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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2011

OR

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

For the transition period from to

Commission file number: 001-33277

SYNTA PHARMACEUTICALS CORP.
(Exact name of registrant as specified in its charter)

Delaware	**04-3508648**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
45 Hartwell Avenue Lexington, Massachusetts	**02421**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(781) 274-8200**

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

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

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

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

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

As of July 29, 2011, the registrant had 49,495,023 shares of common stock outstanding.

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SYNTA PHARMACEUTICALS CORP.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

SYNTA PHARMACEUTICALS CORP.

Condensed Consolidated Balance Sheets

(in thousands, except share and per share amounts)

(unaudited)

	June 30, 2011	December 31, 2010
Assets		
Current assets:		
Cash and cash equivalents	$ 25,891	$ 31,310
Marketable securities	36,998	19,663
Collaboration receivable	—	116
Prepaid expenses and other current assets	832	431
Total current assets	63,721	51,520
Property and equipment, net	1,403	2,181
Other assets	497	366
Total assets	$ 65,621	$ 54,067
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 1,999	$ 1,925
Accrued contract research costs	2,871	2,511
Other accrued liabilities	2,909	4,194
Capital lease obligations	31	201
Deferred collaboration revenue	4,446	4,572
Current portion of term loans	3,093	3,333
Total current liabilities	15,349	16,736
Long-term liabilities:		
Capital lease obligations	20	26
Deferred collaboration revenue	—	2,159
Term loans, net of current portion	13,815	11,667
Total long-term liabilities	13,835	13,852
Total liabilities	29,184	30,588
Stockholders' equity:		
Preferred stock, par value $0.0001 per share Authorized: 5,000,000 shares at June 30, 2011 and December 31, 2010; no shares issued and outstanding at June 30, 2011 and December 31, 2010	—	—
Common stock, par value $0.0001 per share Authorized: 100,000,000 shares at June 30, 2011 and December 31, 2010; 49,473,070 and 42,090,205 shares issued and outstanding at June 30, 2011 and December 31, 2010, respectively	5	4
Additional paid-in-capital	411,375	374,528
Accumulated other comprehensive income (loss)	10	(3)
Accumulated deficit	(374,953)	(351,050)
Total stockholders' equity	36,437	23,479
Total liabilities and stockholders' equity	$ 65,621	$ 54,067

See accompanying notes to condensed consolidated financial statements.

SYNTA PHARMACEUTICALS CORP.

Condensed Consolidated Statements of Operations

(in thousands, except share and per share amounts)

(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Revenues:				
Collaboration revenues:				
License and milestone revenue	$ 1,143	$ 1,143	$ 2,286	$ 2,286
Cost sharing reimbursements, net	—	2,217	—	5,097
Total collaboration revenues	1,143	3,360	2,286	7,383
Grant revenues	211	—	211	—
Total revenues	1,354	3,360	2,497	7,383
Operating expenses:				
Research and development	10,417	9,688	19,854	19,883
General and administrative	2,946	2,716	5,618	5,802
Total operating expenses	13,363	12,404	25,472	25,685
Loss from operations	(12,009)	(9,044)	(22,975)	(18,302)
Interest expense, net	(493)	(30)	(928)	(80)
Net loss	$ (12,502)	$ (9,074)	$ (23,903)	$ (18,382)
Net loss per common share:				
Basic and diluted net loss per common share	$ (0.30)	$ (0.22)	$ (0.57)	$ (0.46)
Basic and diluted weighted average number of common shares outstanding	42,166,739	40,342,671	42,088,215	39,899,593

See accompanying notes to condensed consolidated financial statements.

SYNTA PHARMACEUTICALS CORP.

Condensed Consolidated Statements of Cash Flows

(in thousands)

(unaudited)

	Six Months Ended June 30,	
	2011	**2010**
Cash flows from operating activities:		
Net loss	$ (23,903)	$ (18,382)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation expense	1,639	2,222
Depreciation and amortization	823	997
Changes in operating assets and liabilities:		
Collaboration receivable	116	(138)
Prepaid expenses and other current assets	(401)	(164)
Other assets	(131)	207
Accounts payable	74	(2,677)
Accrued contract research costs	360	436
Other accrued liabilities	(1,285)	(1,702)
Deferred collaboration revenue	(2,285)	(2,361)
Net cash used in operating activities	(24,993)	(21,562)
Cash flows from investing activities:		
Purchases of marketable securities	(39,663)	(6,047)
Maturities of marketable securities	22,342	—
Purchases of property and equipment	(45)	(39)
Net cash used in investing activities	(17,366)	(6,086)
Cash flows from financing activities:		
Proceeds from issuance of common stock and exercise of common stock options, net of transaction costs	35,208	26,768
Proceeds from term loans	2,000	—
Payment of term loans	(92)	—
Payment of capital lease obligations	(176)	(664)
Net cash provided by financing activities	36,940	26,104
Net decrease in cash and cash equivalents	(5,419)	(1,544)
Cash and cash equivalents at beginning of period	31,310	44,155
Cash and cash equivalents at end of period	$ 25,891	$ 42,611
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 747	$ 88

See accompanying notes to condensed consolidated financial statements.

SYNTA PHARMACEUTICALS CORP.

Notes to Condensed Consolidated Financial Statements
(unaudited)

(1) Nature of Business

Synta Pharmaceuticals Corp. (the Company) was incorporated in March 2000 and commenced operations in July 2001. The Company is a biopharmaceutical company focusing on discovering, developing and commercializing small molecule drugs to extend and enhance the lives of patients with severe medical conditions, including cancer and chronic inflammatory diseases.

The Company is subject to risks common to emerging companies in the drug development and pharmaceutical industry including, but not limited to, uncertainty of product development and commercialization, lack of marketing and sales history, dependence on key personnel, uncertainty of market acceptance of products, product liability, uncertain protection of proprietary technology, potential inability to raise additional financing and compliance with the U.S. Food and Drug Administration and other government regulations.

(2) Summary of Significant Accounting Policies

Basis of Presentation

The accompanying condensed consolidated financial statements are unaudited, have been prepared on the same basis as the annual financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments necessary to present fairly the Company's financial position as of June 30, 2011 and the consolidated results of operations and cash flows for the three months and six months ended June 30, 2011 and 2010. The preparation of financial statements in conformity with accounting principles generally accepted in the United States (GAAP) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates. The results of operations for the three months and six months ended June 30, 2011 are not necessarily indicative of the results to be expected for the year ending December 31, 2011 or for any other interim period or any other future year. For more complete financial information, these condensed financial statements, and the notes hereto, should be read in conjunction with the audited financial statements for the year ended December 31, 2010 included in the Company's Annual Report on Form 10-K.

Principles of Consolidation

The consolidated financial statements include the financial statements of the Company and its wholly owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Significant items subject to such estimates and assumptions include contract research accruals, recoverability of long-lived assets, measurement of stock-based compensation, and the periods of performance under its collaborative research and development agreements. The Company bases its estimates on historical experience and various other assumptions that management believes to be reasonable under the circumstances. Changes in estimates are recorded in the period in which they become known. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less at the date of purchase and an investment in a U.S. Treasury money market fund to be cash equivalents. Changes in cash

and cash equivalents may be affected by shifts in investment portfolio maturities, as well as actual cash disbursements to fund operations.

The primary objective of the Company's investment activities is to preserve its capital for the purpose of funding operations and the Company does not enter into investments for trading or speculative purposes. The Company invests in money market funds and high-grade, short-term commercial paper, which are subject to minimal credit and market risk. The Company's cash is deposited in a highly rated financial institution in the United States. Declines in interest rates, however, would reduce future investment income.

Marketable Securities

Marketable securities consist of investments in high-grade corporate obligations, and government and government agency obligations that are classified as available-for-sale. Since these securities are available to fund current operations they are classified as current assets on the consolidated balance sheets.

The Company adjusts the cost of available-for-sale debt securities for amortization of premiums and accretion of discounts to maturity. The Company includes such amortization and accretion in interest and investment income. Realized gains and losses and declines in value, if any, that the Company judges to be other-than-temporary on available-for-sale securities are reported in interest and investment income. To determine whether an other-than-temporary impairment exists, the Company considers whether it intends to sell the debt security and, if the Company does not intend to sell the debt security, it considers available evidence to assess whether it is more likely than not that it will be required to sell the security before the recovery of its amortized cost basis. During the three months and six months ended June 30, 2011 and 2010, the Company determined that no securities were other-than-temporarily impaired.

Marketable securities are stated at fair value, including accrued interest, with their unrealized gains and losses included as a component of accumulated other comprehensive loss, which is a separate component of stockholders' equity. The fair value of these securities is based on quoted market prices. Realized gains and losses are determined on the specific identification method. During the three months and six months ended June 30, 2011 and 2010, the Company recorded no realized gains or losses on marketable securities.

Fair Value of Financial Instruments

The carrying amounts of the Company's financial instruments, which include cash equivalents, marketable securities, accounts payable and capital lease and term loan obligations, approximate their fair values. The fair value of the Company's financial instruments reflects the amounts that would be received upon sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy has the following three levels:

Level 1—quoted prices in active markets for identical assets and liabilities.

