insured retentions may not exceed $10,000 without the prior written approval of Landlord.

(b) **Landlord's Insurance**. Throughout the Term of this Lease, Landlord shall maintain, as a minimum, the following insurance policies: (I) property insurance for the Building's replacement value (excluding property required to be insured by Tenant, it being agreed that Landlord shall have no obligation to provide insurance for such property), less a commercially-reasonable deductible if Landlord so chooses; and (2) commercial general liability insurance in an amount of not less than $3,000,000 per occurrence for bodily injury and property damage, $3,000,000 each person or organization for personal and advertising injury, $3,000,000 general aggregate, and $3,000,000 products and completed operations aggregate. Limits can be satisfied through the maintenance of a combination of primary and umbrella policies. Landlord may, but is not obligated to, maintain such other insurance and additional coverages as it may deem necessary. Tenant shall pay its Proportionate Share of the cost of all insurance carried by Landlord with respect to the Project or Complex, as applicable, as set forth on **Exhibit C**. The foregoing insurance policies and any other insurance carried by Landlord shall be for the sole benefit of Landlord and under Landlord's sole control, and Tenant shall have no right or claim to any proceeds thereof or any other rights thereunder.

(c) **Waiver of Subrogation**. Notwithstanding anything to the contrary herein, to the extent permitted by law and without affecting the coverage provided by insurance required to be maintained hereunder, Landlord and Tenant shall each agree to waive any right to recover against the other party (and the other party's agents, officers, directors and employees) on account of any and all claims it may have against the other party (and the other party's agents, officers, directors and employees) with respect to the insurance actually maintained, or required to be maintained hereunder, under subparagraphs 11(a)(i) through (vi), inclusive, and to the extent proceeds are realized from such insurance coverage that are applied to such claims. Each policy described in this Lease shall contain a waiver of subrogation endorsement that provides that the waiver of any right to recovery shall not invalidate the policy in any way.

(d) **Indemnity**. Subject to Section 11(c), Tenant shall indemnify, defend and hold harmless Landlord and the Indemnitees from and against all claims, demands, liabilities, causes of action, suits, judgments, damages, and expenses (including attorneys' fees) and all losses and damages arising from: (1) any injury to or death of any person or the damage to or theft, destruction, loss, or loss of use of any property or inconvenience (a "Loss") arising from any occurrence on the Premises, the use of the Common Areas by any Tenant Party, or arising out of the installation, operation, maintenance, repair or removal of any of Tenant's Off-Premises Equipment, except to the extent caused by Landlord's negligence or willful misconduct; or (2) Tenant's failure to perform its obligations under this Lease. The indemnities set forth in this Section 11(d) shall survive termination or expiration of this Lease and shall not terminate or

be waived, diminished or affected in any manner by any abatement or apportionment of Rent under any provision of this Lease. If any proceeding is filed for which indemnity is required hereunder, Tenant agrees, upon request therefor, to defend Landlord in such proceeding at its sole cost utilizing counsel satisfactory to Landlord in its sole discretion.

12. **Subordination; Attornment; Notice to Landlord's Mortgagee**.

(a) **Subordination**. This Lease shall be subordinate to any deed of trust, mortgage, or other security instrument (each, a "**Mortgage**"), or any ground lease, master lease, or primary lease (each, a "**Primary Lease**"), that now or hereafter covers all or any part of the Premises (the mortgagee under any such Mortgage, beneficiary under any such deed of trust, or the lessor under any such Primary Lease is referred to herein as a "**Landlord's Mortgagee**"). With respect to any future Mortgage, any Landlord's Mortgagee may elect at any time, unilaterally, to make its Mortgage, Primary Lease, or other interest in the Premises superior to this Lease by so notifying Tenant in writing and providing to Tenant a subordination, non-disturbance and attornment agreement substantially in the customary form of Landlord's Mortgagee (the "SNDA"). In confirmation of such subordination, Tenant shall execute and return to Landlord (or such other party designated by Landlord), within ten (10) days after written request therefor, the SNDA. Landlord hereby represents and warrants that, as of the Lease Date, there are no Mortgages or Primary Leases encumbering the Building.

(b) **Attornment**. Tenant shall attorn to any party succeeding to Landlord's interest in the Premises, whether by purchase, foreclosure, deed in lieu of foreclosure, power of sale, termination of lease, or otherwise, upon such party's request, and shall execute such agreements confirming such attornment as such party may reasonably request.

(c) **Notice to Landlord's Mortgagee**. Tenant shall not seek to enforce any remedy it may have for any default on the part of Landlord without first giving written notice by certified mail, return receipt requested, specifying the default in reasonable detail, to any Landlord's Mortgagee whose address has been given to Tenant, and affording such Landlord's Mortgagee a reasonable opportunity to perform Landlord's obligations hereunder.

(d) **Landlord's Mortgagee's Protection Provisions**. If Landlord's Mortgagee shall succeed to the interest of Landlord under this Lease, Landlord's Mortgagee shall not be: (1) liable for any act or omission of any prior lessor (including Landlord); (2) bound by any rent or additional rent or advance rent which Tenant might have paid for more than one (1) month in advance to any prior lessor (including Landlord), and all such rent shall remain due and owing, notwithstanding such advance payment; (3) bound by any security or advance rental deposit made by Tenant which is not delivered or paid over to Landlord's Mortgagee; and (4) bound by any termination, amendment or modification of this Lease made without Landlord's Mortgagee's consent and written approval, except for those terminations, amendments and modifications permitted to be made by Landlord without Landlord's Mortgagee's consent pursuant to the terms of the loan documents between Landlord and Landlord's Mortgagee. Nothing in this Lease shall be construed to require Landlord's Mortgagee to see to the application of the proceeds of any loan, and Tenant's agreements set forth herein shall not be impaired on account of any modification of the documents evidencing and securing any loan.

13. **Rules and Regulations**. Tenant shall comply with the rules and regulations of the Building which are attached hereto as **Exhibit F**. Landlord may, from time to time, change such rules and regulations for the safety, care, or cleanliness of the Building and related facilities, provided that such changes are applicable to all tenants of the Building, will not unreasonably interfere with Tenant's use of the Premises and are enforced by Landlord in a non-discriminatory manner. Tenant shall be responsible for the compliance with such rules and regulations by each Tenant Party.

14. **Condemnation**.

(a) **Total Taking**. If the entire Building or Premises are taken by right of eminent domain or conveyed in lieu thereof (a "**Taking**"), this Lease shall terminate as of the date of the Taking.

(b) **Partial Taking - Tenant's Rights**. If any part of the Building becomes subject to a Taking and such Taking will prevent Tenant from conducting its business in the Premises in a manner reasonably comparable to that conducted immediately before such Taking for a period of more than ninety (90) days, then Tenant may terminate this Lease as of the date of such Taking by giving written notice to Landlord within thirty (30) days after the Taking, and Rent shall be apportioned as of the date of such Taking. If Tenant does not terminate this Lease, then Rent shall be abated on a reasonable basis as to that portion of the Premises rendered untenantable by the Taking.

(c) **Partial Taking - Landlord's Rights**. If any material portion, but less than all, of the Building becomes subject to a Taking, or if Landlord is required to pay any of the proceeds arising from a Taking to a Landlord's Mortgagee, then Landlord may terminate this Lease by delivering written notice thereof to Tenant within thirty (30) days after such Taking, and Rent shall be apportioned as of the date of such Taking. If Landlord does not so terminate this Lease, then this Lease will continue, but if any portion of the Premises has been taken, Rent shall abate as provided in the last sentence of Section 14(b).

(d) **Award**. If any Taking occurs, then Landlord shall receive the entire award or other compensation for the Land, the Building, and other improvements taken; however, Tenant may separately pursue a claim (to the extent it will not reduce Landlord's award) against the condemnor for the value of Tenant's leasehold and personal property which Tenant is entitled to remove under this Lease, moving costs, loss of business, and other claims it may have.

15. **Fire or Other Casualty**.

(a) **Repair Estimate**. If the Premises or the Building are damaged by fire or other casualty (a "**Casualty**"), Landlord shall use good faith efforts to deliver to Tenant within sixty (60) days

after such Casualty a good faith estimate (the "**Damage Notice**") of the time needed to repair the damage caused by such Casualty.

(b) **Tenant's Rights**. If a material portion of the Premises is damaged by Casualty such that Tenant is prevented from conducting its business in the Premises in a manner reasonably comparable to that conducted immediately before such Casualty and Landlord estimates that the damage caused thereby cannot be repaired within two hundred forty (240) days after the commencement of repairs (the "**Repair Period**"), then Tenant may terminate this Lease by delivering written notice to Landlord of its election to terminate within thirty (30) days after the Damage Notice has been delivered to Tenant.

(c) **Landlord's Rights**. If a Casualty damages the Premises or a material portion of the Building and: (1) Landlord estimates that the damage to the Premises cannot be repaired within the Repair Period; (2) the damage to die Premises exceeds fifty percent (50%) of the replacement cost thereof (excluding foundations and footings), as estimated by Landlord, and such damage occurs during the last two (2) years of the Term; (3) regardless of the extent of damage to the Premises, Landlord makes a good faith determination that restoring the Building would be uneconomical; or (4) Landlord is required to pay any insurance proceeds arising out of the Casualty to a Landlord's Mortgagee, then Landlord may terminate this Lease by giving written notice of its election to terminate within thirty (30) days after the Damage Notice has been delivered to Tenant.

(d) **Repair Obligation**. If neither party elects to terminate this Lease following a Casualty, then Landlord shall, within a reasonable time after such Casualty, begin to repair die Premises and shall proceed with reasonable diligence to restore the Premises to substantially the same condition as they existed immediately before such Casualty; however, other than building standard leasehold improvements Landlord shall not be required to repair or replace any Alterations or betterments within the Premises (which shall be promptly and with due diligence repaired and restored by Tenant at Tenant's sole cost and expense) or any furniture, equipment, trade fixtures or personal property of Tenant or others in the Premises or the Building, and Landlord's obligation to repair or restore the Premises shall be limited to the extent of the insurance proceeds actually received by Landlord for the Casualty in question. If this Lease is terminated under the provisions of this Section 15, Landlord shall be entitled to the full proceeds of the insurance policies providing coverage for all Alterations, improvements and betterments in the Premises (and, if Tenant has failed to maintain insurance on such items as required by this Lease, Tenant shall pay Landlord an amount equal to the proceeds Landlord would have received had Tenant maintained insurance on such items as required by this Lease).

(e) **Abatement of Rent**. If the Premises are damaged by Casualty, Rent for the portion of die Premises rendered untenantable by the damage shall be abated on a reasonable basis from the date of damage until the completion of Landlord's repairs (or until the date of termination of this Lease by Landlord or Tenant as provided above, as the case may be), unless a Tenant Party caused such damage, in which case, Tenant shall continue to pay Rent without abatement.

16. **Personal Property Taxes**. Tenant shall be liable for all taxes levied or assessed against personal property, furniture, or fixtures placed by Tenant in the Premises or in or on the Building or the Project. If any taxes for which Tenant is liable are levied or assessed against Landlord or Landlord's property and Landlord elects to pay the same, or if the assessed value of Landlord's property is increased by inclusion of such personal property, furniture or fixtures and Landlord elects to pay the taxes based on such increase, then Tenant shall pay to Landlord, within thirty (30) days following written request therefor, the part of such taxes for which Tenant is primarily liable hereunder.

17. **Events of Default**. Each of the following occurrences shall be an "**Event of Default**":

(a) **Payment Default**. Tenant's failure to pay Rent when due and the continuance of such failure for a period of at least five (5) calendar days after Landlord has delivered to Tenant written notice of such failure;

(b) **Abandonment**. Tenant abandons the Premises in its entirety (it being understood that Tenant vacating the Premises shall not be a default so long as Tenant continues to perform all of its obligations under this Lease in accordance with the terms and conditions of this Lease);

(c) **Estoppel/Financial Statements/Commencement Date Letter**. Tenant fails to provide: (i) any estoppel certificate after Landlord's written request therefor pursuant to Section 26(e); (ii) any financial statement after Landlord's written request therefor pursuant to Section 26(q); or (iii) the Confirmation of Commencement Date in the form of **Exhibit G** as required by Section 3, and such failure shall continue for ten (10) calendar days after Landlord's second (2nd) written notice thereof to Tenant;

(d) **Insurance**. Tenant fails to procure, maintain and deliver to Landlord evidence of the insurance policies and coverages as required under Section 11(a);

(e) **Mechanic's Liens**. Tenant fails to pay and release of record, or diligently contest and bond around, any mechanic's lien filed against the Premises or die Project for any work performed, materials furnished, or obligation incurred by or at the request of Tenant, within the time and in the manner required by Section 8(c);

(f) **Other Defaults**. Tenant's failure to perform, comply with, or observe any other agreement or obligation of Tenant under this Lease and the continuance of such failure for a period of thirty (30) calendar days or more after Landlord has delivered to Tenant written notice thereof; and

(g) **Insolvency**. The filing of a petition by or against Tenant (the term "**Tenant**" shall include, for the purpose of this Section 17(g), any guarantor of Tenant's obligations hereunder): (1) in any bankruptcy or other insolvency proceeding; (2) seeking any relief under any state or federal debtor relief law; (3) for the appointment of a liquidator or receiver for all or substantially all of Tenant's property or for Tenant's interest in this Lease; or (4) for the reorganization or modification of Tenant's capital structure; however, if such a petition is filed against Tenant, then such filing shall not be an Event of Default unless Tenant fails to have the proceedings initiated by such petition dismissed within sixty (60) calendar days after the filing thereof.

18. **Remedies**.

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

(a) **Termination of Lease**. Terminate this Lease by giving Tenant written notice thereof or by making entry thereon for the purposes of terminating this Lease, and upon the delivery of such notice or the making of such entry this Lease shall terminate, in which event Tenant shall pay to Landlord the sum of: (1) all Rent accrued hereunder through the date of termination; (2) all amounts due under Section 19(a); and (3) (I) an amount equal to (A) the total Rent that Tenant would have been required to pay for the remainder of the Term discounted to present value at a per annum rate equal to the Prime Rate ("Prime Rate" shall be the per annum interest rate publicly announced by a federally insured bank selected by Landlord in the state in which the Premises is located as such bank's prime or base rate) minus one percent (1%), minus (B) the then present fair rental value of the Premises for such period, similarly discounted or (II) alternatively, the amounts described in clause (3) of the first sentence under Section 18(b).

(b) **Termination of Possession**. Terminate Tenant's right to possess the Premises without terminating this Lease by giving written notice thereof to Tenant, in which event Tenant shall pay to Landlord: (I) all Rent and other amounts accrued hereunder to the date of termination of possession; (2) all amounts due from time to time under Section 19(a); and (3) all Rent and other net sums required hereunder to be paid by Tenant during the remainder of the Term, diminished by any net sums thereafter received by Landlord through reletting the Premises during such period, after deducting all costs incurred by Landlord in reletting the Premises. If Landlord elects to proceed under this Section 18(b), Landlord may remove all of Tenant's property from the Premises and store the same in a public warehouse or elsewhere at the cost of, and for the account of, Tenant, without becoming liable for any loss or damage which may be occasioned thereby.

In the event that Landlord proceeds under either Section 18(a) or Section 18(b), Landlord shall use commercially reasonable efforts to relet the Premises on such terms as Landlord in its sole discretion may determine (including a term different from the Term, rental concessions, and alterations to, and improvement of, the Premises); however, Landlord shall not be obligated to expend funds in connection with reletting the Premises, nor to relet the Premises before leasing other portions of the Building, and Landlord shall not be obligated to accept any prospective tenant proposed by Tenant unless such proposed tenant meets all of Landlord's leasing criteria. Landlord shall not be liable for, nor shall Tenant's obligations hereunder be diminished because of, Landlord's failure to relet the Premises or to collect rent due for such reletting. Tenant shall not be entitled to the excess of any consideration obtained by reletting over the Rent due hereunder. Reentry by Landlord in the Premises shall not affect Tenant's obligations hereunder for the unexpired Term; rather, Landlord may, from time to time, bring an action against Tenant to collect amounts due by Tenant, without the necessity of Landlord's waiting until the expiration of the Term.

Unless Landlord delivers written notice to Tenant expressly stating that it has elected to terminate this Lease, all actions taken by Landlord to dispossess or exclude Tenant from the Premises shall be deemed to be taken under this Section 18(b). If Landlord elects to proceed under this Section 18(b), it may at any time elect to terminate this Lease under Section 18(a); or

(c) **Perform Acts on Behalf of Tenant**. Perform any act Tenant is obligated to perform under the terms of this Lease (and enter upon the Premises in connection therewith if necessary) in Tenant's name and on Tenant's behalf, without being liable for any claim for damages therefor, and Tenant shall reimburse Landlord on demand for any expenses which Landlord may incur in thus effecting compliance with Tenant's obligations under this Lease (including, but not limited to, collection costs and legal expenses), plus interest thereon at the Default Rate.

19. **Payment by Tenant; Non-Waiver; Cumulative Remedies**.

(a) **Payment by Tenant**. Upon any Event of Default, Tenant shall pay to Landlord all costs incurred by Landlord (including court costs and reasonable attorneys' fees and expenses) in: (1) obtaining possession of the Premises; (2) removing and storing Tenant's or any other occupant's property; (3) repairing, restoring, altering, remodeling, or otherwise putting the Premises into condition acceptable to a new tenant; (4) reletting all or any part of the Premises (including brokerage commissions, cost of tenant finish work, and other costs incidental to such reletting); (5) performing Tenant's obligations which Tenant failed to perform; and (6) enforcing, or advising Landlord of, its rights, remedies, and recourses arising out of the Event of Default. To the full extent permitted by Law, Landlord and Tenant agree the federal and state courts of the state in which the Premises are located shall have exclusive jurisdiction over any matter relating to or arising from this Lease and the parties' rights and obligations under this Lease.

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

(c) **Cumulative Remedies**. Any and all remedies set forth in this Lease: (1) shall be in addition to any and all other remedies Landlord may have at law or in equity; (2) shall be cumulative; and (3) may be pursued successively or concurrently as Landlord may elect. The exercise of any remedy by Landlord shall not be deemed an election of remedies or preclude Landlord from exercising any other remedies in the future.

(d) **No Designation**. If Tenant is in arrears in payment of Rent, Tenant waives its right, if any, to designate the items to which any payments made by Tenant are to be credited, and Landlord may apply any payments made by Tenant to such items as Landlord sees fit, irrespective of any designation or request by Tenant as to the items to which any such payments shall be credited.

(e) **No Counterclaim**. Tenant shall not interpose any counterclaim (other than a compulsory counterclaim) in any summary proceeding commenced by Landlord to recover possession of the Premises and shall not seek to consolidate such proceeding with any action which may have been or will be brought by Tenant or any other person or entity.

20. **Landlord Default**. Tenant shall give notice of Landlord's failure to perform any of its obligations under this Lease to Landlord and to any Landlord's Mortgagee whose name and address has been given to Tenant. Landlord shall not be in default under this Lease unless Landlord fails to cure such non-performance within thirty (30) calendar days after receipt of Tenant's notice; provided, however, if such non-performance requires more than thirty (30) calendar days to cure, then Landlord shall not be in default if Landlord commences such cure promptly within said thirty (30) calendar day period and thereafter diligently prosecutes such cure to completion.

21. **Surrender of Premises**. No act by Landlord shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept a surrender of the Premises shall be valid unless it is in writing and signed by Landlord. At the expiration or termination of this Lease, Tenant shall deliver to Landlord the Premises with all improvements located therein in good repair and condition, free of Hazardous Materials (as defined in Section 25(i) below) placed on the Premises during the Term, broom-clean, reasonable wear and tear (and condemnation and Casualty damage, as to which Section 14 and Section 15 shall control) excepted, and shall deliver to Landlord all keys to the Premises. Provided that Tenant has performed all of its obligations hereunder, Tenant may remove all unattached trade fixtures, furniture, and personal property placed in the Premises or elsewhere in the Building by Tenant (but Tenant may not remove any such item which was paid for, in whole or in part, by Landlord or any wiring or cabling unless Landlord requires such removal). Additionally, at Landlord's option, Tenant shall (not later than ten (10) days after the expiration or earlier termination of the Lease) remove such alterations, additions (including stairs and bank vaults), improvements, trade fixtures, personal property, equipment, wiring, conduits, cabling and furniture (including Tenant's Off-Premises Equipment) as Landlord may request. Tenant shall repair all damage caused by such removal. All items not so removed shall, at Landlord's option, be deemed to have been abandoned by Tenant and may be appropriated, sold, stored, destroyed, or otherwise disposed of by Landlord at Tenant's cost without notice to Tenant and without any obligation to account for such items; any such disposition shall not be considered a strict foreclosure

or other exercise of Landlord's rights in respect of the security interest granted under Section 20. The provisions of this Section 21 shall survive the expiration or earlier termination of the Lease.

22. **Holding Over**. If Tenant fails to vacate the Premises at the end of the Term, then Tenant shall be a tenant at sufferance and, in addition to all other damages and remedies to which Landlord may be entitled for such holding over: (a) Tenant shall pay, in addition to the other Rent, Base Rent equal to one hundred fifty percent (150%) of the Base Rent payable during the last month of the Term and (b) Tenant shall otherwise continue to be subject to all of Tenant's obligations under this Lease. The provisions of this Section 22 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at Law. If Tenant fails to surrender the Premises upon the termination or expiration of this Lease, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord harmless from all loss, costs (including reasonable attorneys' fees) and liability resulting from such failure, including any claims made by any succeeding tenant founded upon such failure to surrender, and any lost profits to Landlord resulting therefrom. Notwithstanding the foregoing, if Tenant holds over with Landlord's express written consent, then Tenant shall be a month-to-month tenant and Tenant shall pay, in addition to the other Rent, Base Rent equal to one hundred twenty-five percent (125%) of the Base Rent payable during the last month of the Term.

23. **Certain Rights Reserved by Landlord**. Landlord shall have the following rights:

(a) **Building Operations**. To decorate and to make inspections, repairs, alterations, additions, changes, or improvements, whether structural or otherwise, in and about the Project or any part thereof; to enter upon the Premises (after giving Tenant reasonable notice thereof, which may be oral notice, except in cases of real or apparent emergency, in which case no notice shall be required) and, during the continuance of any such work, to temporarily close doors, entryways, public space, and corridors in the Building; to interrupt or temporarily suspend Building services and facilities; to change the name of the Building; and to change the arrangement and location of entrances or passageways, doors, and doorways, corridors, elevators, stairs, restrooms, or other public parts of the Building;

(b) **Security**. To take such reasonable security measures as Landlord deems advisable (provided, however, that any such security measures are for Landlord's own protection, and Tenant acknowledges that Landlord is not a guarantor of the security or safety of any Tenant Party and that such security matters are the responsibility of Tenant); including evacuating the Building for cause, suspected cause, or for drill purposes; temporarily denying access to the Building; and closing the Building after Normal Business Hours and on Sundays and Holidays, subject, however, to Tenant's right to enter when the Building is closed after Normal Business Hours under such reasonable regulations as Landlord may prescribe from time to time;

(c) **Repairs and Maintenance**. To enter the Premises at all reasonable hours to perform Landlord's repair and maintenance obligations and rights under the Lease;

(d) **Prospective Purchasers and Lenders**. To enter the Premises at all reasonable hours to show the Premises to prospective purchasers or lenders; and

(e) **Prospective Tenants**. At any time during the last nine (9) months of the Term or at any time during the pendency of an Event of Default, Landlord, upon twenty-four (24) hours notice to Tenant, shall be permitted to enter the Premises at reasonable hours to show the Premises to prospective tenants, so long as such showings shall not occur more than one (1) time per week and provided that all prospective tenants shall be accompanied by a representative of Landlord.

24. **Intentionally Omitted**

25. **Hazardous Materials**.

(a) During the term of this Lease, Tenant shall comply with all Environmental Laws (as defined in Section 25(i) below) applicable to the operation or use of the Premises, will cause all other persons occupying or using the Premises to comply with all such Environmental Laws, will immediately pay or cause to be paid all costs and expenses incurred by reason of such compliance.

(b) Tenant shall not generate, use, treat, store, handle, release or dispose of, or permit the generation, use, treatment, storage, handling, release or disposal of Hazardous Materials (as defined in Section 25(i) hereof) on the Premises, or the Project, or transport or permit the transportation of Hazardous Materials to or from the Premises or the Project except for limited quantities of household cleaning products and office supplies used or stored at the Premises and required in connection with the routine operation and maintenance of the Premises, and in compliance with all applicable Environmental Laws and in compliance with Landlord's Sustainability Initiative and applicable Green Certification, and in compliance with the rules and regulations of the Building.

(c) At any time and from time to time during the term of this Lease, Landlord may perform, at Tenant's sole cost and expense, an environmental site assessment report concerning the Premises, prepared by an environmental consulting firm chosen by Landlord, indicating the presence or absence of Hazardous Materials caused or permitted by Tenant and the potential cost of any compliance, removal or remedial action in connection with any such Hazardous Materials on the Premises. Tenant shall grant and hereby grants to Landlord and its agents access to the Premises and specifically grants Landlord an irrevocable non-exclusive license to undertake such an assessment; and the cost of such assessment shall be immediately due and payable within thirty (30) days of receipt of an invoice therefor.

