

Item 1.01. Entry into a Material Definitive Agreement.

On December 4, 2017, CTI BioPharma Corp. (the “Company”) entered into a sublease agreement (the “Sublease”) with Cascadian Therapeutics, Inc., a Delaware corporation (“Cascadian”), pursuant to which the Company will sublease to Cascadian approximately 44,050 rentable square feet of office space (the “Sublease Premises”) located at the Company’s headquarters at 3101 Western Avenue, Seattle, Washington.

The Company currently leases approximately 66,045 square feet of office space pursuant to an Office Lease dated as of January 27, 2012 (as amended by that certain letter amendment, dated as of June 7, 2012), by and between the Company and Selig Holdings Company L.L.C. (the “Master Lease”). The term of the Sublease (the “Term”) will commence on January 1, 2018 or such earlier date on which Cascadian’s business operations substantially commence on the Sublease Premises (the “Commencement Date”) and will expire on April 30, 2022.

The rights and obligations of Cascadian under the Sublease will be subject to the terms of the Master Lease. No rent will be due during the first five calendar months of the Term so long as Cascadian performs all of its obligations under the Sublease. The monthly fixed rent payable by Cascadian under the Sublease will be \$110,125.00 per month for the first twelve full months of the Term of the Sublease, with rent increasing on each anniversary of the Commencement Date by an amount equal to \$1.00 per rentable square foot per annum for each year thereafter for the duration of the Sublease. The Sublease provides that after the first 12 months of the Term, Cascadian must pay the Company for Cascadian’s share of increases in certain operating and property tax expenses in addition to the base rent. Cascadian’s common stock is approximately 12.2% beneficially owned by BVF, Inc. and its affiliates. BVF Partners L.P., an affiliate of BVF, Inc., and certain of its affiliates (collectively, “BVF”) are beneficial owners of approximately 20.00% of the Company’s Common Stock, and Matthew Perry, President of BVF Partners L.P., serves on the Board of the Company.

The foregoing summary of the Sublease does not purport to be complete and is qualified in its entirety by reference to the complete text of the Sublease, which is filed as Exhibit 10.1 hereto and incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
10.1	<u>Sublease agreement between CTI BioPharma Corp. and Cascadian Therapeutics, Inc.</u>

SIGNATURE

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

CTI BIOPHARMA CORP.

Date: December 5, 2017 By: /s/ David H. Kirske
David H. Kirske
Chief Financial Officer

EXHIBIT INDEX

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