Level 2—inputs other than Level 1 inputs that are either directly or indirectly observable, such as quoted market prices, interest rates and yield curves.

Level 3—unobservable inputs that reflect the Company's own assumptions about the assumptions market participants would use in pricing the asset or liability.

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. As of June 30, 2011, the Company's financial assets valued based on Level 1 inputs consisted of cash and cash equivalents in a U.S. Treasury money market fund and its financial assets valued based on Level 2 inputs consisted of corporate, government and government-agency bonds that are guaranteed by the U.S. government. As of June 30, 2011, the Company had no financial liabilities that were subject to fair value measurement.

Revenue Recognition

Collaboration and License Agreements

The Company's principal source of revenue is from collaborative research and development agreements, which may include upfront license payments, development milestones, reimbursement of research and development costs, profit sharing payments, sales milestones and royalties. The application of accounting rules requires subjective analysis and requires management to make estimates and assumptions about whether deliverables within multiple-element arrangements are separable from the other aspects of the contractual arrangement into separate units of accounting and to determine the fair value to be allocated to each unit of accounting.

In October 2009, the Financial Accounting Standards Board issued a new accounting standard, ASU No. 2009-13 *Multiple-deliverable Revenue Arrangements*, which amends the guidance on the accounting for arrangements involving the delivery of more than one element. This standard addresses the determination of the unit(s) of accounting for multiple-element arrangements and how the arrangement's consideration should be allocated to each unit of accounting. The Company adopted this new accounting standard on a prospective basis for all multiple-element arrangements entered into on or after January 1, 2011 and for any multiple-element arrangements that were entered into prior to January 1, 2011 but materially modified on or after January 1, 2011.

Pursuant to the new standard, each required deliverable is evaluated to determine if it qualifies as a separate unit of accounting. For the Company this determination is generally based on whether the deliverable has "stand-alone value" to the customer. The arrangement's consideration is then allocated to each separate unit of accounting based on the relative selling price of each deliverable. The estimated selling price of each deliverable is determined using the following hierarchy of values: (i) vendor-specific objective evidence of fair value, (ii) third-party evidence of selling price, and (iii) best estimate of the selling price (BESP). The BESP reflects the Company's best estimate of what the selling price would be if the deliverable was regularly sold by it on a stand-alone basis. The Company expects, in general, to use BESP for allocating consideration to each deliverable. In general, the consideration allocated to each unit of accounting is then recognized as the related goods or services are delivered limited to the consideration not contingent upon future deliverables.

For multiple-element arrangements entered into prior to January 1, 2011 and not materially modified thereafter, the Company continues to apply its prior accounting policy with respect to such arrangements. Under this policy, in general, revenue from non-refundable, upfront fees related to intellectual property rights/licenses where the Company has continuing involvement is recognized ratably over the estimated period of ongoing involvement because there was no objective and reliable evidence of fair value for any undelivered item to allow the delivered item to be considered a separate unit of accounting. This requirement with respect to the fair value of undelivered items was eliminated in the newly issued accounting standard. In general, the consideration with respect to the other deliverables is recognized when the goods or services are delivered.

The Company's deliverables under its collaboration agreement with Hoffman-La Roche (Roche), including the related rights and obligations, contractual cash flows and performance periods, are more fully described in Note 8. Certain of the deliverables have been combined as a single unit of accounting.

The cash flows associated with the single unit of accounting from the research and development portions of the Company's collaborations are recognized as revenue using a time-based model. Under this model, cash flow streams are recognized as revenue over the estimated performance period. Upon achievement of milestones, as defined in the collaboration agreements, revenue is recognized to the extent the accumulated service time, if any, has occurred. The remainder is deferred and recognized as revenue ratably over the remaining estimated performance period. A change in the period of time expected to complete the deliverable is accounted for as a change in estimate on a prospective basis. Revenue is limited to amounts that are non-refundable and that the Company's collaborators are contractually obligated to pay to the Company.

Royalty revenues are based upon a percentage of net sales. Royalties from the sales of products will be recorded on the accrual basis when results are reliably measurable, collectibility is reasonably assured and all other revenue recognition criteria are met. Sales milestones, which are based upon the achievement of certain agreed-upon

sales thresholds, will be recognized in the period in which the respective sales threshold is achieved and collectibility is reasonably assured.

Grant Revenue

In March 2011, the Company received a one-year grant from the Department of Defense, in the approximate amount of $1 million, related to the research and development of STA-9584 in advanced prostate cancer. The Company initiated work on this study upon the commencement of the grant period in April 2011. Reimbursements are based on actual costs agreed upon in the proposal (salary, fringe benefits, overhead, and direct costs such as materials and subcontractors). The Company recognized $211,000 of grant revenue during the three months ended June 30, 2011 under this grant.

Deferred Collaboration Revenue

Consistent with the Company's policy on revenue recognition, deferred collaboration revenue represents cash received and amounts earned and invoiced for licensing and option fees and milestones, as well as cash received and amounts invoiced for research and development services to be performed by the Company. Such amounts are reflected as deferred collaboration revenue until revenue can be recognized under the Company's revenue recognition policy. Deferred collaboration revenue is classified as current if management believes the Company will complete the earnings process and be able to recognize the deferred amount as revenue within 12 months of the balance sheet date. At June 30, 2011, total deferred collaboration revenue of $4.4 million related to the Company's collaboration with Roche was determined to be current.

Stock-Based Compensation

The Company recognizes stock-based compensation expense based on the fair value of stock options granted to employees, officers and directors. The Company uses the Black-Scholes option pricing model as it is the most appropriate valuation method for its option grants. The Black-Scholes model requires inputs for risk-free interest rate, dividend yield, volatility and expected lives of the options. Since the Company has a limited history of stock activity, expected volatility for the period from April 1, 2009 through June 30, 2011 was based upon the weighted average historical volatility data of the Company's common stock and the historical volatility data from several guideline public biotechnology companies similar in size and value to the Company that also have stock compensation plans with similar terms. The Company uses its historical volatility combined with other similar public entity volatility information. The Company estimates the forfeiture rate based on historical data. Based on an analysis of historical forfeitures, the Company has applied a forfeiture rate of 10% to all options that vest upon completion of the first year of service following the date of grant. The analysis is re-evaluated at least annually and the forfeiture rate is adjusted as necessary. The risk-free rate for periods within the expected life of the option is based on the U.S. Treasury yield curve in effect at the time of the grant. The expected lives for options granted represent the period of time that options granted are expected to be outstanding. The Company uses the simplified method for determining the expected lives of options.

For awards with graded vesting, the Company allocates compensation costs on a straight-line basis over the requisite service period. The Company amortizes the fair value of each option over each option's service period, which is generally the vesting period.

Certain of the employee stock options granted by the Company are structured to qualify as incentive stock options (ISOs). Under current tax regulations, the Company does not receive a tax deduction for the issuance, exercise or disposition of ISOs if the employee meets certain holding requirements. If the employee does not meet the holding requirements, a disqualifying disposition occurs, at which time the Company may receive a tax deduction. The Company does not record tax benefits related to ISOs unless and until a qualifying disposition is reported. In the event of a disqualifying disposition, the entire tax benefit is recorded as a reduction of income tax expense. The Company has not recognized any income tax benefit for the share-based compensation arrangement due to the fact that the Company does not believe it is more likely than not it will recognize any deferred tax assets from such compensation cost recognized in the current period.

Comprehensive Loss

Comprehensive loss is defined as the change in equity of a business enterprise during a period from transactions, and other events and circumstances from non-owner sources. Changes in unrealized gains and losses on marketable securities represents the only difference between the Company's net loss and comprehensive loss.

For the three months and six months ended June 30, 2011 and 2010, comprehensive loss was as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Net loss	$ (12,502)	$ (9,074)	$ (23,903)	$ (18,382)
Changes in other comprehensive loss:				
Unrealized holding gains on marketable securities	7	—	13	—
Total comprehensive loss	$ (12,495)	$ (9,074)	$ (23,890)	$ (18,382)

Segment Reporting

Operating segments are determined based on the way management organizes its business for making operating decisions and assessing performance. The Company has only one operating segment, the discovery, development and commercialization of drug products.

Basic and Diluted Loss Per Common Share

Basic net loss per share is computed using the weighted average number of common shares outstanding during the period, excluding restricted stock that has been issued but is not yet vested. Diluted net loss per common share is computed using the weighted average number of common shares outstanding and the weighted average dilutive potential common shares outstanding using the treasury stock method. However, for the three months and six months ended June 30, 2011 and 2010, diluted net loss per share is the same as basic net loss per share as the inclusion of weighted average shares of unvested restricted common stock and common stock issuable upon the exercise of stock options would be anti-dilutive.