(d) Tenant will immediately advise Landlord in writing of any of the following: (1) any pending or threatened Environmental Claim (as defined in Section 25(i) below) against Tenant relating to the Premises or the Project; (2) any condition or occurrence on the Premises or the Project that (a) results in noncompliance by Tenant with any applicable Environmental Law, or (b) could reasonably be anticipated to form the basis of an Environmental Claim against Tenant or Landlord or the Premises; (3) any condition or occurrence on the Premises or any property adjoining the Premises that could reasonably be anticipated to cause the Premises to be subject to any restrictions on the ownership, occupancy, use or transferability of the Premises under any Environmental Law; and (4) the actual or anticipated taking of any removal or remedial action by Tenant in response to the actual or alleged presence of any Hazardous Material on the Premises or the Project. All such notices shall describe in reasonable detail the nature of the claim, investigation, condition, occurrence or removal or remedial action and Tenant's response thereto. In addition, Tenant will provide Landlord with copies of all communications regarding the Premises with any governmental agency relating to Environmental Laws, all such communications with any person relating to Environmental Claims, and such detailed reports of any such Environmental Claim as may reasonably be requested by Landlord.

(e) Tenant will not change or permit to be changed the present use of the Premises.

(f) Tenant agrees to indemnify, defend and hold harmless the Indemnitees from and against all obligations (including removal and remedial actions), losses, claims, suits, judgments, liabilities, penalties, damages (including consequential and punitive damages), costs and expenses (including reasonable attorneys' and consultants' fees and expenses) of any kind or nature whatsoever that may at any time be incurred by, imposed on or asserted against such Indemnitees directly or indirectly based on, or arising or resulting from (a) the actual or alleged presence of Hazardous Materials

on the Project which is caused or permitted by Tenant or a Tenant Party and (b) any Environmental Claim relating in any way to Tenant's operation or use of the Premises (the "**Hazardous Materials Indemnified Matters**"). The provisions of this Section 25 shall survive the expiration or sooner termination of this Lease.

(g) To the extent that the undertaking in the preceding paragraph may be unenforceable because it is violative of any law or public policy, Tenant will contribute the maximum portion that it is permitted to pay and satisfy under applicable Law to the payment and satisfaction of all Hazardous Materials Indemnified Matters incurred by the Indemnitees.

(h) All sums paid and costs incurred by Landlord with respect to any Hazardous Materials Indemnified Matter shall bear interest at the Default Rate from the date so paid or incurred until reimbursed by Tenant, and all such sums and costs shall be immediately due and payable on demand.

(i) (x)"**Hazardous Materials**" means: (i) petroleum or petroleum products, natural or synthetic gas, asbestos in any form that is or could become friable, urea formaldehyde foam insulation, and radon gas; (ii) any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances," "toxic pollutants," "contaminants" or "pollutants," or words of similar import, under any applicable Environmental Law; and (iii) any other substance exposure which is regulated by any governmental authority; (y) "**Environmental Law**" means any federal, state or local statute, law, rule, regulation, ordinance, code, policy or rule of common law now or hereafter in effect and in each case as amended, and any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, relating to the environment, health, safety or Hazardous Materials, including without limitation, Massachusetts Oil and Hazardous Material Release, Prevention and Response Act, M.G.L. 21E, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. §§ 9601 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. §§ 1801 et seq.; the Clean Water Act, 33 U.S.C. §§ 1251 et seq.; the Toxic Substances Control Act, 15 U.S.C. §§ 2601 et seq.; the Clean Air Act, 42 U.S.C. §§ 7401 et seq.; the Safe Drinking Water Act, 42 U.S.C. §§ 300f et seq.; the Atomic Energy Act, 42 U.S.C. §§ 2011 et seq.; the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. §§ 136 et seq.; the Occupational Safety and Health Act, 29 U.S.C. §§ 651 et seq.; and (z) "**Environmental Claims**" means any and all administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of non-compliance or violation, investigations, proceedings, consent orders or consent agreements relating in any way to any Environmental Law or any Environmental Permit, including without limitation (i) any and all Environmental Claims by governmental or regulatory authorities for enforcement, cleanup, removal, response, remedial or other actions or damages pursuant to any applicable Environmental Law and (ii) any and all Environmental Claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from Hazardous Materials or arising from alleged injury or threat of injury to health, safety or the environment.

26. **Miscellaneous**.

(a) **Landlord Transfer**. Landlord may transfer any portion of the Building and any of its rights under this Lease. If Landlord assigns its rights under this Lease, then Landlord shall thereby be released from any further obligations hereunder arising after the date of transfer, provided that the assignee assumes Landlord's obligations hereunder in writing.

(b) **Landlord's Liability**. The liability of Landlord (and its partners, shareholders or members) to Tenant (or any person or entity claiming by, through or under Tenant) for any default by Landlord under the terms of this Lease or any matter relating to or arising out of the occupancy or use of

the Premises and/or other areas of the Building or the Project shall be limited to Tenant's actual direct, but not consequential, damages therefor and shall be recoverable only from the interest of Landlord in the Building, and Landlord (and its partners, shareholders or members) shall not be personally liable for any deficiency. Additionally, to the extent allowed by Law, Tenant hereby waives any statutory lien it may have against Landlord or its assets, including without limitation, the Building.

(c) **Force Majeure**. Other than for Tenant's obligations under this Lease that can be performed by the payment of money (e.g., payment of Rent and maintenance of insurance), whenever a period of time is herein prescribed for action to be taken by either party hereto, such party shall not be liable or responsible for, and there shall be excluded from the computation of any such period of time, any delays due to strikes, riots, acts of God, shortages of labor or materials, war, governmental laws, regulations, or restrictions, or any other causes of any kind whatsoever which are beyond the control of such party.

(d) **Brokerage**. Neither Landlord nor Tenant has dealt with any broker or agent in connection with the negotiation or execution of this Lease, other than as set forth in the Basic Lease Information. Tenant shall indemnify, defend and hold Landlord harmless from and against all costs, expenses, attorneys' fees, liens and other liability for commissions or other compensation claimed by any broker or agent claiming the same by, through, or under Tenant. The foregoing indemnity shall survive the expiration or earlier termination of the Lease.

(e) **Estoppel Certificates**. From time to time, Tenant shall furnish to any party designated by Landlord, within ten (10) days after Landlord has made a request therefor, a certificate signed by Tenant confirming and containing such factual certifications and representations as to this Lease as Landlord may reasonably request. Unless otherwise required by Landlord's Mortgagee or a prospective purchaser or mortgagee of the Building, the initial form of estoppel certificate to be signed by Tenant is attached hereto as **Exhibit H**.

(f) **Notices**. All notices and other communications given pursuant to this Lease shall be in writing and shall be: 1) mailed by first class, United States Mail, postage prepaid, certified, with return receipt requested, and addressed to the parties hereto at the address specified in the Basic Lease Information; (2) hand delivered to the intended addressee; (3) sent by a nationally recognized overnight courier service; or (4) sent by facsimile transmission during Normal Business Hours followed by a copy of such notice sent in another manner permitted hereunder. All notices shall be effective upon the earlier to occur of actual receipt, one (1) Business Day following deposit with a nationally recognized overnight courier service, or three (3) days following deposit in the United States mail. The parties hereto may change their addresses by giving notice thereof to the other in conformity with this provision.

(g) **Separability**. If any clause or provision of this Lease is illegal, invalid, or unenforceable under present or future laws, then the remainder of this Lease shall not be affected thereby and in lieu of such clause or provision, there shall be added as a part of this Lease a clause or provision as similar in terms to such illegal, invalid, or unenforceable clause or provision as may be possible and be legal, valid, and enforceable.

(h) **Amendments; Binding Effect**. This Lease may not be amended except by instrument in writing signed by Landlord and Tenant. No provision of this Lease shall be deemed to have been waived by Landlord unless such waiver is in writing signed by Landlord, and no custom or practice which may evolve between the parties in the administration of the terms hereof shall waive or diminish the right of Landlord to insist upon the performance by Tenant in strict accordance with the terms hereof. The terms and conditions contained in this Lease shall inure to the benefit of and be binding upon the parties hereto, and upon their respective successors in interest and legal representatives, except as

otherwise herein expressly provided. This Lease is for the sole benefit of Landlord and Tenant, and, other than Landlord's Mortgagee, no third party shall be deemed a third party beneficiary hereof.

(i) **Quiet Enjoyment**. Provided Tenant has performed all of its obligations hereunder, Tenant shall peaceably and quietly hold and enjoy the Premises for the Term, without hindrance from Landlord or any party claiming by, through, or under Landlord, but not otherwise, subject to the terms and conditions of this Lease.

(j) **No Merger**. There shall be no merger of the leasehold estate hereby created with the fee estate in the Premises or any part thereof if the same person acquires or holds, directly or indirectly, this Lease or any interest in this Lease and the fee estate in the leasehold Premises or any interest in such fee estate.

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

(l) **Entire Agreement**. This Lease constitutes the entire agreement between Landlord and Tenant regarding the subject matter hereof and supersedes all oral statements and prior writings relating thereto. Except for those set forth in this Lease, no representations, warranties, or agreements have been made by Landlord or Tenant to the other with respect to this Lease or the obligations of Landlord or Tenant in connection therewith. The normal rule of construction that any ambiguities be resolved against the drafting party shall not apply to the interpretation of this Lease or any exhibits or amendments hereto.

(m) **Waiver of Jury Trial**. TO THE MAXIMUM EXTENT PERMITTED BY LAW, LANDLORD AND TENANT EACH WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY LITIGATION OR TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE ARISING OUT OF OR WITH RESPECT TO THIS LEASE OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS RELATED HERETO.

(n) **Governing Law**. This Lease shall be governed by and construed in accordance with the laws of the state in which the Premises are located.

(o) **Recording**. Tenant shall not record this Lease or any memorandum of this Lease without the prior written consent of Landlord, which consent may be withheld or denied in the sole and absolute discretion of Landlord, and any recordation by Tenant shall be a material breach of this Lease. Tenant grants to Landlord a power of attorney to execute and record a release releasing any such recorded instrument of record that was recorded without the prior written consent of Landlord, which power of attorney is coupled with an interest and is non-revocable during the Term. Notwithstanding the above provisions of this clause (o), upon request by Tenant, Landlord shall execute a MA statutory form of Notice of Lease, which Landlord agrees Tenant may record with the Middlesex South District Registry of Deeds.

(p) **Joint and Several Liability**. If Tenant is comprised of more than one (1) party, each such party shall be jointly and severally liable for Tenant's obligations under this Lease. All unperformed obligations of Tenant hereunder not fully performed at the end of the Term shall survive the end of the Term, including payment obligations with respect to Rent and all obligations concerning the condition and repair of the Premises.

(q) **Financial Reports**. Within fifteen (15) days after Landlord's request, Tenant will furnish Tenant's most recent audited financial statements (including any notes to them) to Landlord, or, if no such audited statements have been prepared, such other financial statements (and notes to them) as may have been prepared by an independent certified public accountant or, failing those, Tenant's internally prepared financial statements. Tenant, however, shall not be required to deliver the financial statements required under this Section 26(q) more than once in any twelve (12) month period unless requested by Landlord's Mortgagee or a prospective buyer or lender of the Building. Landlord will not disclose any aspect of Tenant's financial statements that Tenant designates to Landlord as confidential except: (1) to Landlord's Mortgagee or prospective mortgagees or purchasers of the Building, provided that said parties execute a confidentiality agreement prior to any disclosure; (2) to Landlord's advisors and consultants, provided that said parties execute a confidentiality agreement prior to any disclosure; (3) in litigation between Landlord and Tenant; and (4) if required by court order. If Tenant is a publicly traded corporation, Tenant may satisfy its obligations hereunder by providing to Landlord Tenant's most recent annual and quarterly reports. Upon Landlord's request, Tenant will discuss its financial statements with Landlord. Landlord's covenant not to disclose any aspects of Tenant's financial statement is of material significance in the making of this Lease, and Tenant is specifically relying on Landlord's agreement not to disclose such financial statements during the Term hereof.

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

(s) **Telecommunications**. Tenant and its telecommunications companies, including local exchange telecommunications companies and alternative access vendor services companies, shall have no right of access to and within the Building, for the installation and operation of telecommunications systems, including voice, video, data, Internet, and any other services provided over wire, fiber optic, microwave, wireless, and any other transmission systems ("**Telecommunications Services**"), for part or all of Tenant's telecommunications within the Building and from the Building to any other location without Landlord's prior written consent. All providers of Telecommunications Services shall be required to comply with the rules and regulations of the Building, applicable Laws and Landlord's policies and practices for the Building. Tenant acknowledges that Landlord shall not be required to provide or arrange for any Telecommunications Services and that Landlord shall have no liability to any Tenant Party in connection with the installation, operation or maintenance of Telecommunications Services or any equipment or facilities relating thereto. Tenant, at its cost and for its own account, shall be solely responsible for obtaining all Telecommunications Services.

(t) **Representations and Warranties**.

(i) Tenant represents and warrants to, and covenants with, Landlord that neither Tenant nor any of its respective constituent owners or affiliates currently are, or shall be at any time during the Term hereof, in violation of any laws relating to terrorism or money laundering (collectively, the "**Anti-Terrorism Laws**"), including without limitation Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 and relating to Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (the "**Executive Order**") and/or the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56) (the "**USA Patriot Act**").

(ii) Tenant covenants with Landlord that neither Tenant nor any of its respective constituent owners or affiliates is or shall be during the Term hereof a "Prohibited Person," which is defined as follows: (A) a person or entity that is listed in the Annex to, or is otherwise subject to, the provisions of the Executive Order; (B) a person or entity owned or controlled by, or acting for or on behalf of, any person or entity that is listed in the Annex to, or is otherwise subject to the provisions of, the Executive Order; (C) a person or entity with whom Landlord is prohibited from dealing with or otherwise engaging in any transaction by any Anti-Terrorism Law, including without limitation the Executive Order and the USA Patriot Act; (D) a person or entity who commits, threatens or conspires to commit or support "terrorism" as defined in Section 3(d) of the Executive Order; (E) a person or entity that is named as a "specially designated national and blocked person" on the then-most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website, https://www.treasury.gov/ofac/downloads/sdnlist.pdf, or at any replacement website or other replacement official publication of such list; or (F) a person or entity who is affiliated with a person or entity listed in items (A) through (E), above.

(iii) At any time and from time-to-time during the Term, Tenant shall deliver to Landlord, within ten (10) days after receipt of a written request therefor, a written certification or such other evidence reasonably acceptable to Landlord evidencing and confirming Tenant's compliance with this Section 26(t).

(u) **Confidentiality**. Tenant acknowledges that the terms and conditions of this Lease are to remain confidential for Landlord's benefit, and may not be disclosed by Tenant to anyone, by any manner or means, directly or indirectly, without Landlord's prior written consent. The consent by Landlord to any disclosures shall not be deemed to be a waiver on the part of Landlord of any prohibition against any future disclosure.

(v) **Authority**. Tenant (if a corporation, partnership or other business entity) hereby represents and warrants to Landlord that Tenant is a duly formed and existing entity qualified to do business in the state in which the Premises are located, that Tenant has full right and authority to execute and deliver this Lease, and that each person signing on behalf of Tenant is authorized to do so.

(w) **Adjacent Excavation**. If an excavation shall be made upon land adjacent to the Building, or shall be authorized to be made, Tenant shall afford the person causing (or authorized to cause) such excavation access to the Premises for the purpose of doing such work as said person shall deem necessary to preserve or protect the Building or any portion thereof from injury or damage and to support the same by proper foundation, in all events without any claim for damages or indemnity against Landlord or diminution or abatement of Rent.

(x) **No Reliance**. Each of the parties to this Lease has executed this Lease relying solely on its own judgment with the benefit of the advice of its own attorneys and/or brokers (or having decided to proceed without benefit of its own attorneys and/or brokers), and each party hereby disclaims reliance upon any statement or representation of the other party or any agent of such other party unless such statement or representation is expressly set forth in this Lease.

(y) **List of Exhibits**. All exhibits and attachments attached hereto are incorporated herein by this reference.

Exhibit A - Outline of Premises
Exhibit B - Description of the Land
Exhibit C - Additional Rent, Taxes and Insurance
Exhibit D - Shell Condition Work

Exhibit E - Tenant Improvements; Landlord's Allowance; Additional Landlord Allowance
Exhibit E-1 Contractor Rules and Regulations
Exhibit E-2 Energy & Sustainability Construction Guidelines and Requirements
Exhibit F - Building Rules and Regulations
Exhibit G - Form of Confirmation of Commencement Date Letter
Exhibit H - Form of Tenant Estoppel Certificate
Exhibit I - Parking
Exhibit J - Extension Option/Rights of First Offer
Exhibit K - Landlord's Services
Exhibit L - Moisture and Mold Control Provisions
Exhibit M - Approved List of Issuing Banks

27. **Other Provisions**. LANDLORD AND TENANT EXPRESSLY DISCLAIM ANY IMPLIED WARRANTY THAT THE PREMISES ARE SUITABLE FOR TENANT'S INTENDED COMMERCIAL PURPOSE, AND, AS NOTED IN SECTION 4 OF THIS LEASE, TENANT'S OBLIGATION TO PAY RENT HEREUNDER IS NOT DEPENDENT UPON THE CONDITION OF THE PREMISES OR THE PERFORMANCE BY LANDLORD OF ITS OBLIGATIONS HEREUNDER, AND, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, TENANT SHALL CONTINUE TO PAY THE RENT, WITHOUT ABATEMENT, DEMAND, SETOFF OR DEDUCTION, NOTWITHSTANDING ANY BREACH BY LANDLORD OF ITS DUTIES OR OBLIGATIONS HEREUNDER, WHETHER EXPRESS OR IMPLIED.

[SIGNATURES ON FOLLOWING PAGE]

This Lease is executed on the respective dates set forth below, but for reference purposes, this Lease shall be dated as of the date first above written. If the execution date is left blank, this Lease shall be deemed executed as of the date first written above.

LANDLORD:

55 CAMBRIDGE PARKWAY, LLC,
a Delaware limited liability company

By: Invesco ICRE Massachusetts REIT Holdings, LLC,
its sole member

By: /s/ Kevin Johnson
Name: Kevin Johnson
Title: Vice President

Execution Date: As of March 28, 2016

TENANT:

CARGURUS, INC.
a Delaware corporation

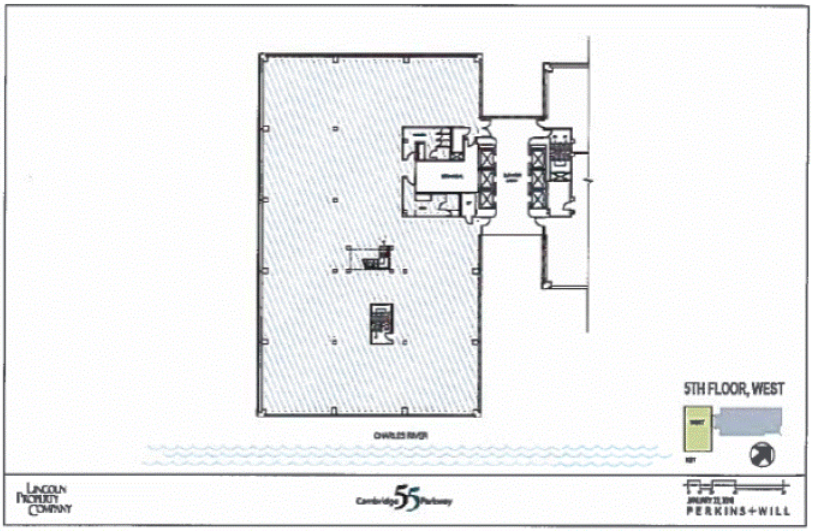
By: /s/ E. Langley Steinert
Name: E. Langley Steinert
Title: CEO

Execution Date: As of March 11, 2016

EXHIBIT A

OUTLINE OF PREMISES

Exhibit A is intended only to show the general outline of the Premises as of the beginning of the Term of this Lease. The depiction of interior windows, cubicles, modules, furniture and equipment in this Exhibit is for illustrative purposes only, but does not mean that such items exist. Landlord is not required to provide, install or construct any such items. It does not in any way supersede any of Landlord's rights set forth in the Lease with respect to arrangements and/or locations of public parts of the Building and changes in such arrangements and/or locations. It is not to be scaled; any measurements or distances shown should be taken as approximate. The inclusion of elevators, stairways electrical and mechanical closets, and other similar facilities for the benefit of occupants of the Building does not mean such items are part of the Premises.



EXIHIBIT A (Cont.)

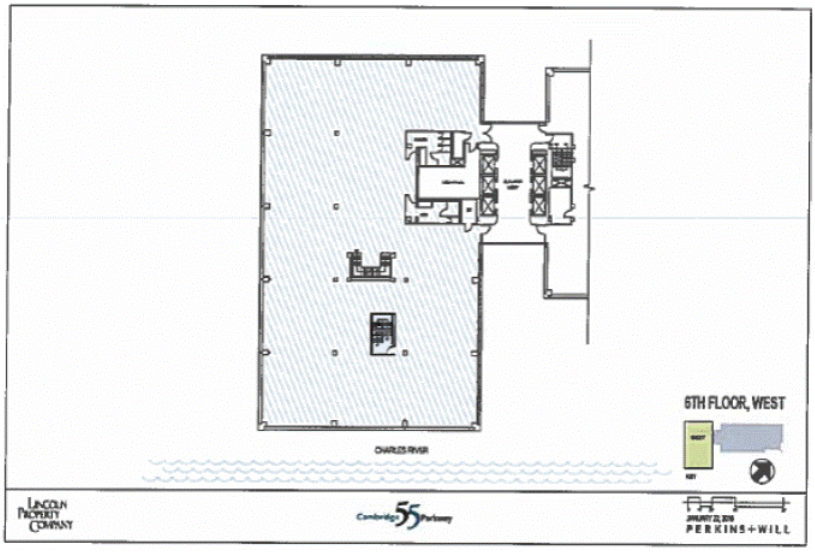


EXHIBIT B

DESCRIPTION OF THE LAND

A parcel of land on the northwesterly side of Cambridge Parkway in Cambridge, Middlesex County, Massachusetts shown as Lot A on a plan entitled "Plan of Land of Trustees of Real Estate Investment Trust of America, Cambridge, Ma.," dated October 13, 1982, prepared by Raymond C. Pressey, Inc. and recorded in Middlesex South District Registry of Deeds in Book 15241, Page 351, and bounded and described according to said plan as follows:

SOUTHEASTERLY	by Cambridge Parkway three hundred eighty-four and fifty hundredths (384.50) feet;
SOUTHWESTERLY	by the other land of Real Estate Investment Trust of America, one hundred seventy-five (175.00) feet;
NORTHWESTERLY	by Commercial Avenue, three hundred eighty-four and fifty hundredths (384.50) feet; and
NORTHEASTERLY	by land now or formerly of the City of Cambridge, as more particularly described in an order of taking recorded in Middlesex South District Registry of Deeds in Book 14159, Page 51, one hundred seventy-five (175.00) feet.

EXHIBIT C

ADDITIONAL RENT, TAXES, INSURANCE AND ELECTRICITY

1. **Additional Rent**. Tenant shall pay to Landlord the amount (per each rentable square foot in the Premises) ("**Additional Rent**") by which the annual Operating Costs (defined below) per rentable square foot in the Building for each year of the Term exceed the annual Operating Costs per rentable square foot in the Building for calendar year 2016 (the "**Base Year**"). Landlord may make a good faith estimate of the Additional Rent to be due by Tenant for any calendar year or part thereof during the Term. During each calendar year or partial calendar year of the Term after the Base Year, Tenant shall pay to Landlord, in advance concurrently with each monthly installment of Base Rent, an amount equal to the estimated Additional Rent for such calendar year or part thereof divided by the number of months therein. From time to time, Landlord may estimate and re-estimate the Additional Rent to be due by Tenant and deliver a copy of the estimate or re-estimate to Tenant. Thereafter, the monthly installments of Additional Rent payable by Tenant shall be appropriately adjusted in accordance with the estimations so that, by the end of die calendar year in question, Tenant shall have paid all of the Additional Rent as estimated by Landlord. Any amounts paid based on such an estimate shall be subject to adjustment as herein provided when actual Operating Costs are available for each calendar year. Operating Costs for the Base Year, for the purpose of comparisons of the Base Year with subsequent years only, shall be calculated so as to not include market-wide labor-rate increases due to extraordinary circumstances, including boycotts and strikes; utility rate increases due to extraordinary circumstances, including conservation surcharges, boycotts, embargos or other shortages; or amortized costs relating to capital improvements.

2. **Operating Costs**. The term "**Operating Costs**" shall mean all expenses and disbursements (subject to the limitations set forth below) that Landlord incurs in connection with die ownership, operation, and maintenance of the Project, determined in accordance with sound accounting principles consistently applied, including the following costs: (a) wages and salaries of all on-site employees engaged in the management, operation, maintenance, repair or security of the Project (together with Landlord's reasonable allocation of expenses of off-site employees who perform a portion of their services in connection with the operation, maintenance or security of the Project), including taxes, insurance and benefits relating thereto; (b) all supplies and materials used in the operation, maintenance, repair, replacement, and security of the Project; (c) costs for improvements made to the Project which, although capital in nature, are (i) expected to reduce the normal operating costs (including all utility costs) of the Project, as amortized using a commercially reasonable interest rate over the time period reasonably estimated by Landlord to recover the costs thereof taking into consideration the anticipated cost savings, as determined by Landlord using its good faith, commercially reasonable judgment, as well as (ii) capital improvements made in order to comply with any Law hereafter promulgated by any governmental authority or any interpretation hereafter rendered with respect to any existing Law, as amortized using a commercially reasonable interest rate over the useful economic life of such improvements as determined by Landlord in its reasonable discretion, as well as (iii) capital improvements made to improve the health, safety and welfare of the Building and its occupants, as amortized using a commercially reasonable interest rate over the useful economic life of such improvements as determined by Landlord in its reasonable discretion; (d) cost of all utilities; (e) repairs, replacements, and general maintenance of the Project; (f) fair market rental and other costs with respect to the management office for the Building; (g) service, maintenance and management contracts with independent contractors for the operation, maintenance, management, repair, replacement, or security of the Project; (h) all costs of, energy audits and commissioning, of die Building for the purpose of improving energy efficiency; and (i) all costs of maintaining, managing, and reporting and applying for energy efficiency and green certifications.