The following table summarizes outstanding securities not included in the computation of diluted net loss per common share as their inclusion would be anti-dilutive:

	June 30,	
	2011	2010
Common stock options	5,912,275	5,734,167
Unvested restricted common stock	73,610	130,340

Recent Accounting Pronouncements

In May 2011, the FASB issued ASU No. 2011-04, *Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs* (ASU No. 2011-04). This standard amends the requirements for measuring fair value and disclosing information about fair value measurements. ASU No. 2011-04 is effective for periods ending on or after December 15, 2011. The Company is currently evaluating the impact of adopting this pronouncement.

In June 2011, the FASB issued ASU No. 2011-05, *Comprehensive Income (Topic 220): Presentation of Comprehensive Income* (ASU No. 2011-05). ASU No. 2011-05 requires companies to present the components of net income and other comprehensive income either as one continuous statement or as two consecutive statements, eliminating the option to present components of other comprehensive income as part of the statement of changes in stockholders' equity. This update does not change the items which must be reported in other comprehensive income, how such items are measured or when they must be reclassified to net income. ASU No. 2011-05 is effective for the Company for interim and annual periods ending after December 15, 2011. The Company does not expect ASU No. 2011-05 to have a material impact on the Company's financial condition, results of operations or cash flows.

(3) Cash, Cash Equivalents and Marketable Securities

A summary of cash, cash equivalents and available-for-sale marketable securities held by the Company as of June 30, 2011 and December 31, 2010 is as follows:

	June 30, 2011			
	Cost	Unrealized gains	Unrealized losses	Fair value
	(in thousands)			
Cash and cash equivalents:				
Cash and money market funds (Level 1)	$ 18,889	$ —	$ —	$ 18,889
Corporate debt securities due within 3 months of date of purchase (Level 2)	7,002	—	—	7,002
Total cash and cash equivalents	$ 25,891	$ —	$ —	$ 25,891
Marketable securities:				
U.S. government sponsored entities due within 1 year of date of purchase (Level 2)	8,176	1	—	8,177
Corporate debt securities due within 1 year of date of purchase (Level 2)	28,812	9	—	28,821
Total marketable securities	36,988	10	—	36,998
Total cash, cash equivalents and marketable securities	$ 62,879	$ 10	$ —	$ 62,889

	December 31, 2010			
	Cost	Unrealized gains	Unrealized losses	Fair value
	(in thousands)			
Cash and cash equivalents:				
Cash and money market funds (Level 1)	$ 25,228	$ —	$ —	$ 25,228
U.S. government-sponsored entities and corporate debt securities due within 3 months of date of purchase (Level 2)	6,082	—	—	6,082
Total cash and cash equivalents	$ 31,310	$ —	$ —	$ 31,310
Marketable securities:				
U.S. government and government sponsored entities due within 1 year of date of purchase (Level 2)	19,666	—	(3)	19,663
Total cash, cash equivalents and marketable securities	$ 50,976	$ —	$ (3)	$ 50,973

(4) Property and Equipment

Property and equipment consist of the following:

	June 30, 2011	December 31, 2010
	(in thousands)	
Laboratory equipment	$ 12,418	$ 12,387
Leasehold improvements	4,528	4,528
Computers and software	2,116	2,177
Furniture and fixtures	1,058	1,050
	20,120	20,142
Less accumulated depreciation and amortization	(18,717)	(17,961)
	$ 1,403	$ 2,181

Depreciation and amortization expenses of property and equipment, including equipment purchased under capital leases, were approximately $384,000 and $482,000 for the three months ended June 30, 2011 and 2010, respectively, and $823,000 and $997,000 for the six months ended June 30, 2011 and 2010, respectively.

(5) Stockholders' Equity

Issuer-Directed Registered Direct Offering

In April 2011, the Company raised approximately $35.2 million in gross proceeds from the sale of an aggregate of 7,191,731 shares of its common stock at a purchase price of $4.89 per share, which was the closing price of the Company's common stock on the date of sale, in an issuer-directed registered direct offering. The shares were sold directly to investors without a placement agent, underwriter, broker or dealer, and no warrants were issued as part of this transaction. 1,581,493 shares were sold to certain of the Company's directors and the remainder of the shares were sold to institutional investors. The proceeds to the Company were approximately $34.8 million after deducting estimated offering expenses payable by the Company.

Equity Line of Credit

In October 2010, the Company entered into a common stock purchase agreement (Purchase Agreement) with Azimuth Opportunity Ltd. (Azimuth) pursuant to which the Company obtained an equity line of credit facility (Facility) under which it may sell, in its sole discretion, and Azimuth is committed to purchase, subject to the terms and conditions set forth in the Purchase Agreement, up to $35 million or 8,106,329 shares of the Company's common stock, whichever is fewer, over the 18-month term of the agreement. Each draw down is limited in size, unless otherwise mutually agreed by the parties, to the lesser of (i) certain agreed-upon draw down amounts (the largest of which is $4.25 million), based on the threshold price selected by the Company for the draw down, and (ii) 2.5% of the Company's market capitalization at the time of such draw down. Azimuth is not required to purchase shares of the Company's common stock if the threshold price is less than $2.00 per share. The per share price of the shares sold in each draw down will be determined based on the daily volume weighted average price of the Company's common stock on each trading day during the draw down period, less a discount ranging from 4.875% to 6%. The Purchase Agreement also provides that, from time to time and in the Company's sole discretion, the Company may grant Azimuth the right to exercise one or more options to purchase additional shares of common stock during each draw down pricing period for the amount of shares based upon the maximum option dollar amount and the option threshold price specified by the Company. There were no transaction fees or warrants issued by the Company to Azimuth in connection with execution of the Purchase Agreement. Shares under the Facility, if issued, will be registered under the Company's registration statement on Form S-3. Upon each sale of common stock to Azimuth, the Company will pay to Reedland Capital Partners a placement fee equal to 1.0% of the aggregate dollar amount received by the Company from such sale. To date, no shares have been sold to Azimuth under the Facility. The Purchase Agreement may be terminated by either party at any time.

(6) Stock-Based Compensation

The Company's 2006 Stock Plan provides for the grant of incentive stock options, nonstatutory stock options and non-vested stock to employees, officers, directors and consultants to the Company. A total of 6,400,000 shares of common stock have been reserved for issuance under the 2006 Stock Plan. In January 2011, the number of shares of common stock reserved for issuance under the 2006 Stock Plan was increased from 5,100,000 to 6,400,000 pursuant to an "evergreen" provision, which provides for an annual increase based on the lesser of 1,300,000 shares, 5% of the Company's then outstanding shares of common stock, or such other amount as the board of directors may determine. This increase was ratified by the board of directors in December 2010. The administration of the 2006 Stock Plan is under the general supervision of the compensation committee of the board of directors. The exercise price of the stock options is determined by the compensation committee of the board of directors, provided that incentive stock options are granted at not less than fair market value of the common stock on the date of grant and expire no later than ten years from the date the option is granted. Options vest over one to four years.

As of June 30, 2011, under its 2001 Stock Plan, which was terminated in March 2006, the Company had options outstanding to purchase 1,803,757 shares of its common stock and had no shares available for future issuance.

As of June 30, 2011, under its 2006 Stock Plan, the Company had options outstanding to purchase 4,108,518 shares of its common stock, had outstanding 73,610 restricted shares of common stock and had 1,747,719 shares available for future issuance.

The following table summarizes stock option activity during the six months ended June 30, 2011:

	Shares	Weighted average exercise price
Outstanding at January 1	5,326,979	$ 7.95
Options granted	1,168,165	5.31
Options exercised	(144,760)	2.57
Options cancelled	(438,109)	8.56
Outstanding at June 30	5,912,275	$ 7.52
Exercisable at June 30	3,874,244	$ 8.84

The weighted-average grant date fair values of options granted during the three months ended June 30, 2011 and 2010 were $4.47 and $3.53, respectively, and during the six months ended June 30, 2011 and 2010 were $4.29 and $3.28, respectively.

Non-Vested ("Restricted") Stock Awards With Service Conditions

The Company's share-based compensation plan provides for awards of restricted shares of common stock to senior management and non-employee directors. Restricted stock awards are subject to forfeiture if employment or service terminates during the prescribed retention period. Restricted shares issued to non-employee directors and senior management vest over the service period.

The following table summarizes unvested restricted shares during the six months ended June 30, 2011:

	Shares	Weighted average grant date fair value
Outstanding at January 1	140,613	$ 3.84
Granted	52,905	5.26
Vested	(113,377)	3.75
Cancelled	(6,531)	4.84
Outstanding at June 30	73,610	$ 4.92

Stock-Based Compensation Expense

For the three months and six months ended June 30, 2011 and 2010, the fair value of each employee stock option award was estimated on the date of grant based on the fair value method using the Black-Scholes option pricing valuation model with the following weighted average assumptions:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Risk-free interest rate	2.15%	2.98%	2.51%	2.76%
Expected life in years	6.25	6.25	6.25	6.25
Volatility	101%	102%	101%	102%
Expected dividend yield	—	—	—	—

Stock-based compensation expense during the three months and six months ended June 30, 2011 and 2010 was as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Stock-based compensation expense by type of award:				
Employee stock options	$ 714	$ 988	$ 1,422	$ 1,994
Restricted stock	98	147	217	228
Total stock-based compensation expense	$ 812	$ 1,135	$ 1,639	$ 2,222
Effect of stock-based compensation expense by line item:				
Research and development	$ 600	$ 858	$ 1,213	$ 1,685
General and administrative	212	277	426	537
Total stock-based compensation expense included in net loss	$ 812	$ 1,135	$ 1,639	$ 2,222

Unrecognized stock-based compensation expense as of June 30, 2011 was as follows (in thousands):

	Unrecognized stock compensation expense as of June 30, 2011	Weighted average remaining period (in years)
Employee stock options	$ 6,683	2.67
Restricted stock	261	1.37
Total	$ 6,944	2.62

(7) Other Accrued Liabilities

Other accrued liabilities consist of the following:

	June 30, 2011	December 31, 2010
	(in thousands)	
Compensation and benefits	$ 1,401	$ 2,903
Professional fees	1,048	921
Other	460	370
	$ 2,909	$ 4,194

(8) License and Development Agreements

Roche

In December 2008, as amended in February 2010, February 2011 and July 2011, the Company and Roche entered into a collaborative license agreement (the Roche Agreement) to discover, develop, and commercialize small-molecule drugs targeting calcium release-activated calcium modulator (CRACM) channels. The goal of this alliance is to develop a novel category of oral, disease-modifying agents for the treatment of rheumatoid arthritis and other autoimmune diseases and inflammatory conditions. The Roche Agreement consists of the following funding streams: an upfront license payment, reimbursements of certain research and development costs, product development milestones, sales milestones and product royalty payments.

Pursuant to the Roche Agreement, the Company received a non-refundable upfront license payment of $16 million in January 2009. Roche reimbursed all of the Company's research and certain early development costs

based upon research and development plans agreed to by the parties. These costs included committed research support over the initial two year research term that concluded on December 31, 2010. The Company has received approximately $21.2 million in research and development support under the Roche Agreement. The Company does not expect to receive any additional research and development support under the Roche Agreement. Roche received worldwide rights to develop and commercialize certain products, referred to as Licensed Compounds, which were identified and studied prior to the end of the initial two year research term. For these Licensed Compounds, Roche is responsible for development and commercialization, while the Company retains certain co-development and co-promotion rights. In February 2011, the Roche Agreement was amended to extend the term of the research license to enable Roche to continue performing research on certain compounds until June 30, 2011. The amendment also provided for the return to the Company of certain Licensed Compounds. In July 2011, the Roche Agreement was amended to further extend the term of the research license to Roche to continue performing research on certain compounds from June 30, 2011 through the term of the Roche Agreement, which, unless earlier terminated as provided in the Roche Agreement, continues until the expiration of Roche's royalty obligations to the Company for all licensed products under the Roche Agreement. The Company retains all development and commercialization rights for its CRACM inhibitor compounds other than the specified Licensed Compounds licensed to Roche under the Roche Agreement.

The Company is also eligible to receive additional payments, for each of three licensed products, should specified development and commercialization milestones be successfully achieved. Development milestones across multiple indications of up to $245 million could be earned for the first product, and up to half of this amount could be earned for each of the second and third products. Commercialization milestones of up to $170 million could be earned for each of three products. The Company will receive tiered royalties on sales of all approved, marketed products. Roche may terminate the agreement on a licensed compound-by-compound basis upon providing advance written notice.

The $16 million non-refundable upfront license payment is being recognized ratably using the time-based model over the estimated performance period through June 2012. Under the Roche Agreement, the Company recognized $1.1 million of license revenue in each of the three months ended June 30, 2011 and 2010, and $2.3 million in each of the six months ended June 30, 2011 and 2010. Reimbursements of research and development costs to the Company by Roche were recorded as cost sharing revenue in the period in which the related research and development costs were incurred. Under the Roche Agreement, the Company recognized $0 and $2.2 million of cost sharing revenue in the three months ended June 30, 2011 and 2010, respectively, and $0 and $5.1 million of cost sharing revenue in the six months ended June 30, 2011 and 2010. As the initial research term concluded in December 2010, the Company does not expect to earn any additional cost sharing revenue under the Roche Agreement. Development milestones will be recognized as collaboration revenue using the time-based model over the same performance period. No development milestones have been achieved as of June 30, 2011.

Co-Development Agreement

In July 2011, the Company entered into a co-development agreement with one of its clinical research organizations (CRO) for the conduct of certain company-sponsored clinical trials. Under the co-development agreement, this CRO will perform clinical research services under a reduced fee structure in exchange for a share of licensing payments and commercial revenues up to a specified maximum payment, which is defined as a multiple of the fee reduction realized.

(9) Term Loans

General Electric Capital Corporation

In September 2010, the Company entered into a $15 million loan and security agreement, as amended in July 2011, with General Electric Capital Corporation (GECC) and one other lender, all of which was funded at the closing in September 2010 (the GECC Term Loan). Interest on the borrowings under the GECC Term Loan accrues at an annual rate of 9.75%.

Under the GECC Term Loan, as amended in July 2011, the Company will make interest-only payments through January 2012, followed by 30 equal monthly payments of principal plus accrued interest on the outstanding balance. Under certain circumstances, the interest-only period may be extended through April 2012, followed by 27

equal monthly payments of principal plus accrued interest on the outstanding balance. In addition to the interest payable under the GECC Term Loan, the Company paid origination and amendment fees in the amount of $338,000 and is obligated to pay an exit fee of $525,000 at the time of the final payment of the outstanding principal.

Origination and exit fees are being amortized and accreted, respectively, to interest expense over the term of the GECC Term Loan. The Company paid approximately $212,000 of legal fees and expenses in connection with the GECC Term Loan. These expenses have been deferred and, together with the origination fees, are included in other assets, and will be expensed over the term of the GECC Term Loan. In the three months and six months ended June 30, 2011, the Company recognized approximately $63,000 and $130,000, respectively, in interest expense in connection with these origination, exit and transaction fees and expenses. In the three months and six months ended June 30, 2011, the Company recognized approximately $370,000 and $727,000, respectively, in interest expense related to the outstanding principal under the GECC Term Loan. No warrants were issued in connection with the GECC Term Loan. The Company may prepay the full amount of the GECC Term Loan, subject to prepayment premiums under certain circumstances.

The GECC Term Loan is secured by substantially all of the Company's assets, except its intellectual property. The Company has granted GECC a springing security interest in its intellectual property in the event the Company is not in compliance with certain cash usage covenants, as defined. The GECC Term Loan contains restrictive covenants, including the requirement for the Company to receive prior written consent of GECC to enter into loans, other than up to $4.0 million of equipment financing, restrictions on the declaration or payment of dividends, restrictions on acquisitions, and customary default provisions that include material adverse events, as defined. The Company has determined that the risk of subjective acceleration under the material adverse events clause is remote and therefore has classified the outstanding principal in current and long-term liabilities based on the timing of scheduled principal payments. In addition, at the time of the closing of the GECC Term Loan, the Company repaid approximately $787,000 of remaining principal outstanding under its existing equipment leases with GECC.

Oxford Finance Corporation

In March 2011, the Company entered into a $2 million loan and security agreement with Oxford Finance Corporation (Oxford), all of which was funded at the closing in March 2011 (the Oxford Term Loan). Interest on the borrowings under the Oxford Term Loan accrues at an annual rate of 13.35%. Beginning in May 2011, the Company began making 36 equal monthly payments of principal plus accrued interest on the outstanding balance. The Company recognized approximately $65,000 in interest expense during the three months and six months ended June 30, 2011 related to the outstanding principal under the Oxford Term Loan. In addition to the interest payable under the Oxford Term Loan, the Company paid approximately $66,000 of administrative and legal fees and expenses in connection with the Oxford Term Loan. These expenses have been deferred and are included in other assets, and will be expensed over the term of the Oxford Term Loan. No warrants were issued in connection with the Oxford Term Loan. The Company may prepay the full amount of the Oxford Term Loan, subject to prepayment premiums under certain circumstances. Oxford has the right to require the Company to prepay the full amount of the Oxford Term Loan if the Company prepays the full amount of the GECC Term Loan under certain circumstances.

The Oxford Term Loan is secured by certain laboratory and office equipment, furniture and fixtures acquired through September 30, 2010. In connection with the Oxford Term Loan, Oxford and GECC entered into a Lien Subordination Agreement, whereby GECC granted Oxford a first priority perfected security interest in the loan collateral. The Oxford Term Loan contains restrictive covenants, including the requirement for the Company to receive the prior written consent of Oxford to enter into acquisitions in which the Company incurs more than $2.0 million of related indebtedness, and customary default provisions that include material adverse events, as defined. The Company has determined that the risk of subjective acceleration under the material adverse events clause is remote and therefore has classified the outstanding principal in current and long-term liabilities based on the timing of scheduled principal payments.

Future principal payments under the GECC and Oxford Term Loans as of June 30, 2011 are approximately as follows (in thousands):

Year Ending December 31,	
2011	$ 286
2012	6,134
2013	6,724
2014	3,764
	$ 16,908

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

You should read this discussion together with the consolidated financial statements, related notes and other financial information included elsewhere in this Quarterly Report on Form 10-Q. The following discussion may contain predictions, estimates and other forward-looking statements that involve a number of risks and uncertainties, including those discussed under "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2010 filed with the Securities and Exchange Commission. These risks could cause our actual results to differ materially from any future performance suggested below.