Operating Costs shall not include costs for: (1) repair, replacements and general maintenance paid by proceeds of insurance or by Tenant or other third parties; (2) interest, amortization or other payments

on loans to Landlord; (3) depreciation; (4) leasing commissions; (5) legal expenses for services, other than those that benefit the Project tenants, as applicable (e.g., tax disputes); (6) renovating or otherwise improving leased premises of the Project or vacant space in the Project, as applicable; (7) Taxes and Insurance which are paid separately pursuant to Sections 3 and 4 below; (8) federal income taxes imposed on or measured by the income of Landlord from the operation of the Project; and (9) capital improvements made to the Building, other than the capital improvements described in Section 2(c) of this Exhibit C.

3. **Taxes**. Tenant shall also pay Tenant's Proportionate Share of any increase in Taxes for each year and partial year falling within the Term over the Taxes for the Base Year. For purposes of this Section 3 only, Base Year shall mean the period of July 1, 2016 through June 30, 2017. Except for the difference in the base year, Tenant shall also pay Tenant's Proportionate Share of Taxes for each year and partial year falling within the Term. Tenant shall pay Tenant's Proportionate Share of Taxes in the same manner as provided above for Tenant's Proportionate Share of Operating Costs. "**Taxes**" shall mean taxes, assessments, and governmental charges or fees whether federal, state, county or municipal, and whether they be by taxing districts or authorities presently taxing or by others, subsequently created or otherwise, and any other taxes and assessments (including non-governmental assessments for common charges under a restrictive covenant or other private agreement that are not treated as part of Operating Costs) now or hereafter attributable to the Project (or its operation), excluding, however, penalties and interest thereon and federal and state taxes on income (if the present method of taxation changes so that in lieu of or in addition to the whole or any part of any Taxes, there is levied on Landlord a capital tax directly on the rents received therefrom or a franchise tax, assessment, or charge based, in whole or in part, upon such rents for the Project, then all such taxes, assessments, or charges, or the part thereof so based, shall be deemed to be included within the term "Taxes" for purposes hereof). Taxes shall include the costs of consultants retained in an effort to lower taxes and all costs incurred in disputing any taxes or in seeking to lower the tax valuation of the Project. For property tax purposes, to the extent allowed by Law, Tenant waives all rights to protest or appeal the appraised value of the Premises, as well as the Project, and all rights to receive notices of reappraisement.

4. **Insurance**. Tenant shall also pay Tenant's Proportionate Share of any increases in Insurance for each year and partial year falling within the Term over the Insurance for the Base Year described in Section 1. Tenant shall pay Tenant's Proportionate Share of Insurance in the same manner as provided above for Tenant's Proportionate Share of Operating Costs. "**Insurance**" shall mean property, liability and other insurance coverages carried by Landlord, including without limitation deductibles and risk retention programs and an allocation of a portion of the cost of blanket insurance policies maintained by Landlord and/or its affiliates.

5. **Operating Costs and Tax and Insurance Statement**. By May 1 of each calendar year, or as soon thereafter as reasonably practicable, Landlord shall furnish to Tenant a statement of Operating Costs for the previous year, adjusted as provided in Section 6 of this Exhibit, and of the Taxes and Insurance for the previous year (the "**Operating Costs, Tax and Insurance Statement**"). If Tenant's estimated payments of Operating Costs or Taxes or Insurance under this Exhibit C for the year covered by the Operating Costs, Tax and Insurance Statement exceed Tenant's share of such items as indicated in the Operating Costs, Tax and Insurance Statement, then Landlord shall promptly credit or reimburse Tenant for such excess; likewise, if Tenant's estimated payments of Operating Costs, Taxes or Insurance under this Exhibit C for such year are less than Tenant's share of such items as indicated in the Operating Costs, Tax and Insurance Statement, then Tenant shall promptly pay Landlord such deficiency, notwithstanding that the Term has expired and Tenant has vacated the Premises. Landlord and Tenant are knowledgeable and experienced in commercial transactions and agree that the provisions of this Lease for determining charges, amounts and additional rent payable by Tenant are commercially reasonable and valid even though such methods may not state a precise mathematical formula for determining such charges.

6. **Gross-Up**. With respect to any calendar year or partial calendar year (including the Base Year) in which the Building is not occupied to the extent of 95% of the rentable area thereof, or Landlord is not supplying services to 95% of the rentable area thereof, the Operating Costs for such period shall, for the purposes hereof, be increased to the amount which would have been incurred had the Building been occupied to the extent of 95% of the rentable area thereof and Landlord had been supplying services to 95% of the rentable area thereof.

7. **Electricity**. Tenant shall also make the electricity payments to Landlord in the manner described in **Exhibit K** of this Lease.

EXHIBIT D

SHELL CONDITION WORK

DEMOLITION SCOPE | 55 CAMBRIDGE PARKWAY

ARCHITECTURAL

Remove and discard:

- Partitions and other non-structural buildouts, including false columns, UON, all doors and hardware Tenant reserves the right to identify some or all of the doors for salvage and reuse. LL shall remove and store identified doors on site
- Existing communicating stair - Tenant intends to reuse communicating stair. Landlord is to remove all stair finishes, railings, tread and riser finishes. Steel structure and gyp board below stair to remain.
- All hung ceilings, including acoustic and GWB soffits
- All millwork, including pantry
- All finish flooring materials and substrates; take down to concrete slab (including restroom tile); remove all remaining adhesives. Existing concrete slab is to be structurally sound. Slab surface is to be delivered as is.
- All wall base, including at perimeter
- All toilet room steel partitions and accessories
- All loose furnishings and office system furniture

Retain in place:

- Perimeter GWB laminations
- Restroom GWB partitions and entrance doors
- Restroom plumbing (new fixtures will be installed at existing plumbing locations)
- All column enclosures, enclosing building structural steel columns, shall remain

MECHANICAL, ELECTRICAL, PLUMBING, FIRE PROTECTION

Remove and discard:

- All ductwork and associated diffusers/registers and controls and VAV's. Existing HVAC duct trunk line is to remain for reuse by the tenant. LL is to remove all insulation from remaining trunk line. Tenant's Engineer is to provide a sketch identifying the components to remain in place.
- All light fixtures
- All conduit, BX/Greenfield, and associated wiring with the exception of the perimeter
- All low voltage cabling and devices, including security wiring
- Pantry plumbing; remove back to riser
- All restroom plumbing fixtures and fittings
- All existing floor power boxes and stub ups (cores to be filled by Landlord)

Retain in place:

- Existing electrical panels
- Sprinkler mains, all branch piping is to remain. Landlord is to provide 100% sprinkler coverage per NFPA, w/ the sprinkler heads "turned up" at the completion of demolition and time of possession for the tenant.)
- Restroom plumbing

- Existing air handlers and all other equipment in mechanical room
- Existing HVAC duct trunk line is to remain for reuse by Tenant. Landlord is to remove all insulation from remaining trunk line. Tenant's Engineer is to provide a sketch identifying the components to remain in place.
- All fire alarm conduit, wiring, devices, and components are to remain for reuse by Tenant.

EXHIBIT E

TENANT IMPROVEMENTS: LANDLORDS ALLOWANCE;
ADDITIONAL LANDLORD ALLOWANCE

This Exhibit E forms a part of that certain Office Lease Agreement (the "Lease") by and between 55 Cambridge Parkway, LLC, a Delaware limited liability company ("Landlord"), and CarGurus LLC, a Massachusetts limited liability company ("Tenant"), to which this Exhibit is attached. If there is any conflict between this Exhibit and the Lease regarding the construction of the Tenant Improvements (hereinafter defined), this Exhibit shall govern. All capitalized terms referred to in this Exhibit shall have the same meaning provided in the Lease, except where expressly provided to the contrary in this Exhibit.

ARTICLE 1 DEFINITIONS

1.1. **Additional Definitions**. Each of the following terms shall have the following meaning:

Architect: The architectural firm selected by Tenant and approved by Landlord in its good faith discretion to prepare the "Preliminary Plans" and "Final Plans" (as such terms are hereinafter defined).

Contractor: The general contractor selected by Tenant and approved by Landlord in its sole and absolute discretion to construct the Tenant Improvements. The general contractor must be licensed and bondable in the Commonwealth of Massachusetts. Tenant may request that Landlord approve three (3) or more Contractors prior to competitive bidding, in which case Tenant may select any one of the Contractors approved by Landlord.

Construction Contract: The construction contract to be entered into by Tenant and its Contractor in form, scope and substance satisfactory to Tenant.

Landlord's Allowance: A total amount equal to One Million Six Hundred Three Thousand Thirty Five and No/100 Dollars ($1,603,035.00) to be paid by Landlord for the Construction Costs for the Tenant Improvements as provided in this Exhibit. Any unused portion of Landlord's Allowance shall remain the property of Landlord, and Tenant shall have no interest in said funds.

Additional Landlord Allowance: A total amount equal to Seven Hundred Sixty Three Thousand Three Hundred Fifty and No/100 Dollars ($763,350.00) to be applied against the Construction Costs, the advanced portion of which shall be amortized over the initial Term of this Lease with interest on the unamortized portion at seven percent (7%) per annum, and paid by Tenant to Landlord in monthly installments with Tenant's payment of each monthly installment of Base Rent until fully paid. Tenant shall have the right at any time during the term to prepay the then outstanding unamortized portion of the Additional Landlord Allowance without penalty or premium. Tenant shall have the right to elect to utilize the Additional Landlord Allowance by giving written notice to Landlord within thirty (30) days following Tenant's commencement of construction of the Tenant Improvements. If so timely elected by Tenant, the portion of the Additional Landlord Allowance shall be disbursed subject to the same procedures and conditions applicable to the disbursement of the Landlord's Allowance as described below.

Landlord's Space Planning Allowance: A total amount equal to Three Thousand Fifty Three and 40/100 Dollars ($3,053.40) to be paid by Landlord toward the cost of the Space Planning Fees as provided in this Exhibit. Any unused portion of Landlord's Space Planning Allowance shall remain the property of Landlord, and Tenant shall have no interest in said funds.

Substantial Completion, Substantially Complete, and Substantially Completed (or similar phrase): The foregoing shall mean when the following have occurred or would have occurred but for any delay cause by Tenant:

(a) Tenant has delivered to Landlord a certificate from the Architect, in a form reasonably approved by Landlord, that the Tenant Improvements have been Substantially Completed substantially in accordance with the Final Plans, except for "punch list" items which may be completed within thirty (30) days following the completion of the applicable punchlist pursuant to Section 4.2 below without impairing Tenant's use of the Premises or a material portion thereof, and Landlord has approved of the work in its sole and absolute discretion; and

(b) Tenant has obtained from the appropriate governmental authority a final certificate of occupancy (or all building permits with all inspections approved or the equivalent) and all other approvals and permits for the Premises permitting Tenant's occupancy and use of the Premises for the Permitted Use under the Lease (a "Certificate of Occupancy").

Tenant Improvements: The improvements to be constructed in the Premises in accordance with the Final Plans. Said work shall include architectural, mechanical and electrical work and life safety systems, and shall be in accordance with the criteria, procedures and schedules referred to in this Exhibit. The Tenant Improvements shall comply in all respects with all applicable Laws.

Construction Costs: All costs, expenses, fees, taxes and charges to construct the Tenant Improvements, including, without limitation, the following:

(1) surveys, reports, environmental and other tests and investigations of the site and any improvements thereon;

(2) architectural and engineering fees;

(3) labor, materials, equipment and fixtures supplied by the Contractor, its subcontractors and/or materialmen, including, without limitation, charges for a job superintendent and project representative;

(4) the furnishing and installation of all heating, ventilation and air conditioning duct work, terminal boxes, distributing defusers and accessories required for completing the heating, ventilation and air-conditioning system in the Premises, including costs of meter and key control for after-hour usage, if required by Landlord;

(5) all electrical circuits, wiring, lighting fixtures, data cabling and tube outlets furnished and installed throughout the Premises, including costs of meters;

(6) all window and floor coverings in the Premises, including, without limitation, all treatment and preparatory work required for the installation of floor coverings over the concrete or other structural floor;

(7) all fire and life safety control systems, such as fire walls, wiring and accessories installed within the Premises;

(8) all plumbing, fixtures, pipes and accessories installed within the Premises;

(9) fees charged by the city and/or county where the Building is located (including, without limitation, fees for building permits and approvals and plan checks) required for the work in the Premises;

(10) all taxes, fees, charges and levies by governmental and quasi-governmental agencies for authorization, approvals, licenses and permits; and all sales, use and excise taxes for the materials supplied and services rendered in connection with the installation and construction of the Tenant Improvements; and

(11) all costs and expenses incurred to comply with all Laws of any governmental authority for any work at the Project in order to construct the Tenant Improvements.

The term "Construction Costs" under this Exhibit shall not include (i) any fees, costs, expenses, compensation or other consideration payable to Tenant, or any of its officers, directors, employees or affiliates or (ii) the cost of any of Tenant's furniture, artifacts, trade fixtures, telephone and computer systems and related facilities except as provided for above in clause (5), or equipment. Any fees or costs referred to in clauses (i) through (ii) above shall be paid by Tenant without resort to the Landlord's Allowance.

ARTICLE 2 CONSTRUCTION OF TENANT IMPROVEMENTS

2.1. Preparation of Plans.

(a) **Preliminary Plans**. As soon as is reasonably possible after the date of the Lease, Tenant shall submit to its Architect all additional information, including occupancy requirements for the Premises ("**Information**"), necessary to enable the Architect to prepare preliminary plans for the Tenant Improvements showing, among other things, all demising walls, corridors, entrances, exits, doors, interior design and partition, and the locations of all display and storage rooms and bathrooms. As soon as is commercially reasonable after the date hereof, Tenant shall cause the Architect to prepare preliminary plans for the Tenant Improvements and shall deliver two copies of same to Landlord for its review and written approval in its good faith discretion. Within ten (10) days after receipt of the preliminary plans, Landlord shall notify Tenant in writing that (i) Landlord approves of such preliminary plans or (ii) Landlord disapproves of such preliminary plans, the basis for disapproval and the changes requested by Landlord. Tenant shall cause the preliminary plans to be revised and shall submit the revised plans to Landlord for its review and approval as provided in this section. After approval of the preliminary plans as provided above, the preliminary plans shall be referred to as the "**Preliminary Plans**."

(b) **Final Plans**. Tenant shall cause the Architect to prepare final working drawings, which shall be consistent with the Preliminary Plans, compatible with the design, construction and equipment of the Building, comply with all applicable Laws, capable of logical measurement and construction, and contain all such information as may be required for obtaining all permits and other governmental approvals for the construction of the Tenant Improvements (the "**Working Drawings**"). As soon as is commercially reasonable after the Preliminary Plans are approved by the parties as provided above, Tenant shall submit two copies of the Working Drawings to Landlord for its review and approval in its good faith discretion. Within ten (10) days after receipt of the Working Drawings, Landlord shall notify Tenant in writing that (i) Landlord approves of such Working Drawings, or (ii) Landlord disapproves of such Working Drawings, the basis for disapproval and the changes requested by Landlord. Tenant shall cause the Working Drawings to be revised and shall submit the revised Working Drawings to Landlord for its review and approval as provided in this section. The Working Drawings approved in writing by the parties shall be referred to as the "**Final Plans**."

(c) **General**. It is the responsibility of Tenant to assure that the Final Plans and the Tenant Improvements constructed thereunder conform to all applicable Laws. Tenant shall submit to Landlord one (I) reproducible and four (4) prints of the Final Plans and, if applicable, an electronic unlocked version in CAD format.

2.2. Selection and Approval of Certain Contractors. Any subcontractor performing any work on the life safety or alarm systems or work affecting the roof shall be subject to Landlord's prior written approval in its sole and absolute discretion and Landlord may require the Tenant use Landlord's contractor or a specific subcontractor for any such work. Landlord shall provide written notice of approval or disapproval within five (5) Business Days after Tenant's request for such approval. The construction contract shall require, among other things, that the Contractor (a) obtain and deliver to Landlord evidence of insurance required by Landlord, (b) execute, obtain and deliver to Tenant within ten (10) days after the date of Substantial Completion lien waivers from the Contractor and all of its subcontractors holding contracts in excess of $10,000 ("Major Subcontractors") and suppliers holding contracts in excess of $10,000, and (c) monthly progress payments, with a ten percent (10%) retention until the construction is fifty (50%) complete.

2.3. Information Provided by Landlord. Acceptance or approval of any plan, drawing or specification, including, without limitation, the Preliminary Plans and the Final Plans, by Landlord shall not constitute the assumption of any responsibility by Landlord for the accuracy or sufficiency of such plans and materials and Tenant shall be solely responsible therefor. Tenant agrees and understands that the review of all plans pursuant to the Lease or this Exhibit by Landlord is to protect the interests of Landlord in the Building, and Landlord shall not be the guarantor of, nor be responsible for, the correctness, completeness or accuracy of any such plans or compliance of such plans with applicable Laws. Any information that may have been furnished to Tenant by Landlord or others about the mechanical, electrical, structural, plumbing or geological (including soil and sub-soil) characteristics of the Building or Project (hereinafter referred to as the "**Site Characteristics**") are for Tenant's convenience only, and Landlord does not represent or warrant that the Site Characteristics are accurate, complete or correct or that the Site Characteristics are as indicated. Any information that has been furnished by Landlord to Tenant has been delivered on the expressed condition and understanding that Tenant will independently verify whether such information is accurate, complete or correct and not rely on such information provided by Landlord.

2.4. No Responsibility of Landlord. Landlord's approval of any plans, including, without limitation, the Preliminary Plans or the Final Plans, shall not: (i) constitute an opinion or agreement by Landlord that such plans and Tenant Improvements are in compliance with all applicable Laws, (ii) impose any present or future liability on Landlord, including, without limitation, with respect to the Building's Structure and/or Building's Systems; (iii) constitute a waiver of Landlord's rights hereunder or under the Lease or this Exhibit except that Landlord shall be bound by any approval given in accordance with the Lease or this Exhibit; (iv) impose on Landlord any responsibility for a design and/or construction defect or fault in the Tenant Improvements; or (v) constitute a representation or warranty regarding the accuracy, completeness or correctness thereof.

2.5. Changes. After approval of the Preliminary Plans or Final Plans by Landlord and Tenant, any changes in the Preliminary Plans or Final Plans shall require the prior written consent of Landlord which shall not be unreasonably withheld, delayed or conditioned and the parties shall follow the same process as was required under Section 2.1 for approval of plans. Any change requested by Tenant that is approved in writing by Landlord shall be prepared by die Architect and shall be subject to the review and approval of Landlord's architect which shall not be unreasonably withheld, delayed or conditioned . The cost of such changes, including the cost to revise such plans, obtain any additional permits and construct

any additional improvements required as a result thereof, and the cost for materials and labor, shall be included as part of the Construction Costs for the Tenant Improvements.

2.6. Construction Budget for Tenant Improvements. After approval of the Final Plans by Landlord and Tenant as provided above, Tenant shall prepare a detailed estimate of the Construction Costs for the Tenant Improvements (the "**Construction Budget**"). Tenant shall deliver a copy of the Construction Budget to Landlord for Landlord's approval, which shall not be unreasonably withheld, conditioned or delayed.

2.7. Building Permits and Approvals. Not later than fifteen (15) days after approval by Landlord and Tenant of the Final Plans and Construction Budget as provided above, Tenant or its Contractor shall submit the Final Plans to the appropriate governmental body for plan checking and all building permits and other governmental and quasi-governmental approvals.

2.8. Conduct of Work. Tenant shall confine the construction activity to within the Premises as much as possible and shall work in an orderly manner removing trash and debris from the Premises on a daily basis. At no time will pipes, wires, boards or other construction materials cross public areas where harm could be caused to the public. All such work shall be undertaken in strict compliance with all applicable Laws and this Lease. If Tenant fails to comply with these requirements, Landlord shall have the right, but not the obligation, to cause remedial action (at Tenant's cost) as deemed necessary by Landlord to protect the public. Tenant shall complete construction of the Tenant Improvements free and clear of all liens, security interests and encumbrances of any kind.

(a) **Pre-construction Submittals to Landlord**. Prior to the commencement of construction, Tenant shall submit the following items to Landlord:

(1) A certificate setting forth the proposed commencement date of construction and the estimated completion dates of construction work, fixturing work and projected date of Substantial Completion;

(2) Certificates of all insurance required under the Lease and this Exhibit; and

(3) Copies of all building permits, and all other permits and approvals required by governmental agencies to construct the Tenant Improvements;

(b) **Delays**. Tenant shall, with reasonable diligence, prosecute construction of the Tenant Improvements to complete all work by the Commencement Date. Any delay in completing such work, including any delay as a result of governmental delays, force majeure and other events beyond the control of Tenant, excepting only acts or failures to act of Landlord or persons claiming under Landlord shall not extend or delay the time for the commencement of payment Rent or any other sum under the Lease.

(c) **Correction of Work**. Landlord may reject any portion of the Tenant Improvements which is not in material conformity with the Final Plans. Landlord shall not be responsible for correcting the portions of the Tenant Improvements which were defective or not in compliance with the Final Plans; all such work shall be the responsibility of Tenant at its sole cost and expense.

2.9. Copy of Record set of Plans. At the conclusion of construction: (i) Tenant shall cause the Architect and Contractor (A) to update the Final Plans as necessary to reflect all changes made to the Final Plans during the course of construction, (B) to certify to the best of their knowledge that the

"record-set" of as-built drawings are true and correct, which certification shall survive the expiration or termination of this Lease, and (C) to deliver to Landlord two (2) sets of copies of such record set of drawings within ninety (90) days following issuance of a Certificate of Occupancy for the Premises; and (ii) Tenant shall deliver to Landlord a copy of all signed building permits and certificates of occupancy, and all warranties, guaranties, and operating manuals and information relating to the improvements, equipment and systems in the Premises.

2.10. Tenant's Parties and Insurance. The Contractor and all subcontractors, laborers, materialmen, and suppliers used by Tenant collectively shall be referred to in this **Exhibit E** as "**Tenant's Parties**".

(a) **Indemnity**. Tenant's indemnity of Landlord as set forth in the Lease shall also apply with respect to any and all costs, losses, damages, injuries and liabilities related in any way to any act or omission of Tenant or Tenant's Parties, or any one directly or indirectly employed by any of them, or in connection with Tenant's non-payment of any amount arising out of the Tenant Improvements and/or Tenant's disapproval of all or any portion of any request for payment.

(b) **Requirements of Tenant's Parties**. Each of Tenant's Parties shall guarantee to Tenant and shall be requested to also guarantee for the benefit of Landlord that the portion of the Tenant Improvements for which it is responsible shall be free from any defects in workmanship and materials for a period of not less than one (1) year from the date of completion thereof. Each of Tenant's Parties shall be responsible for the replacement or repair, without additional charge, of all work done or furnished in accordance with its contract that shall become defective within one (1) year after the later to occur of (i) completion of the work performed by such contractor or subcontractors, and (ii) the date when the Tenant Improvements have been Substantially Completed. The correction of such work shall include, without additional charge, all additional expenses and damages incurred in connection with such removal or replacement of all or any part of the Tenant Improvements, and/or the Building and/or Common Areas that may be damaged or disturbed thereby. All such warranties or guarantees as to material or workmanship of or with respect to the

Tenant Improvements shall be contained in the construction contract or subcontract and shall be written such that such guarantees or warranties shall inure to the benefit of Tenant and shall be requested to inure to the benefit of Landlord, as their respective interests may appear, so as to be directly enforced by either.

(c) **Insurance Requirements**. In addition to the insurance requirements set forth in the Lease, Tenant shall comply with the following requirements:

(1) **General Coverages**. All of Tenant's Parties shall carry worker's compensation insurance covering all of their respective employees, and shall also carry commercial liability insurance, including property damage, all with limits, in form and with companies as are required to be carried by Tenant as set forth in the Lease.

(2) **Special Coverage**. Tenant's Contractor, or in the case of a construction management contract Tenant's Major Subconractors shall carry "Builder's All Risk" insurance in an amount approved by Landlord covering the construction of the Tenant Improvements, and such other insurance as Landlord may require. Such insurance shall be in amounts and shall include such extended coverage endorsements including the requirement that all of Tenant's Parties shall carry excess liability and Products and Completed Operation Coverage insurance, each in amounts not less than $1,000,000 per incident, $2,000,000 in aggregate, and in form and with companies as are required to be carried by Tenant as set forth in the Lease.

(3) **General Terms**. Certificates for all insurance carried pursuant to the foregoing sections shall be delivered to Landlord before the commencement of construction of the Tenant Improvements and before the Contractor's equipment is moved onto the site. All such policies of insurance must contain a provision that the company writing said policy will give Landlord thirty (30) days' prior written notice of any cancellation or lapse of the effective date or any reduction in the amounts of such insurance. In the event that the Tenant Improvements are damaged by any cause during the course of the construction thereof, Tenant shall immediately repair the same at Tenant's sole cost and expense. Tenant's Parties shall maintain all of the foregoing insurance coverage in force until the Tenant Improvements are fully completed except for any Products and Completed Operation Coverage insurance required by Landlord, which is to be maintained for six (6) years following completion of the work and acceptance by Landlord and Tenant. All policies carried under this section shall insure Landlord and Tenant, as their interests may appear, as well as Contractor and Tenant's Parties. All insurance, except Workers' Compensation, maintained by Tenant's Parties shall preclude or waive subrogation claims by the insurer against anyone insured thereunder. Such insurance shall provide that it is primary insurance as respects the Landlord and that any other insurance maintained by Landlord is excess and noncontributing with the insurance required hereunder. The requirements for the foregoing insurance shall not derogate from the provisions for indemnification of Landlord by Tenant under the Lease or this Exhibit.