Overview

Synta Pharmaceuticals Corp. is a biopharmaceutical company focused on discovering, developing, and commercializing small molecule drugs to extend and enhance the lives of patients with severe medical conditions, including cancer and chronic inflammatory diseases. We have two drug candidates in clinical trials for treating multiple types of cancer and several drug candidates in the preclinical stage of development. Each of our drug candidates was discovered and developed internally using our proprietary, unique chemical compound library and integrated discovery engine. We have granted Hoffman-La Roche, or Roche, an exclusive license to develop and commercialize certain compounds from our calcium release activated calcium modulator, or CRACM, program resulting from our research partnership with them. We retain full ownership of all of our other drug candidates.

We believe that our competitive advantages include: the broad clinical and commercial potential of our drug candidates; the strength of our intellectual property portfolio, consisting of over 700 issued and pending patents; our proprietary chemical compound library and the strength of our drug discovery platform, with which we have generated all of our drug candidates; our ability to integrate discovery, translational, and clinical research to optimize our scientific and clinical choices and further strengthen our intellectual property position; our operational experience in effectively managing large-scale, global clinical programs; the ownership of our programs, which creates strategic flexibility in partnership discussions that can be used to enhance the value we may ultimately capture from our drug candidates; our strong network of relationships with leading investigators and institutions, which facilitates our ability to conduct clinical trials efficiently; and the skills, talent, and level of industry experience of our employees. We believe that these competitive advantages provide us with multiple, sustainable growth opportunities.

We were incorporated in March 2000 and commenced operations in July 2001. Since that time, we have been principally engaged in the discovery and development of novel drug candidates. As of June 30, 2011, we have funded our operations principally with $346.5 million in net proceeds from private and public offerings of our equity, including $34.8 million in net proceeds from the sale of 7,191,731 shares of our common stock in an issuer-directed registered direct offering that was completed in April 2011, as well as $17.0 million in gross proceeds from two term loans, including $15 million from a term loan that was executed in September 2010 with General Electric Capital Corporation, or GECC, and one other lender, and $2 million from a term loan that was executed in March 2011 with Oxford Finance Corporation, or Oxford. In October 2010, we obtained a committed equity line of credit facility with Azimuth Opportunity Ltd., or Azimuth, under which we may sell up to a maximum of $35 million or 8,106,329 shares of our common stock, whichever is fewer, over the 18-month term of the agreement, subject to certain conditions and limitations. To date, no shares have been sold to Azimuth under this facility.

In addition to raising capital from financing activities, we have also received substantial capital from partnering activities. In October 2007, we entered into a global collaborative development, commercialization and license agreement with GlaxoSmithKline, or GSK, for the joint development and commercialization of elesclomol. This collaboration was terminated in September 2009. In December 2008, as amended, we entered into a collaborative license agreement with Roche, or the Roche Agreement, for our CRACM inhibitor program, which is currently in the preclinical stage. As of June 30, 2011, we have received $167.2 million in nonrefundable partnership payments under these agreements with GSK and with Roche, including $96 million in upfront payments, $50 million in operational milestones and $21.2 million in research and development funding. As of June 30, 2011, these nonrefundable partnership payments together with the net cash proceeds from equity financings, the term loans from GECC and Oxford, and the exercise of common stock warrants and options, provided aggregate net cash proceeds of approximately $532.6 million. We have also generated funds from government grants, equipment lease financings and investment income. We are engaged in preliminary partnership discussions for a number of our programs, which may provide us with additional financial resources if consummated.

We have devoted substantially all of our capital resources to the research and development of our drug candidates. Since our inception, we have had no revenues from product sales. As of June 30, 2011, we had an accumulated deficit of $375.0 million. We expect to incur significant operating losses for the foreseeable future as we advance our drug candidates from discovery through preclinical development and clinical trials, and seek regulatory approval and eventual commercialization. We will need to generate significant revenues from product sales to achieve future profitability and may never do so.

Oncology Programs

We have two clinical-stage programs and one preclinical-stage program in oncology:

Ganetespib (Hsp90 Inhibitor)

Ganetespib (formerly STA-9090) is a potent, synthetic, small molecule inhibitor of Hsp90, a chaperone protein that is essential to the function of certain other proteins that drive the growth, proliferation, and survival of many different types of cancer.

Many of the known oncogenic proteins that play major roles in pathogenesis of solid tumor and hematologic malignancies are client proteins of Hsp90. By inhibiting Hsp90, ganetespib causes the degradation of these client proteins and the subsequent death of cancer cells dependent on these growth factors. Ganetespib is structurally unrelated to the ansamycin family of first-generation Hsp90 inhibitors (such as 17-AAG and IPI-504) and has shown superior activity to these agents in preclinical studies.

Ganetespib is currently being evaluated in a broad range of clinical trials, including trials in non-small cell lung, colon, gastric, prostate, breast, pancreatic, small cell lung, ocular melanoma, hepatic and hematologic cancers. In total, over 400 patients have been treated with ganetespib to date. In these trials and our Phase 1 studies, ganetespib has shown clear evidence of clinical activity, including objective responses and prolonged tumor shrinkage in patients who have progressed after, or failed to respond to, treatment with commonly-used drugs for these tumors. The safety profile has been favorable, with no evidence of the serious bone marrow toxicities and neuropathy often seen with chemotherapy, or the severe liver or common ocular toxicities seen with other Hsp90 inhibitors. The most common adverse event seen with ganetespib is diarrhea, which has been manageable with standard supportive care. The favorable safety profile offers the opportunity to develop ganetespib both as a single agent and in combination with a range of widely used anti-cancer treatments, including chemotherapy, kinase inhibitors, monoclonal antibodies, and radiotherapy.

In June and July 2011, we presented results from a Phase 2 trial of ganetespib in non-small cell lung cancer, or NSCLC, at the Annual Meeting of the American Society of Clinical Oncology, or ASCO, and the International Association for the Study of Lung Cancer, or IASLC, 14th World Conference on Lung Cancer, respectively. Patients in this trial had failed to respond to, or experienced disease progression following treatment with, numerous prior therapies for lung cancer. In this trial, as in other trials, ganetespib had a favorable safety profile without the serious hepatic or ocular toxicities reported with other Hsp90 inhibitors. Clear evidence of clinical activity was observed following treatment with ganetespib as a monotherapy, including durable, objective tumor responses in certain patients, as evaluated by standard Response Evaluation Criteria in Solid Tumors, or RECIST. The Disease Control Rate, using the standard definition of Complete Response plus Partial Response plus Stable Disease, was 54%. This rate compares favorably with Disease Control Rates observed in trials for approved and experimental agents in a similar broad advanced progressive disease patient population.

Results presented at these meetings showed a clear signal of correlation between single-agent ganetespib clinical activity and certain tumor gene profiles. Four of eight patients for whom genetic testing of their tumors indicated an anaplastic lymphoma kinase, or ALK, gene rearrangement experienced durable, objective responses following treatment with ganetespib. A total of six of these eight patients experienced tumor shrinkage, and seven of these eight patients achieved disease control lasting 16 weeks or more.

In addition to the encouraging anti-tumor activity seen in patients with ALK rearrangement genetic profile, an encouraging signal was seen in patients for whom genetic testing of their tumors indicated a KRAS mutation (a certain mutation in the kRAS gene), a patient population with limited treatment options. Eight of 13 patients with KRAS mutation genetic profile showed shrinkage of target tumor lesions following treatment with single-agent ganetespib. We plan to continue to monitor and evaluate results for ganetespib in these two patient populations.

In June 2011 at ASCO, we also presented results from a Phase 2 single agent clinical trial of ganetespib in gastrointestinal stromal tumors, or GIST, and gave an update on a Phase 1 trial in solid tumors evaluating a twice-weekly administration schedule. In the Phase 2 study of GIST, ganetespib was well tolerated in this heavily pretreated patient population and showed activity in approximately half of GIST patients evaluated with PET imaging. The Disease Control Rate at 16 weeks in evaluable patients was 22%. There were no objective responses. The Phase 1 twice-weekly schedule trial results demonstrate that ganetespib is well-tolerated and has promising clinical activity. Objective tumor responses were seen in a patient with triple negative breast cancer and a patient with melanoma. In addition, 15 patients out of 41 patients who were assessable for response achieved stable disease. These results suggest that twice weekly treatment with ganetespib is clinically feasible.

The favorable safety profile seen to date with ganetespib, together with single agent clinical activity and preclinical results demonstrating that treatment with ganetespib can inhibit mechanisms of resistance to certain chemotherapies or targeted drugs, support a combination therapy approach to clinical development. The combination approach involves trials evaluating the safety and activity of administering ganetespib together with certain agents.

Results to date suggest potential for combining ganetespib and taxanes. These include a strong scientific rationale based on multiple mechanisms of synergistic anti-cancer activity; the consistent synergy effects seen between ganetespib and taxanes in preclinical tumor models; the well-tolerated safety profile seen in our ongoing Phase 1 combination study of ganetespib and docetaxel; and encouraging safety and signs of activity seen in our Phase 2 NSCLC trial in those patients who received both ganetespib and docetaxel.

Based on these supportive results for the combination approach, together with the clinical activity seen with ganetespib as a single agent in NSCLC, we initiated the GALAXY Trial™ (Ganetespib Assessment in Lung cAncer with docetaXel), a Phase 2b/3 trial in NSCLC of ganetespib plus docetaxel versus docetaxel alone in the second quarter of 2011. This trial is designed as a registration-enabling program with two stages. The first stage is an approximately 240 patient Phase 2b portion designed to establish the clinical benefit and safety profile of ganetespib in combination with docetaxel relative to docetaxel alone, and to identify the patient populations, by biomarker or other disease characteristics, that may be most responsive to treatment with ganetespib. The first stage of this trial will be used to build the clinical and operational experience needed to optimize the design of the second stage, Phase 3 portion of the trial. The second stage, Phase 3 portion of the trial is expected to enroll between 400 to 600 patients. Interim data from the Phase 2b portion is expected to be available in early 2012.

In addition to the Phase 2b/3 trial in NSCLC, we expect to initiate a number of new investigator-sponsored or foundation-sponsored trials in 2011, including trials in combination with radiotherapy; a trial in melanoma; a randomized Phase 2b combination trial in acute myeloid leukemia; additional combination trials in breast cancer; and a trial in multiple myeloma, both as a single agent and in combination with Velcade. An investigator-sponsored Phase 2 trial of ganetespib in combination with dutasteride in patients with castration-resistant prostate cancer was initiated in June 2011. The clinical trial in multiple myeloma is supported by a grant of up to $1 million by the Multiple Myeloma Research Foundation.

Based on the favorable clinical trial results in NSCLC patients with ALK rearrangements and other emerging signals of clinical activity we plan to initiate new company-sponsored trials in 2012 including additional trials in NSCLC, breast cancer, and in combination with other standard-of-care anticancer therapies.

Elesclomol (Mitochondria-Targeting Agent)

Elesclomol is a first-in-class, investigational drug candidate that triggers programmed cell death, or apoptosis, in cancer cells through a novel mechanism: disrupting cancer cell mitochondrial metabolism.

Elesclomol binds copper in plasma, which causes a change in conformation that enables its uptake through membranes and into cells. Elesclomol binds copper in an oxidative, positively charged, state called Cu(II). Once inside mitochondria, an interaction with the electron transport chain reduces the copper from Cu(II) to Cu(I), resulting in a cascade of redox reactions, a rapid increase of oxidative stress, disruption of mitochondrial energy production, and the initiation of the mitochondrial apoptosis pathway.

Mitochondria generate energy for cells, but also can induce apoptosis under certain conditions, such as a high level of oxidative stress. By sensitizing mitochondria and reducing barriers to apoptosis, elesclomol may provide a means to overcome resistance to traditional chemotherapy or targeted therapy.

Elesclomol targets active cancer cell mitochondria, which use oxygen for energy production. In preclinical experiments, anti-cancer activity of elesclomol has been shown to correlate with certain biomarkers, including lactate dehydrogenase, or LDH, which can distinguish between active mitochondria (sufficient oxygen) and inactive mitochondria (insufficient oxygen). Consistent with these findings, results from three randomized clinical trials with elesclomol have established that patient baseline serum level of LDH is an important predictor of elesclomol treatment outcome. All current and planned trials with elesclomol incorporate use of these biomarkers to select for patients most likely to benefit from treatment.

Elesclomol is currently in a Phase 2 clinical trial in ovarian cancer in combination with paclitaxel and a Phase 1 clinical trial in AML as a single agent. In 2012, we plan to initiate a Phase 2b trial for elesclomol in NSCLC with a trial design similar to our prior Phase 2b trial for elesclomol in NSCLC. This new trial is expected to enroll approximately 180 patients, and will include a dose-escalation and safety portion to optimize the dose selection for the Phase 2b portion.

STA-9584 (Vascular Disrupting Agent)

STA-9584 is a novel, injectable, small molecule compound that appears to disrupt the blood vessels that supply tumors with oxygen and essential nutrients, and is in preclinical development.

In November 2010, we announced that the United States Department of Defense, or DoD, recommended a $1 million grant for the development of STA-9584, in advanced prostate cancer. In March 2011, the DoD formally approved this $1 million grant and we initiated work on this study in the second quarter of 2011.

Our Inflammatory Disease Programs

We have two preclinical-stage programs focusing on treatments for inflammatory diseases. Both of our inflammatory disease programs focus on oral, disease-modifying drug candidates that act through novel mechanisms and could potentially target multiple indications.

CRACM Ion Channel Inhibitors

We have developed novel, small molecule inhibitors of CRACM ion channels expressed on immune cells. Our CRACM ion channel inhibitors have shown strong anti-inflammatory activity in preclinical studies both *in vitro* and *in vivo*, inhibiting T cell and mast cell activity, including cytokine release, degranulation, and immune cell proliferation. Potential applications include a wide range of inflammatory diseases and disorders for which modulating T cell and mast cell function has been shown to be critical, including rheumatoid arthritis, or RA, psoriasis, severe asthma, chronic obstructive pulmonary disease, transplant rejection, and other autoimmune diseases and inflammatory conditions. As part of our strategic alliance with Roche, Roche is advancing several compounds in preclinical development.

While Roche has an exclusive license to certain specific compounds developed by us during the term of our research collaboration, all other intellectual property rights to our CRACM program are fully owned by us. We have several CRACM inhibitors, not licensed to Roche, in lead optimization. Because there are a number of CRACM ion channel targets on immune cells, we believe that CRACM inhibitor compounds can be developed that target distinct immune cell types, which lead to the potential of distinct families of CRACM inhibitors for treating distinct immune system disease.

Roche CRACM Inhibitor Alliance

In December 2008, as amended in February 2010, February 2011 and July 2011, we formed a strategic alliance with Roche to discover, develop, and commercialize small-molecule drugs targeting CRACM channels. We refer herein to the agreement, as amended, as the Roche Agreement. The goal of this alliance is to develop a novel category of oral, disease-modifying agents for the treatment of RA and other autoimmune diseases and inflammatory conditions.

Under the terms of the Roche Agreement, we received a $16 million non-refundable upfront license fee. Roche funded research and development conducted by us, which included discovery and certain early development activities. We have received approximately $21.2 million in research and development support under the Roche Agreement. Roche received worldwide rights to develop and commercialize certain products, referred to as Licensed Compounds, which were identified and studied prior to the completion of the two-year research term on December 31, 2010. We do not expect to earn any additional cost sharing revenue or receive any additional research and development support under the Roche Agreement. Roche is responsible for development and commercialization of the Licensed Compounds, while we retain certain co-development and co-promotion rights. We are also eligible to receive additional payments, for each of three Licensed Compounds, should specified development and commercialization milestones be successfully achieved. Development milestones across multiple indications of up to $245 million could be earned for the first product, and up to half of this amount could be earned for each of the second and third products. Commercialization milestones of up to $170 million could be earned for each of three products. We will also receive tiered royalties on sales of all approved, marketed products containing Licensed Compounds.

In the February 2011 amendment of the Roche Agreement, we extended the term of the research license for Roche to continue performing research on certain specified compounds until June 30, 2011. That amendment also provided for the return to us of certain Licensed Compounds. We retain all development and commercialization rights for our CRACM inhibitor compounds other than the specific Licensed Compounds licensed to Roche under the Roche Agreement. In July 2011, the Roche Agreement was amended to further extend the term of the research license for Roche to continue performing research on certain compounds from June 30, 2011 through the term of the Roche Agreement, which, unless earlier terminated as provided in the Roche Agreement, continues until the expiration of Roche's royalty obligations to us for all licensed products under the Roche Agreement.

IL-12/23 Inhibitors

We have identified several small molecule IL-12/23 inhibitors that represent a promising opportunity to develop drug candidates that could be administered orally and potentially address a wide range of serious inflammatory diseases with high unmet medical needs.

Financial Operations Overview

Revenue

We have not yet generated any product revenue and do not expect to generate any product revenue in the foreseeable future, if at all. Our revenues have been generated primarily through partnership agreements with GSK and Roche. The terms of these agreements include payment to us of upfront license fees, milestone payments, research and development cost sharing and royalties. We will seek to generate revenue from product sales and from future collaborative or strategic relationships. Upfront license payments and milestones are recognized ratably as collaboration revenue using the time-based model over the estimated performance period and any changes in the estimated performance period could result in substantial changes to the period over which these revenues are recognized. In the future, we expect any revenue we generate will fluctuate from quarter-to-quarter as a result of the timing and amount of payments received and expenses incurred under future collaborations or strategic relationships, and the amount and timing of payments we receive upon the sale of our drug candidates, to the extent any are successfully commercialized.