2.11. **Labor Matters**. Tenant shall perform or cause Tenant's Contractor to perform all work in the making and/or installation of any repairs, alterations or improvements in a manner so as to avoid any labor dispute which causes or is likely to cause stoppage or impairment of work or delivery service or any other services in die Project. In the event there shall be any such stoppage or impairment as the result of any such labor dispute or potential labor dispute caused by Tenant's Contractor, Tenant shall immediately undertake such actions as may be necessary to eliminate such dispute or potential dispute, including, but not limited to, (a) removing all disputants from the job site until such time as the labor dispute no longer exists, (b) seeking an injunction in the event of a breach of contract between Tenant and Tenant's contractor, and (c) filing appropriate unfair labor practice charges in the event of a union jurisdictional dispute.

2.12. **Temporary Facilities During Construction**. Tenant shall obtain in its name and pay for all temporary utility facilities, and the removal of debris, as necessary and required in connection with the construction of the Tenant Improvements. Storage of Tenant's contractors' construction material, tools, equipment and debris shall be confined to die Premises and any other areas which may be designated for such purposes by Landlord. Landlord shall not be responsible for any loss or damage to Tenant's and/or Tenant's contractors' equipment. In no event shall any materials or debris be stored in the malls or service or exit corridors of the Project.

2.13. **Miscellaneous**. The Tenant Improvements shall be subject to the inspection and approval of Landlord and its supervisory personnel. All contractors engaged by Tenant shall be bondable, licensed contractors, possessing good labor relations, capable of performing quality workmanship.

2.14. **Construction Management Fee**. Landlord, or an agent of Landlord, shall provide construction management services in connection with the construction of the Tenant Improvements and the change orders. Such construction management services shall be performed for a fee (the "**Construction Management Fee**") equal to one percent (1%) of die amount of the Construction Costs for the Tenant Improvements, including the costs of any permits and approvals associated therewith. Landlord shall deduct from Landlord's Allowance and pay its agent the amount of Construction Management Fee on a monthly basis prorated over the duration of construction of the Tenant Improvements. Tenant shall be responsible for payment of the Construction Management Fee to the extent Construction Costs exceed the Landlord's Allowance, provided that Landlord shall deduct payments from amounts otherwise to be advance as the Additional Landlord Allowance.

ARTICLE 3 PAYMENT OF CONSTRUCTION COSTS

3.1. **Payment of Construction Costs**. Tenant shall pay for the Construction Costs for the Tenant Improvements, except as provided in the next sentence. Landlord shall only be responsible to Tenant for payment of the Construction Costs for the Tenant Improvements up to the lesser of the (a) actual Construction Costs for the Tenant Improvements, and (b) amount of the Landlord's Allowance (and any portion of die Additional Landlord Allowance sought to be utilized by Tenant under the above provisions of this **Exhibit E**) (the lesser of (a) and (b) shall be referred to herein as "**Landlord's Maximum Construction Cost Obligation**"). If the aggregate Construction Costs for the Tenant Improvements are greater than Landlord's Maximum Construction Cost Obligation, then Tenant shall be solely responsible for such additional costs above Landlord's Maximum Construction Cost Obligation.

3.2. **Payment By Landlord of Landlord's Allowance**.

(a) **Payment by Landlord of Landlord's Allowance**. So long as there shall not then be an Event of Default of Tenant under the Lease and the below conditions for each installment of the Landlord's Allowance (which term through this Section 3.2(a) shall include any portion of the Additional Landlord Allowance sought to be utilized by Tenant under the above provisions of this **Exhibit E**) are satisfied as set forth below, the Landlord's Allowance shall be disbursed by Landlord, based upon requests for payment submitted by Tenant upon receipt of then appropriate invoices and forms required and submitted by Tenant not more often than once per month (except if applicable, in the case of the final disbursement of the Landlord's Allowance); provided, however, that in no event shall Landlord be obligated to disburse to Tenant in the aggregate for Construction Costs for the Tenant Improvements more than Landlord's Maximum Construction Cost Obligation. Each request for payment by Tenant shall be accompanied by a written certification satisfactory to Landlord by the Architect that all work up to the date of the request for payment has been completed in accordance with die Schedule of Values contained in Tenant's construction contract(s) with the Contractor, along with releases (partial or complete) of liens from all of Tenant's contractors and subcontractors for all work performed and materials furnished up to the date of Tenant's immediately prior request for payment (and Tenant's final request for payment shall also be accompanied by the applicable items required below under clause (b) of this Section 3.2 below), along with any other supporting documentation reasonably required by Landlord in connection therewith and die calculation of retainage provided for in the construction contract. Upon receipt of each applicable complete payment request by Tenant, Landlord shall pay to Tenant, within twenty-one (21) days after submission of such complete payment request to Landlord, the amount of such request for payment; provided, however, that Landlord's aggregate obligation to pay for such requests for payment shall in no event exceed Landlord's Maximum Construction Cost Obligation less any retainage withheld pursuant to the Construction Contract. Upon final completion of the Tenant Improvements and receipt by Landlord of the items required under clause (b) of this Section 3.2 below, Landlord shall pay to Tenant, within twenty-one (21) days following Tenant's written request, the remaining unadvanced retainage portion of Landlord's Maximum Construction Cost Obligation; provided, however, that the retainage shall not have to be released by Landlord until the punchlist items have been completed as provided in Section 4.2 below. Any and all costs for the construction of the Tenant Improvements in excess of the Landlord's Maximum Construction Cost Obligation shall be paid by Tenant to the Contractor and other applicable contractors, subcontractors, and material suppliers. Landlord reserves the right to make any payment (or portion thereof) of Landlord's Maximum Construction Cost Obligation payable jointly to Tenant and the Contractor (or subcontractor or supplier) or directly to the Contractor or any subcontractor or supplier.

(b) The final disbursement of Landlord's Maximum Construction Cost Obligation by Landlord shall be subject to Tenant delivering to Landlord: (i) the final Certificate of Occupancy for the Premises, (ii) copies of all applicable building permits and inspection approvals reflecting final sign-off

by the local governmental authority with respect to the Tenant Improvements, (iii) a copy of the as-built Final Plans for the Tenant Improvements, (iv) unconditional lien waivers from the Contractor and all Major Subcontractors and suppliers for the Tenant Improvements and Tenant's furniture, fixture and equipment in the Premises, (v) receipt of the Architect's certificate for the Tenant Improvements referred to in the definition of Substantial Completion in this Exhibit,

(c) In no event shall Landlord be obligated to reimburse any portion of the Landlord's Maximum Construction Cost Obligation that Tenant requests from Landlord after the one (1) year anniversary of the Base Rent Commencement Date.

3.3. **Payment by Landlord of Landlord's Space Planning Allowance**. So long as there shall not then be an Event of Default of Tenant under die Lease, within sixty (60) days following Landlord's receipt of invoices evidencing such Space Planning Fees, Landlord shall reimburse Tenant for the Space Planning Fees actually incurred by Tenant up to an amount not to exceed the Landlord's Space Planning Allowance.

ARTICLE 4 GENERAL PROVISIONS

4.1. **Bonds**. Upon the request of Landlord prior to commencing construction of the Tenant Improvements, Tenant shall deliver to Landlord certified copies of a payment and performance bond issued by a surety company authorized to do business in the Commonwealth of Massachusetts in a principal amount not less than the full amount of the Construction Costs, issued on behalf of Tenant's Contractor, naming Tenant and Landlord (and if requested by Landlord, Landlord's Mortgagee under any Mortgage or other financing instrument affecting the Project or any portion thereof) as dual obligees. Notwithstanding the delivery by Tenant of such bond, Tenant shall pay promptly for all labor and materials supplied to Tenant in connection with the construction of the Tenant Improvements, shall not cause or permit any liens for such labor or materials to attach to the Land or the Building, and shall bond or discharge any such lien which may be filed or recorded except for any lien caused by any action of Landlord or any person claiming under Landlord within fifteen (15) days after Tenant receives actual notice of such filing or recording.

4.2. **Completion of Punchlist Items**. In or within seven (7) Business Days following Substantial Completion of the Tenant Improvements, the parties shall schedule a meeting(s) to jointly inspect the Premises and the Tenant Improvements in order to identify those incomplete items or unfinished details that will be part of the punch list for the Tenant Improvements. Such punch list items shall be completed by Tenant as soon as practicable thereafter and in any event not later than thirty (30) days following the completion of the applicable punchlist (except for such item(s) that, by its nature or due to circumstances beyond the reasonable control of the party charged with doing such work, cannot be completed within such 30 day period).

4.3. **Tenant's Representative**. Tenant hereby authorizes Mark Hopkins of Winstanley Construction, 150 Baker Avenue, Concord, MA, as Tenant's representative to act on its behalf and represents its interests with respect to all matters which pertain to the construction of Tenant Improvements, and to make decisions binding upon Tenant with respect to such matters.

EXHIBIT E-1

CONTRACTOR RULES AND REGULATIONS

Any and all improvements, alterations or additions performed by Tenant will be performed in accordance with this **Exhibit E-1**, and any modifications thereto by Landlord, notwithstanding any more permissive local building codes or ordinances.

1. WORK APPROVAL

The general contractor ("**Contractor**") and all subcontractors must be approved to conduct their trades in the jurisdiction in which the Building is located by any and all governmental entities with such authority. Tenant or Contractor must provide Landlord with names, addresses and phone numbers for all subcontractors prior to commencement of work by the subcontractor. Construction drawings must be approved by Landlord prior to the start of construction. All projects shall be reviewed for potential impact to reduction targets and environmental programs. An agent or representative of Contractor must be present on the site at all times when work is in process.

2. INSURANCE

Prior to commencement of work, Contractor shall provide to Landlord a certificate of insurance in the form of an ACORD certificate with the approved limits of coverage and naming Landlord and the Building manager as additional insureds.

3. PERMITS

Permits and licenses necessary for the onset of all work shall be secured and paid for by Contractor and posted as required by applicable law.

4. INSPECTIONS

All inspections which must be performed by testing any or all of the life safety system, e.g., alarms, annunciator, voice activated, strobe lights, etc., must be performed prior to 7:00 a.m. or after 6:00 p.m., and the on-site engineer must be present. At least 48 hours notice must be provided to the Building manager and the on-site engineer advising that an inspection has been requested.

5. ELEVATORS

The use of the freight elevator for deliveries and removals shall be scheduled in advance by Contractor with the Building engineer's office for the transfer of all construction materials, tools, and trash to and from the construction floor. Passenger elevators shall not be used for these purposes. The elevator walls and floor shall be protected at all times during Contractor's use. From time to time, Contractor may be required to share the freight elevator with the cleaning crew, other tenants, etc. Large transfers of materials, whether for deliveries or removals, must be done prior to 7:00 a.m. or after 6:00 p.m. No deliveries of any kind or nature shall be brought in through the front door of the Building at any time.

6. NON-CONSTRUCTION AREAS

Contractor shall take all necessary precautions to protect all walls, carpets, floors, furniture, fixtures and equipment outside of the work area and shall repair or replace damaged property without cost to Landlord. Masonite must be placed as a walkway on the public corridors from the freight elevator to the

construction site to protect the carpet and/or flooring. Common area carpet and flooring protection is to be used and removed daily and the carpet and flooring vacuumed or dust mopped, whichever is appropriate, on a daily basis.

7. EROSION AND SEDIMENT CONTROL

Contractor agrees to provide a management plan prior to any exterior ground work being performed to prevent loss of soil during construction by stormwater runoff and/or wind erosion, including protecting topsoil by stockpiling for reuse, preventing sedimentation of storm sewer or receiving streams, and preventing polluting the air with dust and particulate matter. Contractor shall log building operations and maintenance activity to ensure that the plan has been followed.

8. GREEN BUILDINGS

Contractor agrees to use reasonable efforts to incorporate Sustainability Standards into the preparation of the Plans and Specifications, including, without limitation, those "Green Construction Guidelines & Requirements," attached hereto as Exhibit E-2, when such compliance will not cause a material increase in Construction Costs.

9. WATER AND ELECTRICITY

Sources of water and electricity will be furnished to Contractor without cost, in reasonable quantities for use in lighting, power tools, drinking water, water for testing, etc. "Reasonable quantities" will be determined on a case-by-case basis but are generally intended to mean quantities comparable to the water and electrical demand Tenant would use upon taking occupancy. Contractor shall make all connections, furnish any necessary extensions, and remove same upon completion of work.

10. DEMOLITION AND DUSTY WORK

Demolition of an area in excess of 100 square feet must be performed before 7:00 a.m. or after 6:00 p.m. Contractor shall notify the Building engineer's office at least one full Business Day prior to commencement of extremely dusty work (sheet rock cutting, sanding, extensive sweeping, etc.) so arrangements can be made for additional filtering capacity on the affected HVAC equipment. Failure to make such notification will result in Contractor incurring the costs to return the equipment to its proper condition. All lights must be covered during high dust construction due to a plenum return air system.

11. CONSTRUCTION MANAGEMENT PLAN FOR INDOOR AIR QUALITY

Contractor agrees to develop and implement an Indoor Air Quality (IAQ) Management Plan for the construction and occupancy phases of the area being built out as follows:

- During construction, meet or exceed the recommended Design Approaches of the Sheet Metal and Air Conditioning National Contractors Association (SMACNA) IAQ Guideline for Occupied Buildings Under Construction, 1995, Chapter 3.
- Protect stored on-site or installed absorptive materials from moisture damage.
- If air handlers must be used during construction, use filtration media with a Minimum Efficiency Reporting Value (MERV) of 8 at each return air grill, as determined by ASHRAE 52.2-1999.
- Replace all filtration media immediately prior to occupancy.
- Make every reasonable effort to minimize the off-gassing of volatile organic compounds used in construction materials within the building. Efforts may include the use of no-and low-VOC

products and materials, allowing products to off-gas before being brought into the building, and flushing out the space with outside air or air purifiers.

12. WATER USE EFFICIENCY

Contractor agrees to comply with the following:

- Maintain maximum fixture water efficiency within the Building to reduce the burden on potable water supply and wastewater systems.
- Keep fire systems, domestic water systems, landscape irrigation systems as separate systems to be maintained and metered separately. Modifications to the water systems must maintain the integrity of these three systems.
- Submeter process water used directly by tenant and for the sole benefit of tenant.
- Irrigation lines are not to be connected to domestic supply lines.

13. REMOVAL OF WASTE MATERIALS

Any and all existing building materials removed and not reused in the construction shall be disposed of by Contractor as waste or unwanted materials, unless otherwise directed by the Building manager.

Contractor shall comply with all laws and Landlord's waste and recycling practices. Contractor shall at all times keep areas outside the work area free from waste material, rubbish and debris and shall remove waste materials from the Building on a daily basis.

14. CLEANUP

Upon construction completion, Contractor shall remove all debris and surplus material and thoroughly clean the work area and any common areas impacted by the work.

15. HOUSEKEEPING PRACTICES

Contractor agrees to comply with Landlord's cleaning and maintenance practices.

16. MATERIAL SAFETY DATA SHEETS (MSDS)

Contractor agrees to provide the Building manager with at least 72 hours advance notice of all chemicals to be used on site through written notice and delivery of MSDS sheets.

17. WORKING HOURS

Standard construction hours are 6:30 a.m. - 5:00 p.m. The Building engineer must be notified at least two full Business Days in advance of any work that may disrupt normal business operations, e.g., drilling or cutting of the concrete floor slab. The Building manager reserves the right to determine what construction work is considered inappropriate for normal business hours. Work performed after standard construction hours requires an on-site engineer, who shall be billed at the then overtime rate, payable by Contractor.

18. WORKER CONDUCT

Contractor and subcontractors are to use care and consideration for others in the Building when using any public areas. No abusive language or actions on the part of the workers will be tolerated. It will be the responsibility of Contractor to enforce this regulation on a day-to-day basis. Contractor and subcontractors shall remain in the designated construction area so as not to unnecessarily interrupt other

tenants. No sleeveless shirts are allowed. Long pants and proper work shoes are required. All workers must wear company identification.

19. CONSTRUCTION INSPECTIONS

Contractor is to perform a thorough inspection of all common areas to which it requires access prior to construction to document existing Building conditions. Upon completion of work, if necessary, Contractor shall return these areas to the same condition in which they were originally viewed. Any damage caused by Contractor shall be corrected at its sole cost.

20. SIGNAGE

Contractor or subcontractor signage may not be displayed in the Building common areas or on any of the window glass.

21. POSTING OF RULES AND REGULATIONS

A copy of these rules and regulations must be posted on the job site in a manner allowing easy access by all workers. It is Contractor's responsibility to instruct all workers, including subcontractors, to familiarize themselves with these rules and regulations.

22. INSURANCE REQUIREMENTS

Contractor will provide and maintain at its own expense the following minimum insurance:

(a) Worker's Compensation for statutory limits in compliance with applicable State and Federal laws.

(b) Comprehensive General Liability with limits not less than $5,000,000 combined single limit per occurrence for Bodily Injury and Property Damage.

(c) Automobile liability including owned, non-owned and hired automobiles with limits not less than:

Bodily Injury	$500,000 each person $500,000 each accident
Property Damage	$500,000 each accident

23. CERTIFICATE OF INSURANCE

NAMED INSUREDS: , OWNER, ANY BUILDING MANAGER FOR OWNER, AND ANY MORTGAGEE AND/OR GROUND LESSOR OF THE BUILDING AND/OR THE LAND

Certificates of Insurance in the form of an ACORD 25-S certificate evidencing the required coverages and naming the additional insureds as stated MUST be furnished thirty (30) days prior to starting the contract work. Each certificate will contain a provision that no cancellation or material change in the policies will be effective except upon thirty (30) days prior written notice.

24. EMERGENCY PROCEDURES

In case of emergency, Contractor shall call the police/fire department and/or medical services, followed immediately by a call to the Building manager.

25. DELIVERIES

At no time will the Building staff accept deliveries on behalf of Contractor or any subcontractor.

26. CHANGES

THESE CONTRACTOR RULES AND REGULATIONS ARE SUBJECT TO CHANGE AND ARE NOT LIMITED TO WHAT IS CONTAINED HEREIN. LANDLORD AND THE BUILDING MANAGER RESERVE THE RIGHT TO IMPLEMENT ADDITIONAL RULES AND REGULATIONS AS MAY BE PRUDENT BASED ON EACH INDIVIDUAL PROJECT.

EXHIBIT E-2

ENERGY AND SUSTAINABILITY
CONSTRUCTION GUIDELINES AND REQUIREMENTS

Any and all improvements, alterations or additions performed by Tenant will be performed in accordance with this **Exhibit E-2** and any modifications thereto by Landlord, notwithstanding any more permissive local building codes or ordinances.

HVAC Equipment

— Tenant-installed HVAC and refrigeration equipment and fire suppression systems ***shall not*** contain CFCs.

— Ensure tenant-installed HVAC systems tie into the Building's Building Automation System.

— Avoid the installation of HVAC and refrigeration equipment containing HCFCs when reasonable.

Appliances & Equipment

Install only ENERGY STAR-certified appliances. ***Recommend*** the use of ENERGY STAR-certified office equipment, electronics and commercial food service equipment in all instances where such product is available.

Plumbing

Install only new plumbing fixtures that meet the following:

— Lavatory faucets: [0.5] gallons per minute (GPM) tamper-proof aerators

— Pantry/Kitchenette faucets: [1.5] GPM tamper-proof aerators

— Water closets: [1.28] gallons per flush (GPF)

— Urinals: [0.125] GPF

— Showerheads: Meet the requirements of EPA WaterSense-labeled products

— Commercial Pre-rinse Spray valves (for food service applications): [1.6] or less GPM

Tenant is not obligated to replace existing plumbing fixtures that meet die above listed flow rates.

Lighting

— Lighting loads ***shall not*** exceed ASHRAE/IES Standard 90.1- 2010. For example, the Maximum Lighting Power Density for office use is 0.9 watts per square foot.

— At a ***minimum***, Tenant shall comply with applicable energy codes. Lighting controls shall be tested prior to occupancy to ensure that control elements are calibrated, adjusted and in proper working condition to achieve optimal energy efficiency.

— ***Recommend*** installation of daylight-responsive controls in all regularly occupied office spaces within 15 feet of windows.

Building Materials

— Architect and general contractor shall endeavor to specify low-VOC paints, coatings, primers, adhesives, sealants, sealant primers, coatings, stains, finishes and the like. Suggested VOC limits are at the end of this document.

— Architect and general contractor shall endeavor to specify materials that meet the following criteria:

  — Harvested and processed or extracted and processed within a 500-mile radius of the project site.

  — Contain at least 10% post-consumer or 20% pre-consumer materials.

  — Contain material salvaged from offsite or on-site.

  — Contain rapidly renewable material.

  — Made of wood-based materials, excluding movable furniture, certified as harvested from sustainable sources, specifically Forest Stewardship Council (FSC)-certified wood.

  — Carpet meeting or exceeding the requirements of the CRI Green Label Plus Testing Program and recyclable where available.

  — Carpet cushion meeting or exceeding the requirements of the CRI Green Label Testing Program.

  — Preferably, at least 25% of the hard surface flooring (not carpet) will be FloorScore-certified.

  — Composite wood or agrifiber products shall contain no added urea-formaldehyde resins.

Contractor Practices

— General Contractor ***shall implement*** appropriate Indoor Air Quality Protocols for construction activity.

Resources

For actual regulations, rules and standards visit:

SCAQMD

BAAQMD

Green Seal

SCA MD VOC Limits—January 7, 2005

Architectural Coatings	VOC Limit [g/L less water]
Clear Wood Finishes - Varnish	350
Clear Wood Finishes - Lacquer	550
Waterproofing Sealers	250
Sanding Sealers	275
All Other Sealers	200
Shellacs — Clear	730
Shellacs — Pigmented	550
All Stains	250

Architectural Applications	VOC Limit [g/L less water]
Indoor Carpet Adhesives	50
Carpet Pad Adhesives	50
Wood Flooring Adhesives	100
Rubber Floor Adhesives	60
Subfloor Adhesives	50
Ceramic Tile Adhesives	65
VCT & Asphalt Adhesives	50
Drywall & Panel Adhesives	50
Cover Base Adhesives	50
Multipurpose Construction Adhesives	70
Structural Glazing Adhesives	100
Single-Ply Roof Membrane Adhesives	250

Specialty Applications	VOC Limit [g/L less water]
PVC Welding	510
CPVC Welding	490
ABS Welding	325
Plastic Cement Welding	250
Adhesive Primer for Plastic	550
Contact Adhesive	80
Special Purpose Contact Adhesive	250
Structural Wood Member Adhesive	140
Sheet Applied Rubber Lining Operations	850
Top & Trim Adhesive	250

Substrate Specific Applications	VOC Limit [g/L less water]
Metal to Metal	30
Plastic Foams	50
Porous Material (except wood)	50
Wood	30
Fiberglass	80

Sealants	VOC Limit [g/L less water]
Architectural	250
Nonmembrane Roof	300
Roadway	250
Single-Ply Roof Membrane	450
Other	420

Sealant Primers	VOC Limit [g/L less water]
Architectural Non Porous	250
Architectural Porous	775
Other	750

Green Seal Standard VOC Limits—October 19, 2000

Paints	VOC Limit (g/L less water)
Flat	50
Non-flat	150
Anti-corrosive/anti-rust	250

Aerosol Adhesives	VOC Weight (g/L minus water)
General Purpose Mist Spray	65% VOCs by weight
General Purpose Mist Spray	55% VOCs by weight
Special Purpose Aerosol Adhesives (all types)	70% VOCs by weight

BAA MD VOC Limits—August 2001

Architectural	VOC Limit [g/L less water]	Specialty Applications	VOC Limit [g/L less water]
Indoor Floor Covering Installation	150	Computer Diskette Jacket Manufacturing	850
Multipurpose Construction	200	ABS Welding	400
Nonmembrane Roof Installation/Repair	300	CPVC Welding	490
Outdoor Floor Covering Installation	250	PVC Welding	510
Single-Ply Roof Material Installation/Repair	250	Other Plastic Welding	500
Structural Glazing	100	Thin Metal Laminating	780
Ceramic Tile Installation	130	Tire Retread	100
Cove Base Installation	150	Rubber Vulcanization Bonding	850
Perimeter Bonded Sheet Vinyl Flooring	660	Waterproof Resorcinol Glue	170
		Immersible Product Manufacturing	650
		Top and Trim Installation	540

Adhesive Primers	VOC Limit [g/L less water]	Contact Bond Adhesives	VOC Limit [g/L less water]
Automotive Glass Primer	700	Contact Bond Adhesive	250
Pavement Marking Tape Primer	150	Contact Bond Adhesive — Special Substrates	400
Plastic Welding Primer	650		
Other	250		

Adhesive Projects	VOC Limit [g/L less water]	Sealants	VOC Limit [g/L less water]
Metal	30	Architectural	250
Porous Mateirals	120	Marine Deck	760
Wood	120	Roadways	250
Pre-formed Rubber Products	250	Single-Ply Roof Material Installation/Repair	450
All Other Substrates	250	Nonmembrane Roof Installation/Repair	300
		Other	420

Sealant Primers	VOC Limit [g/L less water]
Architectural - Nonporous	250
Architectural - Porous	775
Other	750

EXHIBIT F

BUILDING RULES AND REGULATIONS

The following rules and regulations shall apply to the Premises, the Building, the parking garage associated therewith, and the appurtenances thereto:

1. Sidewalks, doorways, vestibules, halls, stairways, and other similar areas shall not be obstructed by tenants or used by any tenant for purposes other than ingress and egress to and from their respective leased premises and for going from one to another part of the Building.