Research and Development

Research and development expense consists of costs incurred in connection with developing and advancing our drug discovery technology and identifying and developing our drug candidates. We charge all research and development expenses to operations as incurred.

Our research and development expense consists of:

- internal costs associated with research, preclinical and clinical activities;
- payments to third party contract research organizations, investigative sites and consultants in connection with our preclinical and clinical development programs;
- costs associated with drug formulation and supply of drugs for clinical trials;
- personnel related expenses, including salaries, stock-based compensation, benefits and travel; and
- overhead expenses, including rent and maintenance of our facilities, and laboratory and other supplies.

We do not know if we will be successful in developing our drug candidates. We believe that accurately projecting total program-specific expenses through commercialization is not possible at this time. The timing and amount of these expenses will depend upon the costs associated with potential future clinical trials of our drug candidates, and the related expansion of our research and development organization, regulatory requirements, advancement of our preclinical programs and product manufacturing costs, many of which cannot be determined with accuracy at this time based on our stage of development. This is due to the numerous risks and uncertainties associated with the duration and cost of clinical trials, which vary significantly over the life of a project as a result of unanticipated events arising during clinical development, including with respect to:

- the number of clinical sites included in the trial;
- the length of time required to enroll suitable subjects;
- the number of subjects that ultimately participate in the trials; and
- the efficacy and safety results of our clinical trials and the number of additional required clinical trials.

Our expenditures are subject to additional uncertainties, including the terms and timing of regulatory approvals and the expense of filing, prosecuting, defending or enforcing any patent claims or other intellectual property rights. In addition, we may obtain unexpected or unfavorable results from our clinical trials. We may elect to discontinue, delay or modify clinical trials of some drug candidates or focus on others. A change in the outcome of any of the foregoing variables in the development of a drug candidate could mean a significant change in the costs and timing associated with the development of that drug candidate. For example, if the U.S. Food and Drug Administration or other regulatory authority were to require us to conduct clinical trials beyond those that we currently anticipate, or if we experience significant delays in any of our clinical trials, we would be required to expend significant additional financial resources and time on the completion of clinical development. Additionally, future commercial and regulatory factors beyond our control will evolve and therefore impact our clinical development programs and plans over time. In 2011, we

anticipate that our overall research and development expenses for personnel and external costs will increase as we further advance the clinical development of ganetespib and elesclomol. However, these increases will be offset in part due to the anticipated lower investment in CRACM research following the conclusion on December 31, 2010 of the initial two-year research term under the Roche Agreement.

Beyond our current lead drug candidates, we anticipate that we will select drug candidates and research projects for further development on an ongoing basis in response to their preclinical and clinical success, as well as commercial potential.

General and Administrative

General and administrative expense consists primarily of salaries and related expenses for personnel in executive, finance, business and commercial development, investor and medical community relations, human resources and administrative functions. Other costs include stock-based compensation costs, directors' and officers' liability insurance premiums, legal costs of pursuing patent protection of our intellectual property, fees for general legal, accounting, public-company requirements and compliance, and other professional services, as well as overhead-related costs not otherwise included in research and development. In 2011, we anticipate our general and administrative expenses will remain at levels similar to 2010.

Critical Accounting Policies and Estimates

Our management's discussion and analysis of our financial condition and results of operations are based on our financial statements which have been prepared in accordance with U.S. generally accepted accounting principles, or GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported periods. We are required to make estimates and judgments with respect to research contract accruals, the recoverability of long-lived assets, measurement of stock-based compensation and the periods of performance under collaborative research and development agreements. We base our estimates on historical experience, known trends and events, and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources and the reported amounts of revenues and expenses. Actual results may differ from these estimates under different assumptions or conditions.

There have been no significant changes to our critical accounting policies in 2011.

In October 2009, the Financial Accounting Standards Board issued a new accounting standard, ASU No. 2009-13 *Multiple-deliverable Revenue Arrangements*, which amends the guidance on the accounting for arrangements involving the delivery of more than one element. This standard addresses the determination of the unit(s) of accounting for multiple-element arrangements and how the arrangement's consideration should be allocated to each unit of accounting. We adopted this new accounting standard on a prospective basis for all multiple-element arrangements entered into on or after January 1, 2011 and for any multiple-element arrangements that were entered into prior to January 1, 2011 but materially modified on or after January 1, 2011. The adoption of this new standard did not have a material impact on our financial statements or results of operations. Refer to Note 2, "Summary of Significant Accounting Polices," in the accompanying notes to the condensed consolidated financial statements.

In March 2011, we received a one-year grant from the DoD, in the approximate amount of $1 million, related to the research and development of STA-9584 in advanced prostate cancer. We initiated work on this study upon the commencement of the grant period in April 2011. Reimbursements are based on actual costs agreed upon in the proposal (salary, fringe benefits, overhead, and direct costs such as materials and subcontractors).

You should read the following discussion of our reported financial results in conjunction with the critical accounting policies disclosed in our Annual Report on Form 10-K for the year ended December 31, 2010, as filed with the Securities and Exchange Commission on March 11, 2011.

Consolidated Results of Operations

Three Months Ended June 30, 2011 Compared with Three Months Ended June 30, 2010

Revenue

	Three Months Ended June 30,		2011 to 2010 Change	
	2011	2010	$	%
	(dollars in millions)			
Collaboration revenue				
License and milestone revenue—Roche	$ 1.1	$ 1.1	$ —	—%
Cost sharing reimbursements, net—Roche	—	2.2	(2.2)	(100)%
Total collaboration revenue	1.1	3.3	(2.2)	(67)%
Grant revenue	0.2	—	0.2	—%
Total revenue	$ 1.3	$ 3.3	$ (2.0)	(61)%

In 2011 as compared to 2010, cost sharing reimbursements from Roche decreased by $2.2 million as the initial two-year research term under the Roche Agreement concluded on December 31, 2010 and, accordingly, we do not expect to earn any additional cost sharing revenue or receive any additional research and development support under the Roche Agreement.

In March 2011, the DoD formally approved a $1 million grant for the development of STA-9584 in advanced prostate cancer and we initiated work on this study in the second quarter of 2011.

Research and Development Expense

	Three Months Ended June 30,		2011 to 2010 Change	
	2011	2010	$	%
	(dollars in millions)			
Clinical-stage drug candidates				
Ganetespib	$ 7.4	$ 6.3	$ 1.1	17%
Elesclomol	1.1	0.5	0.6	120%
Total clinical-stage drug candidates	8.5	6.8	1.7	25%
CRACM	1.6	1.8	(0.2)	(11)%
Early stage programs and other	0.3	1.1	(0.8)	(73)%
Total research and development	$ 10.4	$ 9.7	$ 0.7	7%

In 2011 as compared to 2010, costs incurred under our ganetespib program increased by $1.1 million, including increases of $0.2 million for personnel-related costs, related research supplies, operational overhead and stock compensation, and $0.9 million for external costs. Costs incurred in connection with start-up activities related to the GALAXY trial that was initiated in the second quarter of 2011 and the conduct of investigator-sponsored studies were offset, in part, by lower costs in several company-sponsored clinical trials that are nearing completion. In 2011, we anticipate that the overall costs under our ganetespib program will continue to increase as we further advance clinical development, including the GALAXY trial and possible additional clinical trials in other cancer types, as well as the conduct of non-clinical supporting activities.

In 2011 as compared to 2010, costs incurred under our elesclomol program increased by $0.6 million, including increases of $0.2 million for personnel-related costs, related research supplies, operational overhead and stock compensation, and $0.4 million for external costs. These increases were principally related to the conduct of two clinical trials that were initiated in the first quarter of 2011, including a Phase 2 clinical trial of elesclomol in combination with paclitaxel in ovarian cancer that is being conducted by the Gynecological Oncology Group, or GOG, and a Phase 1 clinical trial of elesclomol as a single agent in AML, as well as supporting clinical drug supply.

In 2011 as compared to 2010, costs incurred under our CRACM program decreased by $0.2 million principally due to decreases of $0.2 million for personnel-related costs, related research supplies, operational overhead and stock compensation.

In 2011 as compared to 2010, costs incurred under our other early-stage programs decreased by $0.8 million principally due to decreases in personnel-related costs, related research supplies, operational overhead and stock compensation.

General and Administrative Expense

	Three Months Ended June 30,		2011 to 2010 Change	
	2011	2010	$	%
	(dollars in millions)			
General and administrative	$ 2.9	$ 2.7	$ 0.2	7%

In 2011 as compared to 2010, general and administrative expenses increased by $0.2 million principally due to a decrease of $0.1 million for personnel-related costs, operational overhead and stock compensation, offset by a $0.3 million increase for external costs. In 2011, we anticipate our general and administrative expenses will remain at levels similar to 2010.

Interest Expense, net

	Three Months Ended June 30,		2011 to 2010 Change	
	2011	2010	$	%
	(dollars in millions)			
Interest expense, net	$ 0.5	$ 0.1	$ 0.4	400%

In 2011 as compared to 2010, interest expense increased by $0.4 million principally due to interest expense in connection with the GECC Term Loan executed in September 2010 and the Oxford Term Loan executed in March 2011, offset, in part, by lower average principal balances of capital equipment leases. In 2011, we anticipate that interest expense will increase based upon a full year of interest expense related to the GECC Term Loan, as well as interest expense related to the Oxford Term Loan.