2. Plumbing, fixtures and appliances shall be used only for the purposes for which designed, and no sweepings, rubbish, rags or other unsuitable material shall be thrown or deposited therein. Damage resulting to any such fixtures or appliances from misuse by a tenant or its agents, employees or invitees, shall be paid by such tenant.

3. No signs, advertisements or notices (other than those that are not visible outside the Premises) shall be painted or affixed on or to any windows or doors or other part of the Building without the prior written consent of Landlord.

4. Landlord shall provide all door locks in each tenant's leased premises, at the cost of such tenant, and no tenant shall place any additional door locks in its leased premises without Landlord's prior written consent. Landlord shall furnish to each tenant a reasonable number of keys to such tenant's leased premises, at such tenant's cost, and no tenant shall make a duplicate thereof.

5. If the Building is multi-tenant, movement in or out of the Building of furniture or office equipment, or dispatch or receipt by tenants of any bulky material, merchandise or materials which require use of elevators or stairways, or movement through the Building entrances or lobby shall be conducted under Landlord's supervision at such times and in such a manner as Landlord may reasonably require. Each tenant assumes all risks of and shall be liable for all damage to articles moved and injury to persons or public engaged or not engaged in such movement, including equipment, property and personnel of Landlord if damaged or injured as a result of acts in connection with carrying out this service for such tenant.

6. Landlord may prescribe weight limitations and determine the locations for safes and other heavy equipment or items, which shall in all cases be placed in the Building so as to distribute weight in a manner acceptable to Landlord which may include the use of such supporting devices as Landlord may require. All damages to the Building caused by the installation or removal of any property of a tenant, or done by a tenant's property while in the Building, shall be repaired at the expense of such tenant.

7. Corridor doors, when not in use, shall be kept closed. Nothing shall be swept or thrown into the corridors, halls, elevator shafts or stairways. No birds or animals (other than seeing-eye dogs) shall be brought into or kept in, on or about any tenant's leased premises. No portion of any tenant's leased premises shall at any time be used or occupied as sleeping or lodging quarters.

8. Tenant shall not make or permit any vibration or unpleasant noises or odors in the Building or otherwise interfere in any way with other tenants or persons having business with them.

9. No machinery of any kind (other than normal office equipment) shall be operated by any tenant on its leased area without Landlord's prior written consent, nor shall any tenant use or keep in the

Building any flammable or explosive fluid or substance (other than typical office supplies [e.g., photocopier toner] used in compliance with all Laws).

10. Landlord will not be responsible for lost or stolen personal property, money or jewelry from tenant's leased premises or public or common areas regardless of whether such loss occurs when the area is locked against entry or not.

11. No vending or dispensing machines of any kind may be maintained in any leased premises without the prior written permission of Landlord, other than those used for Tenant's employees.

12. Tenant shall use reasonable efforts to not conduct any activity on or about the Premises or Building which will draw pickets, demonstrators, or the like.

13. No tenant may enter into phone rooms, electrical rooms, mechanical rooms, or other service areas of the Building unless accompanied by Landlord or the Building manager.

14. No smoking is allowed anywhere in the Building. Smoking is allowed only in Landlord-designated smoking areas that are at least fifty (50) feet from the Building entry or elevators, public walkways and the Building's outdoor air intakes, outdoor louvers, or operable windows. Tenant shall not permit its employees, invitees or guests to smoke in the Premises or Building, or anywhere within the foregoing fifty (50) foot area (including without limitation e-cigarettes).

15. Canvassing, soliciting or peddling in or about the Premises or the Property is prohibited and Tenant shall cooperate to prevent same.

16. Tenant shall not use or permit space heaters or energy-intensive equipment unnecessary to conduct Tenant's business without written approval by Landlord. Any space conditioning equipment that is placed in the Premises by Tenant for the purpose of increasing comfort to occupants shall be operated on sensors or timers that limit operation of equipment to hours of occupancy in the areas immediately adjacent to the occupying personnel.

17. Tenant shall not mark, paint, drill into, or in any way deface any part of the Building or Premises, except as approved in advance by Landlord. No boring, driving of nails, or screws, cutting or stringing of wires shall be permitted, except with the prior written consent of Landlord, and as Landlord may direct. Tenant shall not install any resilient tile or similar floor covering the Premises, except as approved in advance by Landlord. The use of cement or other similar adhesive material is expressly prohibited, except as approved in advance by Landlord.

18. Tenant shall not waste electricity or water and agrees to cooperate fully with landlord to assure the most effective operation of the Building's heating and air conditioning. Tenant shall keep corridor doors closed except when being used for access.

19. 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.

20. No smoking shall be permitted in any portion of the Building (including the Premises and all common areas within the Building). Landlord may also limit smoking in exterior areas to such location or locations as Landlord may designate from time to time. No sale or distribution of tobacco or tobacco products shall be permitted anywhere in the Building or on the Lot or any other facilities operated in connection with the Building or the Lot.

21. Building employees shall not be required to perform, and shall not be requested by any tenant or occupant to perform, any work outside of their regular duties, unless under specific instructions from the office of the Manager of the Building.

22. Tenant may request heating and/or air conditioning during other periods in addition to normal working hours by submitting its request in writing to the office of the Manager of the Building no later than 12:00 p.m. the preceding work day (Monday through Friday) on forms available from the office of the Manager. The request shall clearly state the start and stop hours of the "off-hour" service. Tenant shall submit to the Building Manager a list of personnel authorized to make such request. The Tenant shall be charged for such operation in the form of additional rent; such charges are to be determined by the Landlord.

23. Tenant covenants and agrees that its use of the Premises shall not cause a discharge of more than the gallonage per foot of rentable square feet per day of sanitary (non¬industrial) sewage allowed under the sewage discharge permit for the Building. Discharges in excess of that amount, and any discharge of industrial sewage, shall only be permitted if Tenant, at its sole expense, shall have obtained all necessary permits and licensees therefor, including without limitation permits from state and local authorities having jurisdiction thereof.

24. Landlord may establish reasonable rules and regulations regarding the use of the roofdeck located on the third floor of the Building, and provide for an orderly and reasonable method for the reservation of such space.

25. Janitorial services shall be provided in accordance with **Exhibit K**. Tenants shall not cause unnecessary labor by reason of carelessness or indifference in the preservation of good order and cleanliness. The work of the janitor or cleaning personnel shall not be hindered by Tenant and such work may be done at any time when the offices are vacant. The windows, doors and fixtures may be cleaned at any time without interruption of purpose for which the Premises are let. Tenant shall provide adequate waste and rubbish receptacles, cabinets, bookcases, map cases, etc. necessary to prevent unreasonable hardship to Landlord in discharging its obligation regarding cleaning service. Boxes should be broken down to fit into containers.

26. These Building Rules and Regulations are subject to change and are not limited to what is contained herein. Landlord and the building manager reserve the right to implement additional reasonable Building Rules and Regulations as may be prudent; provided, however, that Landlord shall not discriminate against Tenant in the implementation of such additional Building Rules and Regulations.

EXHIBIT G

FORM OF CONFIRMATION OF COMMENCEMENT DATE LETTER

, 2016

CarGurus,
Two Canal Park, Suite 4
Cambridge, MA 2141

Re: Lease Agreement (the "Lease") dated March 11, 2016, between 55 Cambridge Parkway, LLC, a Delaware limited liability company ("Landlord"), and CarGurus, INC., a Delaware corporation ("Tenant"). Capitalized terms used herein but not defined shall be given the meanings assigned to them in the Lease.

Ladies and Gentlemen:

Landlord and Tenant agree as follows:

1. **Condition of Premises**. Tenant has accepted possession of the Premises pursuant to the Lease. All Shell Condition Work has been completed to the full and complete satisfaction of Tenant with the exception of certain "punch list" items listed on Exhibit A. Furthermore, Tenant acknowledges that the Premises are suitable for the Permitted Use.

2. **Commencement Date**. The Commencement Date of the Lease is , 2016.

3. **Expiration Date**. The Term is scheduled to expire on the last day of the full calendar month of the Term, which date is November 30, 2022.

4. **Contact Person**. Tenant's contact person in the Premises is:

Attention:
Telephone:
Telecopy:

5. **Ratification**. Tenant hereby ratifies and confirms its obligations under the Lease, and represents and warrants to Landlord that it has no defenses thereto. Additionally, Tenant further confirms and ratifies that, as of the date hereof, (a) the Lease is and remains in good standing and in full force and effect, and (b) Tenant has no claims, counterclaims, set-offs or defenses against Landlord arising out of the Lease or in any way relating thereto or arising out of any other transaction between Landlord and Tenant.

6. **Binding Effect; Governing Law**. Except as modified hereby, the Lease shall remain in full effect and this letter shall be binding upon Landlord and Tenant and their respective successors and assigns. If any inconsistency exists or arises between the terms of this letter and the terms of the Lease, the terms of this letter shall prevail. This letter shall be governed by the laws of the state in which the Premises are located.

Please indicate your agreement to the above matters by signing this letter in the space indicated below and returning an executed original to us.

Sincerely,

55 CAMBRIDGE PARKWAY, LLC,
a Delaware limited liability company

By: Invesco ICRE Massachusetts REIT Holdings, LLC, its sole member

By: _____
Name: _____
Title: _____

Agreed and accepted:

CARGURUS, INC.,
a Delaware corporation

By: _____
Name: _____
Title: _____

EXHIBIT A

Punchlist Items

EXHIBIT H

FORM OF TENANT ESTOPPEL CERTIFICATE

The undersigned is the Tenant under the Lease (defined below) between 55 Cambridge Parkway, LLC, a Delaware limited liability company, as Landlord, and the undersigned as Tenant, for the Premises on the 5th and 6th floor(s) of the office building located at 55 Cambridge Parkway, Cambridge, MA, and hereby certifies as follows:

1. The Lease consists of the original Office Lease Agreement dated as of March 11, 2016 between Tenant and Landlord [‘s predecessor-in-interest] and the following amendments or modifications thereto (if none, please state “none”):.

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

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

3. The Term commenced on , 20__, and the Term expires, excluding any renewal options, on , 20 , and Tenant has no option to purchase all or any part of the Premises or the Building or, except as expressly set forth in die Lease, any option to terminate or cancel the Lease.

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

5. All monthly installments of Base Rent, all Additional Rent and all monthly installments of estimated Additional Rent have been paid when due through . The current monthly installment of Base Rent is $.

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

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

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

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

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

11. Other than as approved by Landlord in writing and used in compliance with all applicable laws and incidental to the ordinary course of the use of the Premises, the undersigned has not used or stored any hazardous substances in the Premises.

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

Tenant acknowledges that this Estoppel Certificate may be delivered to Landlord, Landlord’s Mortgagee or to a prospective mortgagee or prospective purchaser, and their respective successors and assigns, and acknowledges that Landlord, Landlord’s Mortgagee and/or such prospective mortgagee or prospective purchaser will be relying upon the statements contained herein in disbursing loan advances or making a new loan or acquiring the property of which the Premises are a part and that receipt by it of this certificate is a condition of disbursing loan advances or making such loan or acquiring such property.

Executed as of , 201_.

TENANT: CARGURUS, INC.

a Delaware corporation

By: _____
Name: _____
Title: _____

EXHIBIT I

PARKING

So long as Tenant shall not be in default under this Lease beyond the expiration of applicable notice and cure periods, Tenant shall have the right to use forty-three (43) parking spaces in the underground parking garage at the Project on an unreserved, unassigned basis, in common with other tenants of the Building. Tenant shall pay to Landlord each month with the payment of Base Rent the then monthly parking charge (currently $250.00 per space per month) set by Landlord, regardless of whether Tenant or any invitees, employees or contractors of Tenant actually use such spaces, for each of the forty-three (43) parking spaces (the “Parking Charges”). Such rate shall be subject to change by Landlord during the Term. Tenant shall be responsible for causing its visitors to park only in spaces or areas marked “Visitor parking” and Tenant and its employees shall not park in spaces or areas marked “Visitor-Parking” or “No parking”. Landlord reserves the right to tow any cars parked in “Visitor Parking” or “No Parking” areas in violation of these rules and regulations at the sole expense of the owner of the improperly parked car. Landlord reserves the right to designate reserved parking spaces for the Building’s tenants. Tenant’s use of such parking spaces shall be subject to the below rules and regulations:

The parking rules & regulations are designed to assure our tenants and visitors safe use and enjoyment of the facilities. Please remove or hide any personal items of value from plain sight to avoid temptation leading to vandalism of vehicles. Please exercise added caution when using parking lot at night. Please keep vehicle locked at all times. Please report violations of these rules to the Landlord immediately. Please report any lights out or other possibly dangerous situations to the Landlord as soon as possible.

Restrictions

- Damage caused by vehicles is the responsibility of vehicle owner.
- Landlord is not responsible for theft or damage to any vehicle.
- Landlord is not responsible for water damage from leaks in any garage or any surface parking area.
- Landlord is not responsible for damage due to height limitations of any garage.
- Vehicles not to exceed 5 miles per hour speed limit in any garage.
- Vehicles that leak excessive fluids will be required to protect parking surface.
- Mechanical repairs to vehicles are not permitted on property.
- Large or oversize vehicles such as motor homes, boats or trailers are not permitted.
- No parking in fire lanes, loading zones or any other areas not designated as a parking space.
- Landlord, at Landlord’s sole discretion, may add or modify the parking rules.
- Landlord reserves the right to relocate the location of reserved spaces from time to time.
- Parking Charges for reserved spaces shall be paid to Landlord by Tenant along with, and on the same due date as, the Base Rent.

Violations of rules & regulations may result in towing from the Project. Towing from the Project can only be ordered by Landlord or Landlord’s property manager. Charges for towing are to be paid by vehicle owner.

EXHIBIT J

EXTENSION OPTION; RIGHTS OF FIRST OFFER

1. Extension Option

So long as there shall not then be an Event of Default under this Lease, Tenant may extend this Lease for one (I) additional period of five (5) years (the "Extension Term"), by delivering written notice of the exercise thereof to Landlord not later than twelve (12) months (nor earlier than eighteen (18) months) before the expiration of the Original Term. The Base Rent payable for each month during the Extension Term shall be the prevailing rental rate (the "**Prevailing Rental Rate**"), at the commencement of the Extension Term, for renewals of space in Cambridge, Massachusetts of equivalent quality, size, utility and location, taking into account prevailing concessions including, but not be limited to, tenant improvements, tenant improvement allowances, rental abatement, the length of the Extension Term, size of the premises, condition of the premises, escalation charges, location of the premises, location and age of the building, free rent periods, brokerage commissions and lease term. Within fourteen (14) days after receipt of Tenant's notice to extend, Landlord shall deliver to Tenant written notice of the Prevailing Rental Rate and shall advise Tenant of the required adjustment to Base Rent, if any, and the other terms and conditions offered. Tenant shall, within twenty-one (21) days after receipt of Landlord's notice, notify Landlord in writing whether Tenant accepts or rejects Landlord's determination of the Prevailing Rental Rate ("Tenant Notice"). If Tenant timely notifies Landlord that Tenant accepts Landlord's determination of the Prevailing Rental Rate, then, on or before the commencement date of the Extension Term, Landlord and Tenant shall execute an amendment to this Lease extending the Term on the same terms provided in this Lease, except as follows:

(a) Base Rent shall be adjusted to the Prevailing Rental Rate;

(b) Tenant shall have no further extension option unless expressly granted by Landlord in writing; and

(c) Landlord shall lease to Tenant the Premises in their then-current condition, and Landlord shall not provide to Tenant any allowances (e.g., moving allowance, construction allowance, and the like) or other tenant inducements.

If Tenant rejects Landlord's determination of the Prevailing Rental Rate, then the Base Rent payable for each month during the Extension Term ("Fair Market Rent") shall be established by appraisal in the following manner. By not later than the thirtieth (30th) day after the Tenant Notice, Landlord and Tenant shall each appoint one (1) qualified appraiser (as hereinafter defined) and the two (2) qualified appraisers so appointed shall determine the Fair Market Rent within thirty (30) days following their appointment. As used herein, the term "qualified appraiser" shall mean any independent person (a) who is employed by an appraisal or brokerage firm of recognized competence in the greater Boston area and (b) who has not less than ten (10) years experience in commercial office leasing with respect to, or in appraising and valuing properties of, the general location, type and character as the Premises. If either Landlord or Tenant fails to appoint a qualified appraiser within said thirty (30) day period, then the other party shall have the power to appoint the qualified appraiser for the defaulting party. If said qualified appraisers are unable to agree on the Fair Market Rent within said thirty (30) day period, then they jointly shall appoint a third qualified appraiser within ten (10) days of the expiration of such thirty (30) day period. If the first two appraisers shall fail to appoint a third appraiser within such ten (10) day period, either appraiser may request the President of the Boston Bar Association to appoint the third appraiser. Within thirty (30) days after the appointment of the third appraiser, all three qualified appraisers shall meet and determine the Fair Market Rent. If all three qualified appraisers are unable unanimously to agree

upon the Fair Market Rent, then the first two qualified appraisers simultaneously shall deliver their final Fair Market Rent numbers to the third qualified appraiser, and the third qualified appraiser shall select the number as the Fair Market Rent number that is closest to the Fair Market Rent number determined by the third appraiser, and the Fair Market Rent so selected shall be conclusive and binding upon the Landlord and Tenant. Each party shall bear the cost of its qualified appraiser, and the cost of the third qualified appraiser shall be borne equally between the parties. Until such time as the Fair Market Rent is so determined, from and after the commencement date of the Extension Term, Tenant shall pay Base Rent at the average of Landlord's and Tenant's appraisers' designations of fair market rent, with an appropriate retroactive adjustment once the Fair Market Rent has been determined.

Tenant's rights under this Exhibit J shall terminate if (1) this Lease or Tenant's right to possession of the Premises is terminated, (2) Tenant assigns any of its interest in this Lease or sublets more than fifty percent (50%) of the Premises, or (3) Tenant fails to timely exercise its option under this Exhibit, time being of the essence with respect to Tenant's exercise thereof.

2. Rights of First Offer

(a) **5th Floor East Wing Offer Space**. During the Term of this Lease, provided that Tenant (x) shall not be subleasing any space in the Building, and (y) has not committed an Event of Default at any time during the Term, then Tenant shall have a right of first offer to lease any space that is contiguous to the Premises on the fifth (5th) floor of the East Wing of the Building (the "**5th Floor East Wing Space**") as approximately shown on **Exhibit J-1** attached hereto, on the following terms and conditions:

(i) In the event that any portion of the 5th Floor East Wing Space shall become available for leasing, in the Landlord's sole discretion during the Term, Landlord shall give notice (the "**5th Floor East Wing ROFO Offer Notice**") to Tenant of the availability (or anticipated availability) of such space (the "**5th Floor East Wing ROFO Offer Space**"), setting forth the Annual Base Rent, the Base Years for Operating Costs, Taxes and Insurance and such other terms and conditions on which Landlord is prepared to lease the 5th Floor East Wing ROFO Offer Space to Tenant (the "**5th Floor East Wing ROFO Offer Space Offered Terms**").

(ii) Tenant shall have the right to lease all of the 5th Floor East Wing ROFO Offer Space described in the 5th Floor East Wing ROFO Offer Notice on the 5th Floor East Wing ROFO Offer Space Offered Terms within ten (10) days after the date of Landlord's delivery of the 5th Floor East Wing ROFO Offer Notice to Tenant. Tenant's failure to accept such 5th Floor East Wing ROFO Offer Space Offered Terms in writing within such ten (10) day period shall be deemed an election by Tenant to reject such 5th Floor East Wing ROFO Offer Space Offered Terms. Tenant may not elect to lease just a portion of the 5th Floor East Wing ROFO Offer Space, and any attempt by Tenant to make such an election shall be deemed a rejection by Tenant to lease the 5th Floor East Wing ROFO Offer Space (including any portion thereof).

(iii) In the event that Tenant timely accepts the 5th Floor East Wing ROFO Offer Space Offered Terms set forth in the (5th) Floor East Wing ROFO Offer Notice, then Landlord and Tenant shall, within fifteen (15) days after the date of Tenant's acceptance, enter into an amendment to this Lease incorporating the 5th Floor East Wing ROFO Offer Space into the Premises on the 5th Floor East Wing ROFO Offer Space Offered Terms.

(iv) In the event that Tenant rejects or is deemed to have rejected the 5th Floor East Wing ROFO Offer Space Offered Terms or fails to enter into such an amendment with Landlord within such fifteen (15) day period, as the case may be, then Landlord shall be free to lease the 5th Floor East Wing ROFO Offer Space at any time and from time-to time to a third party or parties on such terms as Landlord desires, in its sole discretion, and Tenant shall have no further rights under this Section 2(a) with respect to the 5th Floor East Wing ROFO Offer Space; provided, however, (i) Landlord shall be obligated to re-offer to Tenant the 5th Floor East Wing ROFO Offer Space pursuant to the terms and conditions of this section prior to leasing for the first time the 5th Floor East Wing ROFO Offer Space to a third party at less than 90% of the "net effective rent" (i.e., the actual rent after all factors are taken into account such as base rent escalations, allowances, free rent, operating expense and tax base years, free rent and any other economic terms) set forth in the applicable 5'1' Floor East Wing ROFO Offer Space Offered Terms and (ii) Tenant's rights under this section shall continue to apply with respect to the balance of the 5th Floor East Wing Space not previously offered to Tenant pursuant to this section.

(b) **6th Floor East Wing Offer Space**. During the Term of this Lease, provided that Tenant (x) shall not be subleasing any space in the Building, and (y) has not committed an Event of Default at any time during the Term, then Tenant shall have a right of first offer to lease any space that is contiguous to the Premises on the sixth (6th) floor of the East Wing of the Building (the "**6th Floor East Wing Space**") as approximately shown on Exhibit J-2 attached hereto, on the following terms and conditions:

(i) Subject to the right of Landlord to extend or renew any then current lease (or enter into a new lease or extension with the same tenant even if no extension or renewal rights are contained in said then current lease) for all or any portion of the 6th Floor East Wing Space, in the event that any portion of the 6th Floor East Wing Space shall become available for leasing, in the Landlord's sole discretion during the Term, Landlord shall give notice (the "**6th Floor East Wing ROFO Offer Notice**") to Tenant of the availability (or anticipated availability) of such space (the "**6th Floor East Wing ROFO Offer Space**"), setting forth the Annual Base Rent, the Base Years for Operating Costs, Taxes and Insurance and such other terms and conditions on which Landlord is prepared to lease the 6th Floor East Wing ROFO Offer Space to Tenant (the "**6th Floor East Wing ROFO Offer Space Offered Terms**").

(ii) Tenant shall have the right to lease all of the 6th Floor East Wing ROFO Offer Space described in the 6th Floor East Wing ROFO Offer Notice on the 6th Floor East Wing ROFO Offer Space Offered Terms within ten (10) days after the date of Landlord's delivery of the 6th Floor East Wing ROFO Offer Notice to Tenant. Tenant's failure to accept such 6th Floor East Wing ROFO Offer Space Offered Terms in writing within such ten (10) day period shall be deemed an election by Tenant to reject such 6th Floor East Wing ROFO Offer Space Offered Terms. Tenant may not elect to lease just a portion of the 6th Floor East Wing ROFO Offer Space, and any attempt by Tenant to make such an election shall be deemed a rejection by Tenant to lease the 6th Floor East Wing ROFO Offer Space (including any portion thereof).

(iii) In the event that Tenant timely accepts the 6th Floor East Wing ROFO Offer Space Offered Terms set forth in the 6th Floor East Wing ROFO Offer Notice,

then Landlord and Tenant shall, within fifteen (15) days after the date of Tenant's acceptance, enter into an amendment to this Lease incorporating the 6th Floor East Wing ROFO Offer Space into the Premises on the 6th Floor East Wing ROFO Offer Space Offered Terms.

(iv) In the event that Tenant rejects or is deemed to have rejected the 6th Floor East Wing ROFO Offer Space Offered Terms or fails to enter into such an amendment with Landlord within such fifteen (15) day period, as the case may be, then Landlord shall be free to lease the 6th Floor East Wing ROFO Offer Space at any time and from time-to time to a third party or parties on such terms as Landlord desires, in its sole discretion, and Tenant shall have no further rights under this Section 2(b) with respect to the 6th Floor East Wing ROFO Offer Space; provided, however, (i) Landlord shall be obligated to re-offer to Tenant the 6th Floor East Wing ROFO Offer Space pursuant to the terms and conditions of this section prior to leasing for the first time the 6th Floor East Wing ROFO Offer Space to a third party at less than 90% of the "net effective rent" (i.e., the actual rent after all factors are taken into account such as base rent escalations, allowances, free rent, operating expense and tax base years, free rent and any other economic terms) set forth in the applicable 6th Floor East Wing ROFO Offer Space Offered Terms and (ii) Tenant's rights under this section shall continue to apply with respect to the balance of the 6th Floor East Wing Space not previously offered to Tenant pursuant to this section.

(c) **7th Floor West Wing Offer Space**. During the Term of this Lease, provided that Tenant (x) shall not be subleasing any space in the Building, and (y) has not committed an Event of Default at any time during the Term, then Tenant shall have a right of first offer to lease any space that is contiguous to the Premises on the seventh (7th) floor of the West Wing of the Building (the "**7th Floor West Wing Space"**) as approximately shown on **Exhibit J-3** attached hereto, on the following terms and conditions:

(i) Subject to the right of Landlord to extend or renew any then current lease (or enter into a new lease or extension with the same tenant even if no extension or renewal rights are contained in said then current lease) for all or any portion of the 7th Floor West Wing Space, in the event that any portion of the 7th Floor West Wing Space shall become available for leasing, in the Landlord's sole discretion during the Term, Landlord shall give notice (the "**7th Floor West Wing ROFO Offer Notice**") to Tenant of the availability (or anticipated availability) of such space (the "**7th Floor West Wing ROFO Offer Space**"), setting forth the Annual Base Rent, the Base Years for Operating Costs, Taxes and Insurance and such other terms and conditions on which Landlord is prepared to lease the 7th Floor West Wing ROFO Offer Space to Tenant (the "**7th Floor West Wing ROFO Offer Space Offered Terms**").

(ii) Tenant shall have the right to lease all of the 7th Floor West Wing ROFO Offer Space described in the 7th Floor West Wing ROFO Offer Notice on the 7th Floor West Wing ROFO Offer Space Offered Terms within ten (10) days after the date of Landlord's delivery of the 7th Floor West Wing ROFO Offer Notice to Tenant. Tenant's failure to accept such 7th Floor West Wing ROFO Offer Space Offered Terms in writing within such ten (10) day period shall be deemed an election by Tenant to reject such 7th Floor West Wing ROFO Offer Space Offered Terms. Tenant may not elect to lease just a portion of the 7th Floor West Wing ROFO Offer Space, and any attempt by Tenant to make such an election shall be

deemed a rejection by Tenant to lease the 7th Floor West Wing ROFO Offer Space (including any portion thereof).

(iii) In the event that Tenant timely accepts the 7th Floor West Wing ROFO Offer Space Offered Terms set forth in the 7th Floor West Wing ROFO Offer Notice, then Landlord and Tenant shall, within fifteen (15) days after the date of Tenant's acceptance, enter into an amendment to this Lease incorporating the 7th Floor West Wing ROFO Offer Space into the Premises on the 7th Floor West Wing ROFO Offer Space Offered Terms.

(iv) In the event that Tenant rejects or is deemed to have rejected the 7th Floor West Wing ROFO Offer Space Offered Terms or fails to enter into such an amendment with Landlord within such fifteen (15) day period, as the case may be, then Landlord shall be free to lease the 7th Floor West Wing ROFO Offer Space on such terms as Landlord desires, in its sole discretion, and Tenant shall have no further rights under this Section 2(c) with respect to the 7th Floor West Wing ROFO Offer Space; provided, however, (i) Landlord shall be obligated to re-offer to Tenant the 7th Floor West Wing ROFO Offer Space pursuant to the terms and conditions of this section prior to leasing for the first time the 7th Floor West Wing ROFO Offer Space to a third party at less than 90% of the "net effective rent" (i.e., the actual rent after all factors are taken into account such as base rent escalations, allowances, free rent, operating expense and tax base years, free rent and any other economic terms) set forth in the applicable 7th Floor West Wing ROFO Offer Space Offered Terms and (ii) Tenant's rights under this section shall continue to apply with respect to the balance of the 7th Floor West Wing Space not previously offered to Tenant pursuant to this section.

EXHIBIT J-1

PLAN OF 5th FLOOR EAST WING SPACE

Exhibit J-1 is intended only to show the general outline of the 5th Floor East Wing Space as of the beginning of the Term of this Lease. The depiction of interior windows, cubicles, modules, furniture and equipment in this Exhibit is for illustrative purposes only, but does not mean that such items exist. Landlord is not required to provide, install or construct any such items. It does not in any way supersede any of Landlord's rights set forth in the Lease with respect to arrangements and/or locations of public parts of the Building and changes in such arrangements and/or locations. It is not to be scaled; any measurements or distances shown should be taken as approximate. The inclusion of elevators, stairways electrical and mechanical closets, and other similar facilities for the benefit of occupants of the Building does not mean such items are part of the 5th Floor East Wing Space.

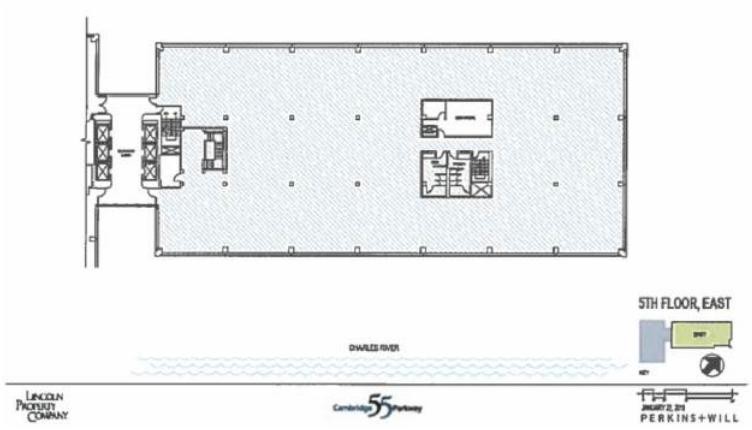


EXHIBIT J-2

PLAN OF 6th FLOOR EAST WING SPACE

Exhibit J-2 is intended only to show the general outline of the 6th Floor East Wing Space as of the beginning of the Term of this Lease. The depiction of interior windows, cubicles, modules, furniture and equipment in this Exhibit is for illustrative purposes only, but does not mean that such items exist. Landlord is not required to provide, install or construct any such items. It does not in any way supersede any of Landlord's rights set forth in the Lease with respect to arrangements and/or locations of public parts of the Building and changes in such arrangements and/or locations. It is not to be scaled; any measurements or distances shown should be taken as approximate. The inclusion of elevators, stairways electrical and mechanical closets, and other similar facilities for the benefit of occupants of the Building does not mean such items are part of the 6th Floor East Wing Space.

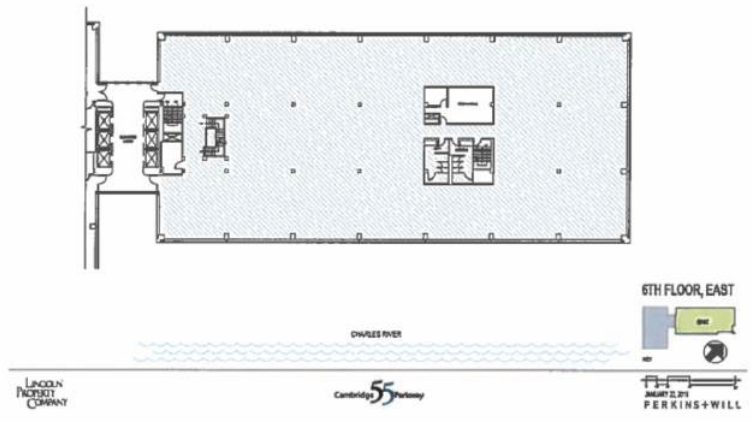


EXHIBIT J-3

PLAN OF 7th FLOOR WEST WING SPACE

Exhibit J-3 is intended only to show the general outline of the 7th Floor West Wing Space as of the beginning of the Term of this Lease. The depiction of interior windows, cubicles, modules, furniture and equipment in this Exhibit is for illustrative purposes only, but does not mean that such items exist. Landlord is not required to provide, install or construct any such items. It does not in any way supersede any of Landlord's rights set forth in the Lease with respect to arrangements and/or locations of public parts of the Building and changes in such arrangements and/or locations. It is not to be scaled; any measurements or distances shown should be taken as approximate. The inclusion of elevators, stairways electrical and mechanical closets, and other similar facilities for the benefit of occupants of the Building does not mean such items are part of the 7th Floor West Wing Space.

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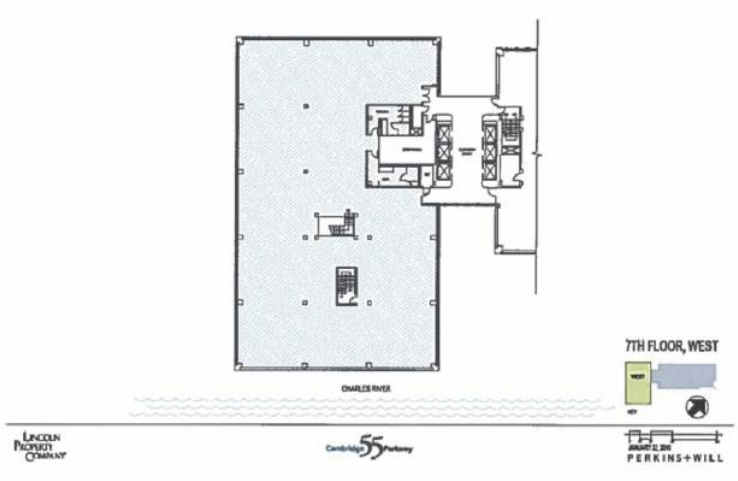


EXHIBIT K

LANDLORD'S SERVICES

I. CLEANING

A. Office Area

Daily: (Monday through Friday, inclusive. Legal Holidays excepted.)

1. Empty and clean all waste receptacles; wash receptacles as necessary.
2. Sweep and dust mop all uncarpeted areas using a dust-treated mop.
3. Vacuum all rugs and carpeted areas.
4. Hand dust and wipe clean with treated cloths all horizontal surfaces including furniture, office equipment, window sills, door ledges, chair rails, and convector tops, within normal reach.
5. Wash clean all water fountains.
6. Remove and dust under all desk equipment and telephones and replace same.
7. Wipe clean all brass and other bright work.
8. Hand dust all grill work within normal reach.

Weekly:

1. Dust coat racks, and the like.
2. Remove all finger marks from private entrance doors, light switches and doorways.

Quarterly:

1. Clean and spray wax vinyl tile floors in tenant areas.
2. Render high dusting not reached in daily cleaning to include:

a. Dusting all pictures, frames, charts, graphs, and similar wall hangings.

b. Dusting all vertical surfaces, such as walls, partitions, doors, and K-1 ducts.

c. Dusting all pipes, ducts, and high moldings.

B. Lavatories

Daily: (Monday through Friday, inclusive. Legal Holidays excepted.)

1. Sweep and damp mop floors.

2. Clean all mirrors, powder shelves, dispensers and receptacles, bright work, flushometers and piping.
3. Wash all toilet seats.
4. Wash all basins, bowls and urinals.
5. Dust and clean all powder room fixtures.
6. Empty and clean paper towel and sanitary disposal receptacles.
7. Refill tissue holders, soap dispensers, towel dispensers, vending sanitary dispensers; materials to be finished by Landlord.
8. A sanitizing solution will be used in all lavatory cleaning.

Monthly:

1. Machine scrub lavatory floors.
2. Wash all partitions and tile walls in lavatories.

C. Main Lobby, Elevators, Building Exterior and Corridors

Daily: (Monday through Friday, inclusive. Legal Holidays excepted.)

1. Sweep and wash all floors.
2. Wash all rubber mats.
3. Clean elevators, wash or vacuum floors, wipe down walls and doors.

4. Spot clean any metal work inside lobby.

5. Spot clean any metal work surrounding Building entrance doors.

Monthly: All resilient tile floors in public areas to be treated equivalent to spray buffing.

D. Window Cleaning

Windows of exterior walls will be washed quarterly.

II. HEATING, VENTILATING, AND AIR CONDITIONING

1. Heating, ventilating, and air conditioning as required to provide reasonably comfortable temperatures for normal Business Day occupancy (excepting holidays); Monday through Friday from 8:00 a.m. to 6:00 p.m. and Saturday from 8:00 a.m. to 1:00 p.m., subject to the provisions of Section 7(a) of the Lease.

2. Maintenance of any additional or special air conditioning equipment and the associated operating cost will be at Tenant's expense.

III. WATER

Hot water for lavatory purposes and cold water for drinking, lavatory and toilet purposes.

IV. ELEVATORS

Elevators for the use of all tenants and the general for access to and from all floors of the Building. Programming of elevators (including, but not limited service elevators) shall be as Landlord from time to determines best for the Building as a whole.

V. RELAMPING OF LIGHT FIXTURES

Tenant will reimburse Landlord for the cost of lamps, ballasts and starters and the cost of replacing same within the Premises.

VI. CAFETERIA AND VENDING INSTALLATIONS

1. Any space to be used primarily for lunchroom or cafeteria operation shall be Tenant's responsibility to keep clean and sanitary, it being understood that Landlord's approval of such use must be first obtained in writing.

2. Vending machines or refreshment service installations by Tenant must be approved by Landlord in writing and shall be restricted in use to employees and business callers. All cleaning necessitated by such installations shall be at Tenant's expense.

VII. ELECTRICITY

A. Landlord, at Landlord's expense, shall furnish electrical energy required for lighting, electrical facilities, equipment, machinery, fixtures, and appliances used in or for the benefit of the Premises in accordance with the provisions of the Lease of which this Exhibit is a part.

B. Electricity to the Premises shall be submetered or check metered to the Premises. Tenant shall pay for all charges for electric consumption in the Premises as reasonably determined by Landlord, but without mark-up above actual cost, within ten (10) days of Landlord's invoice therefor, from time to time, but not more often than monthly; provided that upon written notice from Landlord, Tenant shall pay an estimate of such charges, as reasonably determined by Landlord from time to time, monthly at the same time and in the same manner as payments of Base Rent, with appropriate payment (or credit against future electric charges) to be made annually based upon Landlord's revised estimates for the prior year. If at any time electric charges for the Premises are payable to the utility therefor, because of the installation of submeters or check meters or otherwise, Tenant shall pay such charges before they become due. The foregoing shall not constitute Landlord's consent to the installation of any such meters. Landlord shall have the exclusive right to designate the electric service provider to serve the Building.

Tenant covenants and agrees that its use of electric current (exclusive of HVAC) shall not exceed 8.0 watts per square foot of rentable floor area and that its total connected lighting

load will not exceed the maximum load from time to time permitted by applicable governmental regulations.

EXHIBIT L

Moisture and Mold Control

Exercising proper ventilation and moisture control precautions will help maintain your comfort and prevent mold growth in the Premises. Tenants should adopt and implement the following guidelines to avoid the development of excessive moisture or mold growth:

1. Report any maintenance problems involving water, moist conditions, or mold to Landlord promptly and conduct its required activities in a manner which prevents unusual moisture conditions or mold growth.

2. Do not block or inhibit the flow of return or make-up air into the HVAC system. Maintain the Premises at a consistent temperature and humidity level in accordance with Landlord's instructions.

3. Regularly conduct janitorial activities, especially in bathrooms, kitchens, and janitorial spaces to remove mildew and prevent or correct moist conditions.

4. Maintain water in all drain traps at all times.

Tenant Signature:

CARGURUS, INC., a Delaware corporation

By: /s/ E. Langley Steinert Date:
Name: E. Langley Steinert
Title: CEO

EXHIBIT M

LIST OF APPROVED ISSUING BANKS

1. Bank of America
2. PNC Bank
3. SunTrust Bank
4. US Bank, N.A.
5. Wells Fargo Bank
6. BB&T
7. Fifth Third Bank
8. JPMorgan Chase
9. National City Bank
10. Northern Trust Bank

FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE (this "Amendment") is made as of this day of July, 2016 (the "Effective Date"), by and between 55 Cambridge Parkway, LLC, a Delaware limited liability company (the "Landlord"), having an address do Invesco Real Estate, 1166 Avenue of the Americas, New York, New York 10036, as landlord, and CarGurus, Inc., a Delaware corporation (the "Tenant") having an address of 2 Canal Park Cambridge, MA 02141, as tenant.

WHEREAS, Landlord and Tenant are landlord and tenant, respectively, under an Office Lease Agreement dated as of March 11, 2016 for certain premises consisting of approximately 30,534 rentable square feet of space (the "Original Premises") on the fifth (5th) floor of the West Wing (i.e., 15,267 rentable square feet) of the building (the "Building") at 55 Cambridge Parkway, Cambridge, Massachusetts and on the sixth (6th) floor of the West Wing (i.e., 15,267 rentable square feet) of the Building, all as described therein (the "Lease").

WHEREAS, Tenant has exercised its right of first offer to lease the "5th Floor East Wing Space" described in Section 2(a) of Exhibit J to the Lease.

WHEREAS, the parties desire to (i) memorialize Tenant's leasing of the 5th Floor East Wing Space pursuant to Section 2 (a)(iii) of Exhibit J to the Lease, and (ii) amend the Lease in certain other respects, all as hereinafter set forth. Capitalized terms not defined herein shall have the same meanings ascribed to them in the Lease.

WITNESSETH

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Inclusion of Fifth Floor East Wing Premises Under Lease. Effective as of the "Fifth Floor East Wing Premises Commencement Date" (as hereinafter defined), there shall be added to the Premises under the Lease the space shown on **Schedule 1** hereto, which space consists of approximately 21,389 rentable square feet of floor area on the fifth (5th) floor of the East Wing of the Building (the "**Fifth Floor East Wing Premises**"). In addition to the Fifth Floor East Wing Premises, subject to the below provisions of this Section 1, Tenant shall have the exclusive use of the fifth (5th) floor lobby as shown on Exhibit A as the "**Fifth Floor Lobby**" and located between the "Fifth Floor West Wing Premises" (as such term is defined herein) and the Fifth Floor East Wing Premises (the "**Fifth Floor Lobby**"). Subject to (A) Landlord's approval rights as provided in the Lease, (B) Tenant's compliance (at Tenant's sole cost and expense) with respect to all applicable codes, (C) Tenant's procurement, at Tenant's sole cost and expense, for all permits and approvals therefor, and (D) Landlord and its property manager, maintenance, engineering staff and contractors maintaining access to the Fifth Floor Lobby at all times for inspections and maintenance and repair obligations under the Lease, Tenant's exclusive rights to use the Fifth Floor Lobby shall include: (i) the right to design and make improvements, at Tenant's expense, to the Fifth Floor Lobby, (ii) the right, at Tenant's expense, to adjust elevator controls to create a lock-out system for the fifth (5th) floor and (iii) the right, at Tenant's expense, to adjust stairway egress controls to create a lock-out system for the fifth (5th) floor.

Tenant's exclusive use of the Fifth Floor Lobby shall be subject to all terms and provisions of the Lease, except (I) Tenant shall not be obligated to pay Base Rent for the Fifth Floor Lobby and (II) Tenant's Proportionate Share for the Fifth Floor East Wing Premises (as described in Section 4(0 of this Amendment) shall not be impacted by Tenant's exclusive use of the Fifth Floor Lobby. Notwithstanding the above, if at any time Tenant shall not be leasing the entirety of the Fifth Floor East Wing Premises or the entirety of the Fifth Floor West Wing Premises, (i) Tenant shall perform, at Tenant's sole cost and expense, all necessary Building standard improvements and alterations required by Landlord to cause the Fifth Floor Lobby to be returned to a multi-tenant lobby; and (ii) Tenant shall no longer have the exclusive right to use the Fifth Floor Lobby.

Notwithstanding any provisions of the Lease to the contrary, the Original Term of the Lease for the Fifth Floor East Wing Premises shall be the period commencing on February 1, 2017 (the "**Fifth Floor East Wing Premises Commencement Date**") (unless delayed under Paragraph 2 of this First Amendment) and ending on January 31, 2024 at 5:00 pm local time (the "**Fifth Floor East Wing Premises Original Term**").

Except as otherwise provided herein and except to the extent inconsistent herewith, all terms and provisions of the Lease shall be applicable to Tenant's leasing of the Fifth Floor East Wing Premises, except that (i) there shall be no free rent or abated rent period for the Fifth Floor East Wing Premises, (ii) Exhibit E of the Lease shall not be applicable to Tenant's leasing of the Fifth Floor East Wing Premises, and (iii) Section 1 (Extension Option) of Exhibit J of the Lease shall be applicable to Tenant's leasing of the Fifth Floor East Wing Premises to the extent provided herein. In the event Tenant shall exercise its rights for an Extension Option under Section 1 of Exhibit J for the Original Premises then, at Tenant's further option the exercise may either include or exclude the Fifth Floor East Wing Premises, and in the event Tenant shall include the Fifth Floor East Wing Premises in the exercise of its Extension Option then (A) the term of the Lease for the Fifth Floor East Wing Premises shall be extended so as to be co-terminus with the Extension Term as provided in Exhibit J of the Lease, (B) the Extension Term for all the Premises shall be on all the terms and conditions provided in Exhibit J to the Lease, except that, for the period from the beginning of the Extension Term until January 31, 2024, the Rent with respect to the Fifth Floor East Wing Premises shall be as provided in this First Amendment, and (C) Exhibit D shall not be applicable to the Fifth Floor East Wing Premises.

2. Delivery Condition For Fifth Floor East Wine Premises; Landlord's Allowance For Fifth Floor East Wing Premises. Except for the work described in **Exhibit B** hereto (the "**Fifth Floor East Wing Premises Shell Condition Work**"), Tenant hereby acknowledges and agrees that it shall accept the Fifth Floor East Wing Premises in their "AS-IS" condition as of the date of this Amendment, and Landlord shall have no obligation to perform any work therein (including, without limitation, the construction of any tenant finish-work or other improvements therein), and Landlord shall not be obligated to reimburse Tenant or provide an allowance for any costs related to the demolition or construction of improvements therein other than the Landlord's Fifth Floor East Wing Premises Allowance and the Landlord's Fifth Floor East Wing Premises Space Planning Allowance (as such terms are defined in **Exhibit C** hereto) pursuant to the terms and provisions of **Exhibit C** hereto. Landlord shall use reasonable efforts to substantially complete the Fifth Floor East Wing Premises Shell Condition Work on or before September 30, 2016 (the "Fifth Floor East Wing Premises Estimated Delivery Date").

If Landlord is unable to tender possession of the Fifth Floor East Wing Premises in such condition to Tenant by the Fifth Floor East Wing Premises Estimated Delivery Date, then: (a) the validity of this Lease shall not be affected or impaired thereby; (b) Landlord shall not be in default hereunder or be liable for damages therefor; (c) Tenant shall accept possession of the Fifth Floor East Wing Premises when Landlord tenders possession thereof to Tenant and (d) the Fifth Floor East Wing Premises Commencement Date and the Fifth Floor East Wing Premises Rent Commencement Date shall be extended day for day for each day after the Fifth Floor East Wing Premises Estimated Delivery Date that Landlord fails to deliver the Fifth Floor East Wing Premises to Tenant in the condition required herein. By occupying the Fifth Floor East Wing Premises, Tenant shall be deemed to have accepted the Fifth Floor East Wing Premises in their condition as of the date of such occupancy except as to items noted by Tenant within fifteen (15) days after taking such occupancy. Prior to occupying the Fifth Floor East Wing Premises, Tenant shall execute and deliver to Landlord a letter substantially in the form of **Exhibit G** to the Lease confirming: (1) the Commencement Date for the Fifth Floor East Wing Premises and the expiration date of the Fifth Floor East Wing Premises Original Term; (2) that Tenant has accepted the Fifth Floor East Wing Premises; and (3) that subject to Tenant's right to note deficiencies within fifteen (15) days after taking such occupancy, Landlord has performed all of its obligations with respect to the Fifth Floor East Wing Premises; however, the failure of the parties to execute such letter shall not defer the Commencement Date for the Fifth Floor East Wing Premises or otherwise invalidate this Amendment, and provided further that, upon Tenant's request, at the time of execution of such letter Landlord shall deliver to Tenant an executed Notice of Lease amending the Notice of Lease recorded with Middlesex County (Southern District) Registry of Deeds in Book 67192 Page 262. Tenant's failure to execute such document within ten (10) days of receipt thereof from Landlord shall be an Event of Default (as defined in Section 17 of the Lease) under the Lease if such execution is warranted by the facts and shall be deemed to constitute Tenant's agreement to the contents of such document. Occupancy of the Fifth Floor East Wing Premises prior to the Fifth Floor East Wing Premises Commencement Date shall be subject to all of the provisions of the Lease (as amended hereby), excepting only those requiring the payment of Rent.

3. Base Years For Fifth Floor East Wing Expansion Premises. Notwithstanding anything to the contrary contained in the Lease, the Base Year for Operating Costs for the Fifth Floor East Wing Premises shall be calendar year 2017, and the Tax Base Year for the Fifth Floor East Wing Premises shall be the period of July 1, 2017 through June 30, 2018. The Base Years for the Original Premises shall remain as set forth in the Lease.

4. Amendments to the Lease.

a. Premises. As of the Fifth Floor East Wing Premises Commencement Date, the first sentence of the definition of "Premises" in the Basic Lease Information Section of the Lease shall be amended in its entirety to read as follows:

"Premises: Approximately 51,923 rentable square feet, consisting of (i) approximately 15,267 rentable square feet of space on the fifth (5th) floor of the West Wing of the Building (the "**Fifth Floor West Wing Premises**"), (ii) approximately

21,389 rentable square feet of space on the fifth (5th) floor of the East Wing of the Building (the "**Fifth Floor East Wing Premises**"), and (iii) approximately 15,267 rentable square feet of space on the sixth (6th) floor of the West Wing of the Building (the "**Sixth Floor West Wing Premises**"). The Premises are located in the building commonly known as 55 Cambridge Parkway (the "**Building**"), having a street address of 55 Cambridge Parkway, Cambridge, MA. The Premises are outlined on the plan attached to the Lease as **Exhibit A**. The land on which the Building is located (the "**Land**") is described on **Exhibit B**. The term "**Project**" shall collectively refer to the Building, the Land and the driveways, parking facilities, and similar improvements and easements associated with the foregoing or the operation thereof, including without limitation the Common Areas (as defined in Section 7(c))."

b. Original Term. As of the Effective Date, the definition of "Original Term" in the Basic Lease Information Section of the Lease is amended in its entirety to read as follows:

"Original Term: (a) Fifth Floor West Wing Premises and Sixth Floor West Wing Premises. April 23, 2016 until 5:00 pm local time on November 30, 2022.

(b) Fifth Floor East Wing Premises: The period beginning on the Fifth Floor East Wing Premises Commencement Date and ending at 5:00 pm local time on January 31, 2024."

c. Base Rent Commencement Date. As of the Effective Date, the definition of "Base Rent Commencement Date" in the Basic Lease Information Section of the Lease shall be amended in its entirety to read as follows:

Sixth Floor West Wing Premises: September 1, 2016 (the "Sixth Floor West Wing Premises Rent Commencement Date")

Fifth Floor West Wing Premises: November 1, 2016 (the "Fifth Floor West Wing Premises Rent Commencement Date")

Fifth Floor East Wing Premises: The Fifth Floor East Wing Premises Commencement Date (the "Fifth Floor East Wing Premises Rent Commencement Date").

d. Base Rent. As of the Effective Date, the definition of "Base Rent" in the Basic Lease Information Section of the Lease shall be amended by adding the following new section at the end thereof:

"Base Rent for Fifth Floor East Wing Premises only:

(i) For the period commencing on Fifth Floor East Wing Premises Rent Commencement Date and ending on January 31, 2018: $1,561,397.00 per annum ($130,116.41 per month);

(ii) For the period commencing on February 1, 2018 and ending on January 31, 2019: $1,582,786.00 per annum ($131,898.83 per month);

(iii) For the period commencing on February 1, 2019 and ending on January 31, 2020: $1,604,175.00 per annum ($133,681.25 per month);

(iv) For the period commencing on February 1, 2020 and ending on January 31, 2021: $1,625,564.00 per annum ($135,463.66 per month);

(v) For the period commencing on February 1, 2021 and ending on January 31, 2022: $1,646,953.00 per annum ($137,246.08 per month);

(vi) For the period commencing on February 1, 2022 and ending on January 31, 2023: $1,668,342.00 per annum ($139,028.50 per month);

(vii) For the period commencing on February 1, 2023 and ending on January 31, 2024: $1,689,731.00 per annum ($140,810.91 per month); and

(viii) Extension Terms For Fifth Floor East Wing Premises (if duly exercised): See Exhibit D of First Amendment To Lease."

e. Security Deposit. As of the Effective Date, the definition of "Security Deposit" in the Basic Lease Information Section of the Lease shall be amended to read as follows:

"$1,044,455.00 in the form of a Letter of Credit, subject to reduction in accordance with Section 6."

Tenant shall deposit with Landlord on the Effective Date either (I) an amendment to the existing Letter of Credit increasing the amount to

$1,044,455.00 or (ii) a new Letter of Credit (meeting the standards of Section 6 of the Lease) in such $1,044,455.00 amount.

f. Tenant's Proportionate Share. As of the Fifth Floor East Wing Premises Commencement Date, the definition of "Tenant's Proportionate Share" in the Basic Lease Information Section of the Lease shall be amended by adding the following new section at the end thereof.

"Tenant's
Proportionate
Share For Fifth Floor
East Wing Premises: 7.8%, which is the percentage obtained by dividing (a) the number of rentable square feet in the Fifth Floor East Wing Premises as stated above by (b) the rentable square feet in the Building at the time a respective charge was incurred, which at the time of execution of that certain First Amendment of Lease between Landlord and Tenant is 274,235 rentable square feet."

g. Exhibit A. As of the Fifth Floor East Wing Premises Commencement Date, Exhibit A to the Lease shall be deleted in its entirety and replaced with Exhibit A attached hereto.

h. Parking. As of the Fifth Floor East Wing Premises Commencement Date, Exhibit I of the Lease is hereby amended by deleting the words "forty-three (43) parking spaces" and by substituting the words "seventy-two (72) parking spaces" therefor. Notwithstanding such increase in the number of parking spaces, on or before the date that is sixty (60) days after the Effective Date of this Amendment, Tenant shall notify Landlord in writing (the "Parking Space Election Notice") of the actual number of parking spaces (i.e., up to seventy-two [72]) that Tenant desires to use effective as of the Fifth Floor East Wing Premises Commencement Date. From and after the Fifth Floor East Wing Premises Commencement Date, Tenant shall be obligated to pay Landlord the Parking Charges for, and Tenant shall only have the right to use, such number of parking spaces elected by Tenant in the Parking Space Election Notice (or, in the absence of such timely election, for all 72 spaces), regardless of whether Tenant or any invitees, employees or contractors actually use all or any of such spaces. Notwithstanding the above, commencing with the date of Tenant's occupancy of any portion of the Original Premises until the day before the Fifth Floor East Wing Premises Commencement Date, Tenant shall pay Landlord the Parking Charges for forty-three (43) parking spaces, regardless of whether Tenant or any other invitees, employees or contractors actually use all or any of such spaces.

i. Right of First Offer - 7th Floor West. Exhibit J paragraph 2 (c) is amended to provide that only in the event Landlord shall give Tenant the 7th Floor West Wing ROFO Offer Notice on or before January 31, 2017 then the 7th

Floor West Wing ROFO Offer Space Offered Terms will include (i) that the term of the lease for the 7th Floor West Wing Offer Space will be from its commencement date until January 31, 2024 and (ii) that the Tenant shall have with respect to the 7th Floor West Wing Offer Space the same extension right as is provided in Exhibit D hereto.

5. Amendment to Section 6 of Lease. Effective as of the Effective Date, Section 6 of the Lease is hereby amended by deleting the last paragraph thereof and by substituting therefor the following three paragraphs:

Provided that Tenant (i) has not been in default of any of its monetary or material non-monetary obligations under this Lease in the twelve (12) months prior to the applicable Reduction Date, as hereafter defined, and (ii) has not been in default under this Lease beyond applicable notice and cure periods at any time during the Term (collectively, "**Reduction Conditions**"), the Letter of Credit may be reduced as set forth below on the Reduction Date. As used herein, "**Reduction Date**" shall be the first day of the month following the end of the first full calendar year in the Term in which Tenant's total annual revenue from Tenant's sales equals or exceeds One Hundred Fifty Million and 00/100 dollars ($150,000,000.00) for such calendar year, as evidenced by Tenant's written financial statements prepared in accordance with GAAP, as certified by Tenant's chief financial officer and held in confidence by Landlord in the same manner as provided for financial statements in Section 26(q). Provided that the Reduction Conditions are met on the Reduction Date, the Letter of Credit shall be reduced by $261,113.75 effective as of the Reduction Date, thereby leaving a remaining balance of $783,341.25 (the "**Reduced Amount**"). Tenant shall request such reduction in a written notice to Landlord within sixty (60) days after the applicable Reduction Date, and if the Reduction Conditions have been met, Landlord shall notify Tenant, whereupon Tenant shall provide Landlord with a Substitute Letter of Credit in the Reduced Amount (in which event Landlord shall forthwith return the previously held Letter of Credit, or an amendment to the Letter of Credit reducing it to the Reduced Amount.

As used herein, "**Secondary Reduction Date**" shall be the first day of the month following the end of the first calendar year in the Term in which Tenant's total annual revenue from Tenant's sales equals or exceeds Two Hundred Fifty Million and --/100 dollars ($250,000,000.00) for such calendar year, as evidenced by Tenant's written financial statements prepared in accordance with GAAP, as certified by Tenant's chief financial officer and held in confidence by Landlord in the same manner as provided for financial statements in Section 26(q). Provided the Reduction Conditions are met on the Secondary Reduction Date the Letter of Credit shall be reduced by an additional $261,113.75 effective as of the Secondary Reduction Date leaving a remaining balance of $522,227.50 (the "Secondary Reduced Amount"). Tenant shall request such reduction in a written notice to Landlord within sixty (60) days after the applicable Reduction Date, and if the Reduction Conditions have been met, Landlord shall notify Tenant, whereupon Tenant shall provide Landlord with a Substitute Letter of Credit in the Reduced Amount (in which event Landlord shall forthwith return the previously held Letter of Credit, or an amendment to the Letter of Credit reducing it to the Reduced Amount.

At such time as the term of the Lease for the Original Premises shall have ended but the term of the Lease for the Fifth Floor East Wing Premises (and, if applicable the Seventh Floor

West Wing Premises and/or the Sixth Floor East Wing Premises) shall remain in effect, then, if the Reduction Conditions have been met, the Security Deposit and the letter of credit securing the Security Deposit shall be further reduced to be in the aggregate amount equal to the sum of $251,300.50 plus any amount of Security Deposit made in connection with the Sixth Floor East Wing Premises or the Seventh Floor West Wing Premises.

6. Broker. Landlord and Tenant hereby represent and warrant to each other that, other than CBRE and Lincoln Property Company (the "Brokers"), neither has dealt with any real estate broker or agent in connection with the procurement of this Amendment. Other than the Brokers, whose commissions shall be payable by Landlord pursuant to a separate agreement, Tenant shall indemnify and hold Landlord harmless from any costs, expense or liability (including costs of suit and reasonable attorneys' fees) for any compensation, commission or fees claimed by any real estate broker or agent in connection with the procurement of this Amendment because of any act or statement by Tenant.

7. Ratification of Lease Provisions; Estoppel. Except as otherwise expressly amended, modified and provided for in this Amendment, Landlord and Tenant hereby ratify all of the provisions, covenants and conditions of the Lease, and such provisions, covenants and conditions shall be deemed to be incorporated herein and made a part hereof and shall continue in full force and effect. Landlord and Tenant each acknowledge that, to each party's knowledge (but without investigation or inquiry), as of the date hereof the other is not in any material default under the terms of the Lease.

8. Entire Amendment. This Amendment contains all the agreements of the parties with respect to the subject matter hereof and supersedes all prior dealings between the parties with respect to such subject matter.

9. Binding Amendment. This Amendment shall be binding upon, and shall inure to the benefit of the parties hereto, and their respective successors and assigns.

10. Amendment to Notice of Lease. Upon request by Tenant, Landlord shall execute an amendment to the Notice of Lease that references the Lease and that was previously recorded with the Middlesex South District Registry of Deeds, which amendment shall reflect Tenant's leasing of Fifth Floor East Wing Premises.

11. Governing Law. This Amendment shall be governed by the laws of the Commonwealth of Massachusetts without regard to conflict of laws principles.

12. Authority; Landlord's Representation Regarding Mortgages And Primary Leases. Landlord and Tenant each warrant to the other that the person or persons executing this Amendment on its behalf has or have authority to do so and that such execution has fully obligated and bound such party to all terms and provisions of this Amendment. Landlord represents and warrants that, as of the Effective Date, there are no Mortgages or Primary Leases encumbering the Building.

13. No Reservation. Submission of this Amendment for examination or signature is without prejudice and does not constitute a reservation, option or offer, and this Amendment shall not be effective until execution and delivery by each of the parties hereto.

14. Counterparts. This Amendment may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. An electronic mail or facsimile version of an executed original of this Amendment shall be deemed an original, and each of the parties hereto intends to be bound by an electronic mail or facsimile version of a fully-executed original hereof or of an electronic mail or facsimile version of executed counterpart originals hereof.

[SIGNATURES ON FOLLOWING PAGE]

EXECUTED under seal as of the date first above written.

LANDLORD:

55 CAMBRIDGE PARKWAY, LLC,
a Delaware limited liability company

By: Invesco ICRE Massachusetts REIT Holdings, LLC, Its sole member

By: _____
Name: _____
Title: _____

TENANT:

CARGURUS, INC.,
a Delaware corporation

By: /s/ E. Langley Steinert
Name: Langley Steinert
Title CEO

SCHEDULE 1

PLAN OF FIFTH FLOOR EAST WING PREMISES AND FIFTH FLOOR LOBBY

Schedule 1 is intended only to show the general outline of the Fifth Floor East Wing Premises and the Fifth Floor Lobby as of the beginning on the Fifth Floor East Wing Premises Commencement Date. The depiction of interior windows, cubicles, modules, furniture and equipment in this Exhibit is for illustrative purposes only, but does not mean that such items exist. Landlord is not required to provide, install or construct any such items. It does not in any way supersede any of Landlord's rights set forth in the Lease with respect to arrangements and/or locations of public parts of the Building and changes in such arrangements and/or locations. It is not to be scaled; any measurements or distances shown should be taken as approximate. The inclusion of elevators, stairways electrical and mechanical closets, and other similar facilities for the benefit of occupants of the Building does not mean such items are part of the Fifth Floor East Wing Premises or the Fifth Floor Lobby.

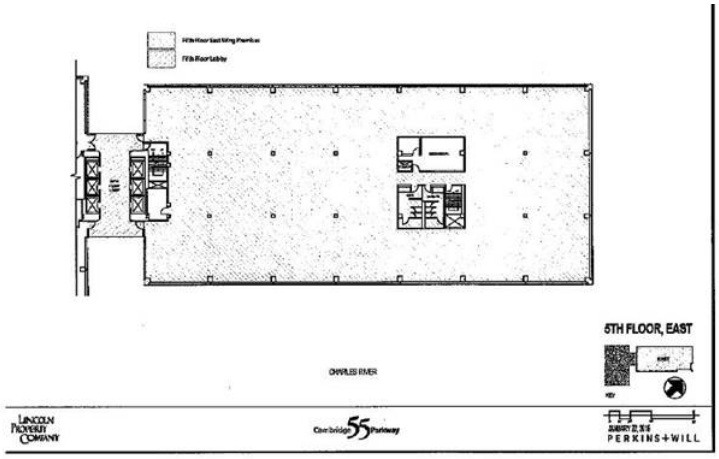
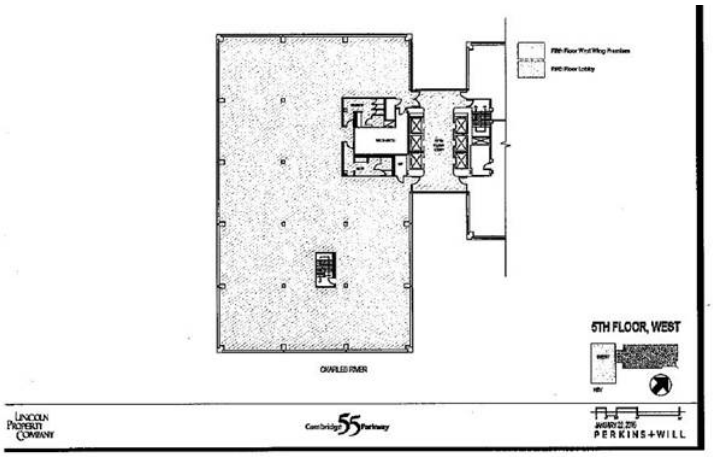
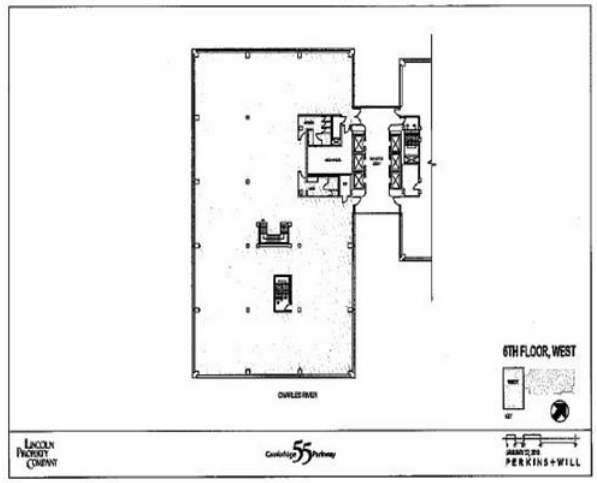


EXHIBIT A

OUTLINE OF PREMISES AND FIFTH FLOOR LOBBY

Exhibit A is intended only to show the general outline of the Premises and the Fifth Floor Lobby as of the Fifth Floor East Wing Premises Commencement Date. The depiction of interior windows, cubicles, modules, furniture and equipment in this Exhibit is for illustrative purposes only, but does not mean that such items exist. Landlord is not required to provide, install or construct any such items. It does not in any way supersede any of Landlord's rights set forth in the Lease with respect to arrangements and/or locations of public parts of the Building and changes in such arrangements and/or locations. It is not to be scaled; any measurements or distances shown should be taken as approximate. The inclusion of elevators, stairways electrical and mechanical closets, and other similar facilities for the benefit of occupants of the Building does not mean such items are part of the Premises or the Fifth Floor Lobby.





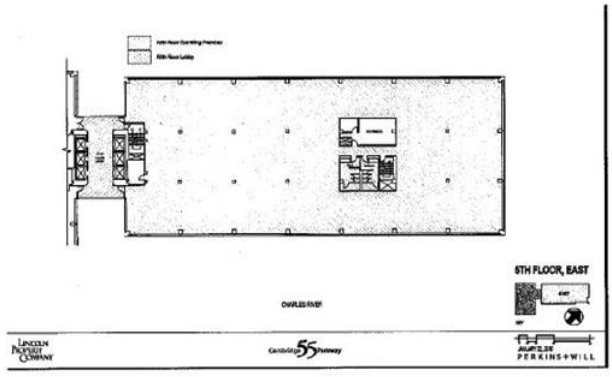


EXHIBIT B

SHELL CONDITION WORK FOR FIFTH FLOOR EAST WING PREMISES

DEMOLITION SCOPE FOR FIFTH FLOOR EAST WING PREMISES 155 CAMBRIDGE PARKWAY

ARCHITECTURAL

Remove and discard:

- Partitions and other non-structural buildouts, including false columns, UON, all doors and hardware Tenant reserves the right to identify some or all of the doors for salvage and reuse. LL shall remove and store identified doors on site
- Existing communicating stair - Tenant intends to reuse communicating stair. Landlord is to remove all stair finishes, railings, tread and riser finishes. Steel structure and gyp board below stair to remain.
- All hung ceilings, including acoustic and GWB soffits
- All millwork, including pantry
- All finish flooring materials and substrates; take down to concrete slab (including restroom tile); remove all remaining adhesives. Existing concrete slab is to be structurally sound. Slab surface is to be delivered as is.
- All wall base, including at perimeter
- All toilet room steel partitions and accessories
- All loose furnishings and office system furniture

Retain in place:

- Perimeter GWB laminations

- Restroom GWB partitions and entrance doors
- Restroom plumbing (new fixtures will be installed at existing plumbing locations)
- All column enclosures, enclosing building structural steel columns, shall remain

MECHANICAL, ELECTRICAL, PLUMBING, FIRE PROTECTION

Remove and discard:

- All ductwork and associated diffusers/registers and controls and VAV's. Existing HVAC duct trunk line is to remain for reuse by the tenant. LL is to remove all insulation from remaining trunk line. Tenant's Engineer is to provide a sketch identifying the components to remain in place.
- All light fixtures
- All conduit, BX/Greenfield, and associated wiring with the exception of the perimeter
- All low voltage cabling and devices, including security wiring
- Pantry plumbing; remove back to riser
- All restroom plumbing fixtures and fittings
- All existing floor power boxes and stub ups (cores to be filled by Landlord)

Retain in place:

- Existing electrical panels

- Sprinkler mains, all branch piping is to remain. Landlord is to provide 100% sprinkler coverage per NFPA, w/ the sprinkler heads "turned up" at the completion of demolition and time of possession for the tenant.)
- Restroom plumbing
- Existing air handlers and all other equipment in mechanical room
- Existing HVAC duct trunk line is to remain for reuse by Tenant. Landlord is to remove all insulation from remaining trunk line. Tenant's Engineer is to provide a sketch identifying the components to remain in place.

All fire alarm conduit, wiring, devices, and components are to remain for reuse by Tenant.

EXHIBIT C

TENANT IMPROVEMENTS: LANDLORD'S FIFTH FLOOR EAST WING PREMISES ALLOWANCE

This **Exhibit C** forms a part of that certain First Amendment To Lease (the "**Amendment**") by and between 55 Cambridge Parkway, LLC, a Delaware limited liability company ("**Landlord**"), and CarGurus, Inc., a Massachusetts corporation ("**Tenant**"), to which this Exhibit is attached. If there is any conflict between this Exhibit and the Lease regarding the construction of the Tenant Improvements (hereinafter defined), this Exhibit shall govern. All capitalized terms referred to in this Exhibit shall have the same meaning provided in the Lease, except where expressly provided to the contrary in this Exhibit.

ARTICLE 1 DEFINITIONS

1. **Additional Definitions**. Each of the following terms shall have the following meaning:

Architect: The architectural firm selected by Tenant and approved by Landlord in its good faith discretion to prepare the "Preliminary Plans" and "Final Plans" (as such terms are hereinafter defined).

Contractor: The general contractor selected by Tenant and approved by Landlord in its sole and absolute discretion to construct the Tenant Improvements. The general contractor must be licensed and bondable in the Commonwealth of Massachusetts. Tenant may request that Landlord approve three (3) or more Contractors prior to competitive bidding, in which case Tenant may select any one of the Contractors approved by Landlord.

Construction Contract: The construction contract to be entered into by Tenant and its Contractor in form, scope and substance satisfactory to Tenant.

Landlord's Fifth Floor East Wing Premises Allowance: A total amount equal to One Million One Hundred Seventy-Six Thousand Three Hundred Ninety-Five and No/100 Dollars ($1,176,395.00) to be paid by Landlord for the Construction Costs for the Tenant Improvements as provided in this Exhibit. Any unused portion of Landlord's Allowance shall remain the property of Landlord, and Tenant shall have no interest in said funds. Landlord's Fifth Floor East Wing Premises Allowance under this Exhibit may only be used for Tenant Improvements for the Fifth Floor East Wing Premises.

Landlord's Fifth Floor East Wing Premises Space Planning Allowance: A total amount equal to Two Thousand One Hundred Thirty-Eight and 90/100 Dollars ($2,138.90) to be paid by Landlord toward the cost of the Space Planning Fees for the Fifth Floor East Wing Premises as provided in this Exhibit. Any unused portion of Landlord's Fifth Floor East Wing Premises Space Planning Allowance shall remain the property of Landlord, and Tenant shall have no interest in said funds.

Substantial Completion, Substantially Complete, and Substantially Completed (or similar phrase): The foregoing shall mean when the following have occurred or would have occurred but for any delay cause by Tenant:

(a) Tenant has delivered to Landlord a certificate from the Architect, in a form reasonably approved by Landlord, that the Tenant Improvements have been Substantially Completed substantially in accordance with the Final Plans, except for "punch list" items which may be completed within thirty (30) days following the completion of the applicable punchlist pursuant to Section 4.2 below without impairing Tenant's use of the Premises or a material portion thereof, and Landlord has approved of the work in its sole and absolute discretion; and

(b) Tenant has obtained from the appropriate governmental authority a final certificate of occupancy (or all building permits with all inspections approved or the equivalent) and all other approvals and permits for the Fifth Floor East Wing Premises permitting Tenant's occupancy and use of the Fifth Floor East Wing Premises for the Permitted Use under the Lease (a "**Certificate of Occupancy**").

Tenant Improvements: The improvements to be constructed in the Fifth Floor East Wing Premises in accordance with the Final Plans. Said work shall include architectural, mechanical and electrical work and life safety systems, and shall be in accordance with the criteria, procedures and schedules referred to in this Exhibit. The Tenant Improvements shall comply in all respects with all applicable Laws.

Construction Costs: All costs, expenses, fees, taxes and charges to construct the Tenant Improvements, including, without limitation, the following:

(1) surveys, reports, environmental and other tests and investigations of the site and any improvements thereon;

(2) architectural and engineering fees;

(3) labor, materials, equipment and fixtures supplied by the Contractor, its subcontractors and/or materialmen, including, without limitation, charges for a job superintendent and project representative;

(4) the furnishing and installation of all heating, ventilation and air conditioning duct work, terminal boxes, distributing defusers and accessories required for completing the heating, ventilation and air-conditioning system in the Fifth Floor East Wing Premises, including costs of meter and key control for after-hour usage, if required by Landlord;

(5) all electrical circuits, wiring, lighting fixtures, data cabling and tube outlets furnished and installed throughout the Fifth Floor East Wing Premises, including costs of meters;

(6) all window and floor coverings in the Fifth Floor East Wing Premises, including, without limitation, all treatment and preparatory work required for the installation of floor coverings over the concrete or other structural floor;

(7) all fire and life safety control systems, such as fire walls, wiring and accessories installed within the Fifth Floor East Wing Premises;

(8) all plumbing, fixtures, pipes and accessories installed within the Fifth Floor East Wing Premises;

(9) fees charged by the city and/or county where the Building is located (including, without limitation, fees for building permits and approvals and plan checks) required for the work in the Fifth Floor East Wing Premises;

(10) all taxes, fees, charges and levies by governmental and quasi-governmental agencies for authorization, approvals, licenses and permits; and all sales, use and excise taxes for the materials supplied and services rendered in connection with the installation and construction of the Tenant Improvements; and

(11) all costs and expenses incurred to comply with all Laws of any governmental authority for any work at the Fifth Floor East Wing Premises in order to construct the Tenant Improvements.

The term "Construction Costs" under this Exhibit shall not include (i) any fees, costs, expenses, compensation or other consideration payable to Tenant, or any of its officers, directors, employees or affiliates or (ii) the cost of any of Tenant's furniture, artifacts, trade fixtures, telephone and computer systems and related facilities except as provided for above in clause (5), or equipment. Any fees or costs referred to in clauses (i) through (ii) above shall be paid by Tenant without resort to the Landlord's Fifth Floor East Wing Premises Allowance.

ARTICLE 2 CONSTRUCTION OF TENANT IMPROVEMENTS

2.1 Preparation of Plans

(a) Preliminary Plans. As soon as is reasonably possible after the date of the Lease, Tenant shall submit to its Architect all additional information, including occupancy requirements for the Fifth Floor East Wing Premises ("**Information**"), necessary to enable the Architect to prepare preliminary plans for the Tenant Improvements showing, among other things, all demising walls, corridors, entrances, exits, doors, interior design and partition, and the locations of all display and storage rooms and bathrooms. As soon as is commercially reasonable after the date hereof, Tenant shall cause the Architect to prepare preliminary plans for the Tenant Improvements and shall deliver two copies of same to Landlord for its review and written approval in its good faith discretion. Within ten (10) days after receipt of the preliminary plans, Landlord shall notify Tenant in writing that (i) Landlord approves of such preliminary

plans or (ii) Landlord disapproves of such preliminary plans, the basis for disapproval and the changes requested by Landlord. Tenant shall cause the preliminary plans to be revised and shall submit the revised plans to Landlord for its review and approval as provided in this section. After approval of the preliminary plans as provided above, the preliminary plans shall be referred to as the "**Preliminary Plans**."

(b) Final Plans. Tenant shall cause the Architect to prepare final working drawings, which shall be consistent with the Preliminary Plans, compatible with the design, construction and equipment of the Building, comply with all applicable Laws, capable of logical measurement and construction, and contain all such information as may be required for obtaining all permits and other governmental approvals for the construction of the Tenant Improvements (the "**Working Drawings**"). As soon as is commercially reasonable after the Preliminary Plans are approved by the parties as provided above, Tenant shall submit two copies of the Working Drawings to Landlord for its review and approval in its good faith discretion. Within ten (10) days after receipt of the Working Drawings, Landlord shall notify Tenant in writing that (i) Landlord approves of such Working Drawings, or (ii) Landlord disapproves of such Working Drawings, the basis for disapproval and the changes requested by Landlord. Tenant shall cause the Working Drawings to be revised and shall submit the revised Working Drawings to Landlord for its review and approval as provided in this section. The Working Drawings approved in writing by the parties shall be referred to as the "**Final Plans**."

(c) General. It is the responsibility of Tenant to assure that the Final Plans and the Tenant Improvements constructed thereunder conform to all applicable Laws. Tenant shall submit to Landlord one (1) reproducible and four (4) prints of the Final Plans and, if applicable, an electronic unlocked version in CAD format.

2.2 Selection and Approval of Certain Contractors. Any subcontractor performing any work on the life safety or alarm systems or work affecting the roof shall be subject to Landlord's prior written approval in its sole and absolute discretion and Landlord may require the Tenant use Landlord's contractor or a specific subcontractor for any such work. Landlord shall provide written notice of approval or disapproval within five (5) Business Days after Tenant's request for such approval. The construction contract shall require, among other things, that the Contractor (a) obtain and deliver to Landlord evidence of insurance required by Landlord, (b) execute, obtain and deliver to Tenant within ten (10) days after the date of Substantial Completion lien waivers from the Contractor and all of its subcontractors holding contracts in excess of $10,000 ("Major Subcontractors") and suppliers holding contracts in excess of $10,000, and (c) monthly progress payments, with a ten percent (10%) retention until the construction is fifty (50%) complete.

2.3 Information Provided by Landlord. Acceptance or approval of any plan, drawing or specification, including, without limitation, the Preliminary Plans and the Final Plans, by Landlord shall not constitute the assumption of any responsibility by Landlord for the accuracy or sufficiency of such plans and materials and Tenant shall be solely responsible therefor. Tenant agrees and understands that the review of all plans pursuant to the Lease or this Exhibit by Landlord is to protect the interests of Landlord in the Building, and Landlord shall not be the guarantor of, nor be responsible for, the correctness, completeness or accuracy of any such plans or compliance of such plans with applicable Laws. Any information that may have been

furnished to Tenant by Landlord or others about the mechanical, electrical, structural, plumbing or geological (including soil and sub-soil) characteristics of the Building or Project (hereinafter referred to as the "**Site Characteristics**") are for Tenant's convenience only, and Landlord does not represent or warrant that the Site Characteristics are accurate, complete or correct or that the Site Characteristics are as indicated. Any information that has been furnished by Landlord to Tenant has been delivered on the expressed condition and understanding that Tenant will independently verify whether such information is accurate, complete or correct and not rely on such information provided by Landlord.

2.4 No Responsibility of Landlord. Landlord's approval of any plans, including, without limitation, the Preliminary Plans or the Final Plans, shall not: (i) constitute an opinion or agreement by Landlord that such plans and Tenant Improvements are in compliance with all applicable Laws, (ii) impose any present or future liability on Landlord, including, without limitation, with respect to the Building's Structure and/or Building's Systems; (iii) constitute a waiver of Landlord's rights hereunder or under the Lease or this Exhibit except that Landlord shall be bound by any approval given in accordance with the Lease or this Exhibit; (iv) impose on Landlord any responsibility for a design and/or construction defect or fault in the Tenant Improvements; or (v) constitute a representation or warranty regarding the accuracy, completeness or correctness thereof

2.5 Changes. After approval of the Preliminary Plans or Final Plans by Landlord and Tenant, any changes in the Preliminary Plans or Final Plans shall require the prior written consent of Landlord which shall not be unreasonably withheld, delayed or conditioned and the parties shall follow the same process as was required under Section 2.1 for approval of plans. Any change requested by Tenant that is approved in writing by Landlord shall be prepared by the Architect and shall be subject to the review and approval of Landlord's architect which shall not be unreasonably withheld, delayed or conditioned. The cost of such changes, including the cost to revise such plans, obtain any additional permits and construct any additional improvements required as a result thereof, and the cost for materials and labor, shall be included as part of the Construction Costs for the Tenant Improvements.

2.6 Construction Budget for Tenant Improvements. After approval of the Final Plans by Landlord and Tenant as provided above, Tenant shall prepare a detailed estimate of the Construction Costs for the Tenant Improvements (the "**Construction Budget**"). Tenant shall deliver a copy of the Construction Budget to Landlord for Landlord's approval, which shall not be unreasonably withheld, conditioned or delayed.

2.7 Building Permits and Approvals. Not later than fifteen (15) days after approval by Landlord and Tenant of the Final Plans and Construction Budget as provided above, Tenant or its Contractor shall submit the Final Plans to the appropriate governmental body for plan checking and all building permits and other governmental and quasi-governmental approvals.

2.8 Conduct of Work. Tenant shall confine the construction activity to within the Fifth Floor East Wing Premises as much as possible and shall work in an orderly manner removing trash and debris from the Fifth Floor East Wing Premises on a daily basis. At no time will pipes, wires, boards or other construction materials cross public areas where harm could be caused to the public. All such work shall be undertaken in strict compliance with all applicable

Laws and this Lease. If Tenant fails to comply with these requirements, Landlord shall have the right, but not the obligation, to cause remedial action (at Tenant's cost) as deemed necessary by Landlord to protect the public. Tenant shall complete construction of the Tenant Improvements free and clear of all liens, security interests and encumbrances of any kind.

(a) Pre-construction Submittals to Landlord. Prior to the commencement of construction, Tenant shall submit the following items to Landlord:

(1) A certificate setting forth the proposed commencement date of construction and the estimated completion dates of construction work, fixturing work and projected date of Substantial Completion;

(2) Certificates of all insurance required under the Lease and this Exhibit; and

(3) Copies of all building permits, and all other permits and approvals required by governmental agencies to construct the Tenant Improvements;

(b) Delays. Tenant shall, with reasonable diligence, prosecute construction of the Tenant Improvements to complete all work by the Commencement Date. Any delay in completing such work, including any delay as a result of governmental delays, force majeure and other events beyond the control of Tenant, excepting only acts or failures to act of Landlord or persons claiming under Landlord shall not extend or delay the time for the commencement of payment Rent or any other sum under the Lease.

(c) Correction of Work. Landlord may reject any portion of the Tenant Improvements which is not in material conformity with the Final Plans. Landlord shall not be responsible for correcting the portions of the Tenant Improvements which were defective or not in compliance with the Final Plans; all such work shall be the responsibility of Tenant at its sole cost and expense.

2.9 Copy of Record set of Plans. At the conclusion of construction: (i) Tenant shall cause the Architect and Contractor (A) to update the Final Plans as necessary to reflect all changes made to the Final Plans during the course of construction, (B) to certify to the best of their knowledge that the "record-set" of as-built drawings are true and correct, which certification shall survive the expiration or termination of this Lease, and (C) to deliver to Landlord two (2) sets of copies of such record set of drawings within ninety (90) days following issuance of a Certificate of Occupancy for the Fifth Floor East Wing Premises; and (ii) Tenant shall deliver to Landlord a copy of all signed building permits and certificates of occupancy, and all warranties, guaranties, and operating manuals and information relating to the improvements, equipment and systems in the Premises.

2.10 Tenant's Parties and Insurance. The Contractor and all subcontractors, laborers, materialmen, and suppliers used by Tenant collectively shall be referred to in this **Exhibit C** as "**Tenant's Parties**".

(a) **Indemnity**. Tenant's indemnity of Landlord as set forth in the Lease shall also apply with respect to any and all costs, losses, damages, injuries and liabilities related in any way to any act or omission of Tenant or Tenant's Parties, or any one directly or indirectly employed by any of them, or in connection with Tenant's non-payment of any amount arising out of the Tenant Improvements and/or Tenant's disapproval of all or any portion of any request for payment.

(b) **Requirements of Tenant's Parties**. Each of Tenant's Parties shall guarantee to Tenant and shall be requested to also guarantee for the benefit of Landlord that the portion of the Tenant Improvements for which it is responsible shall be free from any defects in workmanship and materials for a period of not less than one (1) year from the date of completion thereof. Each of Tenant's Parties shall be responsible for the replacement or repair, without additional charge, of all work done or furnished in accordance with its contract that shall become defective within one (1) year after the later to occur of (i) completion of the work performed by such contractor or subcontractors, and (ii) the date when the Tenant Improvements have been Substantially Completed. The correction of such work shall include, without additional charge, all additional expenses and damages incurred in connection with such removal or replacement of all or any part of the Tenant Improvements, and/or the Building and/or Common Areas that may be damaged or disturbed thereby. All such warranties or guarantees as to material or workmanship of or with respect to the Tenant Improvements shall be contained in the construction contract or subcontract and shall be written such that such guarantees or warranties shall inure to the benefit of Tenant and shall be requested to inure to the benefit of Landlord, as their respective interests may appear, so as to be directly enforced by either.

(c) **Insurance Requirements**. In addition to the insurance requirements set forth in the Lease, Tenant shall comply with the following requirements:

(1) **General Coverages**. All of Tenant's Parties shall carry worker's compensation insurance covering all of their respective employees, and shall also carry commercial liability insurance, including property damage, all with limits, in form and with companies as are required to be carried by Tenant as set forth in the Lease.

(2) **Special Coverage**. Tenant's Contractor, or in the case of a construction management contract Tenant's Major Subcontractors shall carry "Builder's All Risk" insurance in an amount approved by Landlord covering the construction of the Tenant Improvements, and such other insurance as Landlord may require. Such insurance shall be in amounts and shall include such extended coverage endorsements including the requirement that all of Tenant's Parties shall carry excess liability and Products and Completed Operation Coverage insurance, each in amounts not less than $1,000,000 per incident, $2,000,000 in aggregate, and in form and with companies as are required to be carried by Tenant as set forth in the Lease.

(3) **General Terms**. Certificates for all insurance carried pursuant to the foregoing sections shall be delivered to Landlord before the commencement of construction of the Tenant Improvements and before the Contractor's equipment is moved onto the site. All such policies of insurance must contain a provision that the company writing said policy will give Landlord thirty (30) days' prior written notice of any cancellation or lapse of the effective

date or any reduction in the amounts of such insurance. In the event that the Tenant Improvements are damaged by any cause during the course of the construction thereof, Tenant shall immediately repair the same at Tenant's sole cost and expense. Tenant's Parties shall maintain all of the foregoing insurance coverage in force until the Tenant Improvements are fully completed except for any Products and Completed Operation Coverage insurance required by Landlord, which is to be maintained for six (6) years following completion of the work and acceptance by Landlord and Tenant. All policies carried under this section shall insure Landlord and Tenant, as their interests may appear, as well as Contractor and Tenant's Parties. All insurance, except Workers' Compensation, maintained by Tenant's Parties shall preclude or waive subrogation claims by the insurer against anyone insured thereunder. Such insurance shall provide that it is primary insurance as respects the Landlord and that any other insurance maintained by Landlord is excess and noncontributing with the insurance required hereunder. The requirements for the foregoing insurance shall not derogate from the provisions for indemnification of Landlord by Tenant under the Lease or this Exhibit.

2.11 **Labor Matters**. Tenant shall perform or cause Tenant's Contractor to perform all work in the making and/or installation of any repairs, alterations or improvements in a manner so as to avoid any labor dispute which causes or is likely to cause stoppage or impairment of work or delivery service or any other services in the Project. In the event there shall be any such stoppage or impairment as the result of any such labor dispute or potential labor dispute caused by Tenant's Contractor, Tenant shall immediately undertake such actions as may be necessary to eliminate such dispute or potential dispute, including, but not limited to, (a) removing all disputants from the job site until such time as the labor dispute no longer exists, (b) seeking an injunction in the event of a breach of contract between Tenant and Tenant's contractor, and (c) filing appropriate unfair labor practice charges in the event of a union jurisdictional dispute.

2.12 **Temporary Facilities During Construction**. Tenant shall obtain in its name and pay for all temporary utility facilities, and the removal of debris, as necessary and required in connection with the construction of the Tenant Improvements. Storage of Tenant's contractors' construction material, tools, equipment and debris shall be confined to the Premises and any other areas which may be designated for such purposes by Landlord. Landlord shall not be responsible for any loss or damage to Tenant's and/or Tenant's contractors' equipment. In no event shall any materials or debris be stored in the malls or service or exit corridors of the Project.

2.13 **Miscellaneous**. The Tenant Improvements shall be subject to the inspection and approval of Landlord and its supervisory personnel. All contractors engaged by Tenant shall be bondable, licensed contractors, possessing good labor relations, capable of performing quality workmanship.

2.14 **Construction Management Fee**. Landlord, or an agent of Landlord, shall provide construction management services in connection with the construction of the Tenant Improvements and the change orders. Such construction management services shall be performed for a fee (the "**Construction Management Fee**") equal to one percent (1%) of the amount of the Construction Costs for the Tenant Improvements, including the costs of any permits and approvals associated therewith. Landlord shall deduct from Landlord's Fifth Floor East Wing Premises Allowance and pay its agent the amount of Construction Management Fee

on a monthly basis prorated over the duration of construction of the Tenant Improvements. Tenant shall be responsible for payment of the Construction Management Fee to the extent Construction Costs exceed the Landlord's Fifth Floor East Wing Premises Allowance.

ARTICLE 3 PAYMENT OF CONSTRUCTION COSTS

3.1 **Payment of Construction Costs**. Tenant shall pay for the Construction Costs for the Tenant Improvements, except as provided in the next sentence. Landlord shall only be responsible to Tenant for payment of the Construction Costs for the Tenant Improvements up to the lesser of the (a) actual Construction Costs for the Tenant Improvements, and (b) amount of the Landlord's Fifth Floor East Wing Premises Allowance (the lesser of (a) and (b) shall be referred to herein as "**Landlord's Maximum Construction Cost Obligation**"). If the aggregate Construction Costs for the Tenant Improvements are greater than Landlord's Maximum Construction Cost Obligation, then Tenant shall be solely responsible for such additional costs above Landlord's Maximum Construction Cost Obligation.

3.2 **Payment By Landlord of Landlord's Allowance**.

(a) **Payment by Landlord of Landlord's Allowance**. So long as there shall not then be an Event of Default of Tenant under the Lease and the below conditions for each installment of the Landlord's Fifth Floor East Wing Premises Allowance are satisfied as set forth below, the Landlord's Fifth Floor East Wing Premises Allowance shall be disbursed by Landlord, based upon requests for payment submitted by Tenant upon receipt of then appropriate invoices and forms required and submitted by Tenant not more often than once per month (except if applicable, in the case of the final disbursement of the Landlord's Fifth Floor East Wing Premises Allowance); provided, however, that in no event shall Landlord be obligated to disburse to Tenant in the aggregate for Construction Costs for the Tenant Improvements more than Landlord's Maximum Construction Cost Obligation. Each request for payment by Tenant shall be accompanied by a written certification satisfactory to Landlord by the Architect that all work up to the date of the request for payment has been completed in accordance with the Schedule of Values contained in Tenant's construction contract(s) with the Contractor, along with releases (partial or complete) of liens from all of Tenant's contractors and subcontractors for all work performed and materials furnished up to the date of Tenant's immediately prior request for payment (and Tenant's final request for payment shall also be accompanied by the applicable items required below under clause (b) of this Section 3.2 below), along with any other supporting documentation reasonably required by Landlord in connection therewith and the calculation of retainage provided for in the construction contract. Upon receipt of each applicable complete payment request by Tenant, Landlord shall pay to Tenant, within twenty-one (21) days after submission of such complete payment request to Landlord, the amount of such request for payment; provided, however, that Landlord's aggregate obligation to pay for such requests for payment shall in no event exceed Landlord's Maximum Construction Cost Obligation less any retainage withheld pursuant to the Construction Contract. Upon final completion of the Tenant Improvements and receipt by Landlord of the items required under clause (b) of this Section 3.2 below, Landlord shall pay to Tenant, within twenty-one (21) days following Tenant's written request, the remaining unadvanced retainage portion of Landlord's Maximum Construction Cost Obligation; provided, however, that the retainage shall not have to be released by Landlord until the punchlist items have been completed as provided in Section 4.2

below. Any and all costs for the construction of the Tenant Improvements in excess of the Landlord's Maximum Construction Cost Obligation shall be paid by Tenant to the Contractor and other applicable contractors, subcontractors, and material suppliers. Landlord reserves the right to make any payment (or portion thereof) of Landlord's Maximum Construction Cost Obligation payable jointly to Tenant and the Contractor (or subcontractor or supplier) or directly to the Contractor or any subcontractor or supplier.

(b) The final disbursement of Landlord's Maximum Construction Cost Obligation by Landlord shall be subject to Tenant delivering to Landlord: (i) the final Certificate of Occupancy for the Fifth Floor East Wing Premises, (ii) copies of all applicable building permits and inspection approvals reflecting final sign-off by the local governmental authority with respect to the Tenant Improvements, (iii) a copy of the as-built Final Plans for the Tenant Improvements, (iv) unconditional lien waivers from the Contractor and all Major Subcontractors and suppliers for the Tenant Improvements and Tenant's furniture, fixture and equipment in the Premises, (v) receipt of the Architect's certificate for the Tenant Improvements referred to in the definition of Substantial Completion in this Exhibit.

(c) In no event shall Landlord be obligated to reimburse any portion of the Landlord's Maximum Construction Cost Obligation that Tenant requests from Landlord after January 31, 2018.

3.3 **Payment by Landlord of Landlord's Space Planning Allowance**. So long as there shall not then be an Event of Default of Tenant under the Lease, within sixty (60) days following Landlord's receipt of invoices evidencing such Space Planning Fees, Landlord shall reimburse Tenant for the Space Planning Fees actually incurred by Tenant up to an amount not to exceed the Landlord's Fifth Floor East Wing Premises Space Planning Allowance.

ARTICLE 4 GENERAL PROVISIONS

4.1 **Bonds**. Upon the request of Landlord prior to commencing construction of the Tenant Improvements, Tenant shall deliver to Landlord certified copies of a payment and performance bond issued by a surety company authorized to do business in the Commonwealth of Massachusetts in a principal amount not less than the full amount of the Construction Costs, issued on behalf of Tenant's Contractor, naming Tenant and Landlord (and if requested by Landlord, Landlord's Mortgagee under any Mortgage or other financing instrument affecting the Project or any portion thereof) as dual obligees. Notwithstanding the delivery by Tenant of such bond, Tenant shall pay promptly for all labor and materials supplied to Tenant in connection with the construction of the Tenant Improvements, shall not cause or permit any liens for such labor or materials to attach to the Land or the Building, and shall bond or discharge any such lien which may be filed or recorded except for any lien caused by any action of Landlord or any person claiming under Landlord within fifteen (15) days after Tenant receives actual notice of such filing or recording.

4.2 **Completion of Punchlist Items**. In or within seven (7) Business Days following Substantial Completion of the Tenant Improvements, the parties shall schedule a meeting(s) to jointly inspect the Fifth Floor East Wing Premises and the Tenant Improvements in order to identify those incomplete items or unfinished details that will be part of the punch list for the

Tenant Improvements. Such punch list items shall be completed by Tenant as soon as practicable thereafter and in any event not later than thirty (30) days following the completion of the applicable punchlist (except for such item(s) that, by its nature or due to circumstances beyond the reasonable control of the party charged with doing such work, cannot be completed within such 30 day period).

4.3 **Tenant's Representative**. Tenant hereby authorizes Mark Hopkins of Winstanley Construction, 150 Baker Avenue, Concord, MA, as Tenant's representative to act on its behalf and represents its interests with respect to all matters which pertain to the construction of Tenant Improvements, and to make decisions binding upon Tenant with respect to such matters.

EXHIBIT D

EXTENSION OPTION FOR FIFTH FLOOR EAST WING PREMISES

So long as there shall not then be an Event of Default under this Lease, Tenant may extend the term of the Lease for the Fifth Floor East Wing Premises beyond the expiration of Fifth Floor East Wing Premises Original Term (i.e., beyond January 31, 2024) for one (1) additional period of five (5) years (the "**Fifth Floor East Wing Premises Extension Term**"), by delivering written notice of the exercise thereof to Landlord not later than twelve (12) months (nor earlier than eighteen (18) months) before the expiration of the Fifth Floor East Wing Premises Original Term. The Base Rent payable for each month during the Fifth Floor East Wing Premises Extension Term shall be the prevailing rental rate (the "**Prevailing Rental Rate**"), at the commencement of the Fifth Floor East Wing Premises Extension Term, for renewals of space in Cambridge, Massachusetts of equivalent quality, size, utility and location, taking into account prevailing concessions including, but not be limited to, tenant improvements, tenant improvement allowances, rental abatement, the length of the Fifth Floor East Wing Premises Extension Term, size of the premises, condition of the premises, escalation charges, location of the premises, location and age of the building, free rent periods, brokerage commissions and lease term. Within fourteen (14) days after receipt of Tenant's notice to extend, Landlord shall deliver to Tenant written notice of the Prevailing Rental Rate and shall advise Tenant of the required adjustment to Base Rent, if any, and the other terms and conditions offered. Tenant shall, within twenty-one (21) days after receipt of Landlord's notice, notify Landlord in writing whether Tenant accepts or rejects Landlord's determination of the Prevailing Rental Rate ("**Tenant Notice**"). If Tenant timely notifies Landlord that Tenant accepts Landlord's determination of the Prevailing Rental Rate, then, on or before the commencement date of the Fifth Floor East Wing Premises Extension Term, Landlord and Tenant shall execute an amendment to this Lease extending the Term on the same terms provided in this Lease, except as follows:

(a) Base Rent shall be adjusted to the Prevailing Rental Rate;

(b) Tenant shall have no further extension option unless expressly granted by Landlord in writing; and

(c) Landlord shall lease to Tenant the Premises in their then-current condition, and Landlord shall not provide to Tenant any allowances (e.g., moving allowance, construction allowance, and the like) or other tenant inducements.

If Tenant rejects Landlord's determination of the Prevailing Rental Rate, then the Base Rent payable for each month during the Fifth Floor East Wing Premises Extension Term ("**Fair Market Rent**") shall be established by appraisal in the following manner. By not later than the thirtieth (30th) day after the Tenant Notice, Landlord and Tenant shall each appoint one (1) qualified appraiser (as hereinafter defined) and the two (2) qualified appraisers so appointed shall determine the Fair Market Rent within thirty (30) days following their appointment. As used herein, the term "qualified appraiser" shall mean any independent person (a) who is employed by an appraisal or brokerage firm of recognized competence in the greater Boston area and (b) who has not less than ten (10) years' experience in commercial office leasing with respect to, or in

appraising and valuing properties of, the general location, type and character as the Premises. If either Landlord or Tenant fails to appoint a qualified appraiser within said thirty (30) day period, then the other party shall have the power to appoint the qualified appraiser for the defaulting party. If said qualified appraisers are unable to agree on the Fair Market Rent within said thirty (30) day period, then they jointly shall appoint a third qualified appraiser within ten (10) days of the expiration of such thirty (30) day period. If the first two appraisers shall fail to appoint a third appraiser within such ten (10) day period, either appraiser may request the President of the Boston Bar Association to appoint the third appraiser. Within thirty (30) days after the appointment of the third appraiser, all three qualified appraisers shall meet and determine the Fair Market Rent. If all three qualified appraisers are unable unanimously to agree upon the Fair Market Rent, then the first two qualified appraisers simultaneously shall deliver their final Fair Market Rent numbers to the third qualified appraiser, and the third qualified appraiser shall select the number as the Fair Market Rent number that is closest to the Fair Market Rent number determined by the third appraiser, and the Fair Market Rent so selected shall be conclusive and binding upon the Landlord and Tenant. Each party shall bear the cost of its qualified appraiser, and the cost of the third qualified appraiser shall be borne equally between the parties. Until such time as the Fair Market Rent is so determined, from and after the commencement date of the Extension Term, Tenant shall pay Base Rent at the average of Landlord's and Tenant's appraisers' designations of fair market rent, with an appropriate retroactive adjustment once the Fair Market Rent has been determined.

Tenant's rights under this Exhibit D shall terminate if (1) this Lease or Tenant's right to possession of the Fifth Floor East Wing Premises is terminated, (2) Tenant assigns any of its interest in the Lease or sublets more than fifty percent (50%) of the Premises, or (3) Tenant fails to timely exercise its option under this Exhibit, time being of the essence with respect to Tenant's exercise thereof.

Exhibit 21.1

CarGurus Ireland Limited, an Irish Private Company Limited by Shares

CarGurus UK Limited, a U.K. Private Limited Company

CarGurus Securities Corp., a Massachusetts corporation

CGSC, Inc., a Massachusetts corporation

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the reference to our firm under the caption "Experts" and to the use of our report dated June 21, 2017, in the Registration Statement (Form S-1) and related Prospectus of CarGurus, Inc. for the registration of shares of its Class A common stock.

/s/ Ernst & Young LLP

Boston, Massachusetts
September 15, 2017

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