Six Months Ended June 30, 2011 Compared with Six Months Ended June 30, 2010

Revenue

	Six Months Ended June 30,		2011 to 2010 Change	
	2011	2010	$	%
	(dollars in millions)			
Collaboration revenue				
License and milestone revenue—Roche	$ 2.3	$ 2.3	$ —	—%
Cost sharing reimbursements, net—Roche	—	5.1	(5.1)	(100)%
Total collaboration revenue	2.3	7.4	(5.1)	(69)%
Grant revenue	0.2	—	0.2	—%
Total revenue	$ 2.5	$ 7.4	$ (4.9)	(66)%

In 2011 as compared to 2010, cost sharing reimbursements from Roche decreased by $5.1 million as the initial two-year research term under the Roche Agreement concluded on December 31, 2010 and, accordingly, we do not expect to earn any additional cost sharing revenue or receive any additional research and development support under the Roche Agreement.

In March 2011, the DoD formally approved a $1 million grant for the development of STA-9584 in advanced prostate cancer and we initiated work on this study in the second quarter of 2011.

Research and Development Expense

	Six Months Ended June 30,		2011 to 2010 Change	
	2011	2010	$	%
	(dollars in millions)			
Clinical-stage drug candidates				
Ganetespib	$ 13.9	$ 12.4	$ 1.5	12%
Elesclomol	2.2	1.2	1.0	83%
Total clinical-stage drug candidates	16.1	13.6	2.5	18%
CRACM	3.3	4.3	(1.0)	(23)%
Early stage programs and other	0.5	2.0	(1.5)	(75)%
Total research and development	$ 19.9	$ 19.9	$ —	—%

In 2011 as compared to 2010, costs incurred under our ganetespib program increased by $1.5 million, including increases of $0.5 million for personnel-related costs, related research supplies, operational overhead and stock compensation, and $1.0 million for external costs. Costs incurred in connection with start-up activities related to the GALAXY trial that was initiated in the second quarter of 2011 and the conduct of investigator-sponsored studies were offset, in part, by lower costs in several company-sponsored clinical trials that are nearing completion.

In 2011 as compared to 2010, costs incurred under our elesclomol program increased by $1.0 million, including increases of $0.5 million for personnel-related costs, related research supplies, operational overhead and stock compensation, and $0.5 million for external costs. These increases were principally related to the conduct of two clinical trials that were initiated in the first quarter of 2011, including a Phase 2 clinical trial of elesclomol in combination with paclitaxel in ovarian cancer that is being conducted by the GOG and a Phase 1 clinical trial of elesclomol as a single agent in AML, as well as supporting clinical drug supply.

In 2011 as compared to 2010, costs incurred under our CRACM program decreased by $1.0 million, including decreases of $0.8 million for personnel-related costs, related research supplies, operational overhead and stock compensation, and $0.2 million for external costs. These decreases are the result of a lower year-to-date investment in CRACM research following the conclusion on December 31, 2010 of the initial two-year research term under the Roche Agreement.

In 2011 as compared to 2010, costs incurred under our other early-stage programs decreased by $1.5 million principally due to decreases in personnel-related costs, related research supplies, operational overhead and stock compensation.

General and Administrative Expense

	Six Months Ended June 30,		2011 to 2010 Change	
	2011	2010	$	%
	(dollars in millions)			
General and administrative	$ 5.6	$ 5.8	$ (0.2)	(3)%

In 2011 as compared to 2010, general and administrative expenses decreased by $0.2 million principally due to a decrease of $0.3 million for personnel-related costs, operational overhead and stock compensation, offset by a $0.1 million increase for external costs.

Interest Expense, net

	Six Months Ended June 30,		2011 to 2010 Change	
	2011	2010	$	%
	(dollars in millions)			
Interest expense, net	$ 0.9	$ 0.1	$ 0.8	800%

In 2011 as compared to 2010, interest expense increased by $0.8 million principally due to interest expense in connection with the GECC Term Loan executed in September 2010 and the Oxford Term Loan executed in March 2011, offset, in part, by lower average principal balances of capital equipment leases.

Liquidity and Capital Resources

Cash Flows

The following table provides information regarding our cash position, cash flows and capital expenditures for the six months ended June 30, 2011 and 2010:

	Six Months Ended June 30,	
	2011	2010
	(dollars in millions)	
Cash, cash equivalents and marketable securities	$ 62.9	$ 48.7
Working capital	48.4	37.1
Cash flows (used in) provided by:		
Operating activities	(25.0)	(21.6)
Investing activities	(17.4)	(6.1)
Financing activities	36.9	26.1

Our operating activities used cash of $25.0 million and $21.6 million in 2011 and 2010, respectively. The use of cash in these periods principally resulted from our losses from operations, as adjusted for non-cash charges for depreciation and stock-based compensation, and changes in our working capital accounts.

In 2011, our investing activities used cash of $17.4 million, including purchases of marketable securities in the amount of $39.7 million, offset by $22.3 million in maturities of marketable securities in our investment portfolio. In 2010, our investing activities used cash of $6.1 million for the purchases of marketable securities in our investment portfolio.

Our financing activities provided cash of $36.9 million and $26.1 million in 2011 and 2010, respectively. In 2011, we raised $34.8 million in net proceeds from the sale of 7,191,731 shares of our common stock in an issuer-directed registered direct offering in April 2011. In 2011, we also raised $2.0 million in gross proceeds from the Oxford Term Loan that was executed in March 2011 (as defined below) and paid $0.1 million in corresponding principal payments, as well as raised $0.4 million from the exercise of common stock options. In 2010, we raised $26.7 million in net proceeds from the sale of 6,388,889 shares of our common stock in an underwritten public offering in January 2010. We repaid $0.2 million and $0.7 million in capital equipment leases in 2011 and 2010, respectively.

Contractual Obligations and Commitments

Except as follows, as of June 30, 2011, there have been no material changes to the contractual obligations and commitments included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2010.

- In March 2011, we entered into a $2.0 million term loan with Oxford as described below.
- In the second quarter of 2011, we renewed the leases for each of our research and office facilities under non-cancelable operating leases with terms expiring through 2016. Each of these leases contains a five-year renewal option. Future minimum payments, excluding operating costs and taxes, under these non-cancellable operating leases, are approximately as follows (in thousands):

Year Ending December 31,	
2011	$ 141
2012	2,058
2013	2,105
2014	2,123
2015	2,172
2016	1,965
	$ 10,564

- In July 2011, we entered into an amendment to the GECC Term Loan as described below.

Term Loans

General Electric Capital Corporation (GECC)

In September 2010, as amended in July 2011,we entered into a $15 million loan and security agreement with GECC and one other lender, all of which was funded at the closing in September 2010, which we refer to herein as the GECC Term Loan. Interest on the borrowings under the GECC Term Loan accrues at an annual rate of 9.75%. We will make interest-only payments through January 2012, followed by 30 equal monthly payments of principal plus accrued interest on the outstanding balance, and an exit fee of $525,000 upon the conclusion of the GECC Term Loan. (See Note 9.)

Oxford Finance Corporation (Oxford)

In March 2011, we entered into a $2 million loan and security agreement with Oxford, all of which was funded at the closing, which we refer to herein as the Oxford Term Loan. Interest on the borrowings under the Oxford Term Loan accrues at an annual rate of 13.35%. Beginning in May 2011, we began making 36 equal monthly payments of principal plus accrued interest on the outstanding balance. (See Note 9.)

Future principal payments under the GECC and Oxford Term Loans as of June 30, 2011 are approximately as follows (in thousands):

Year Ending December 31,		
2011	$	286
2012		6,134
2013		6,724
2014		3,764
	$	16,908

Issuer-Directed Registered Direct Offering

In April 2011, we raised approximately $35.2 million in gross proceeds from the sale of an aggregate of 7,191,731 shares of our common stock at a purchase price of $4.89 per share, which was the closing price of our common stock on the date of sale, in an issuer-directed registered direct offering. The shares were sold directly to investors without a placement agent, underwriter, broker or dealer, and no warrants were issued as part of this transaction. 1,581,493 shares were sold to certain of our directors and the remainder of the shares were sold to institutional investors. The proceeds to us were approximately $34.8 million after deducting estimated offering expenses payable by us.

Equity Line of Credit with Azimuth

In October 2010, we entered into a common stock purchase agreement, or the Purchase Agreement, with Azimuth Opportunity Ltd., or Azimuth, pursuant to which we obtained an equity line of credit facility, which we refer to as the Facility, under which we may sell, in our sole discretion, and Azimuth is committed to purchase, subject to the terms and conditions set forth in the Purchase Agreement, up to $35 million or 8,106,329 shares of our common stock, whichever is fewer, over the 18-month term of the agreement. Upon each sale of common stock to Azimuth, we will pay to Reedland Capital Partners a placement fee equal to 1.0% of the aggregate dollar amount received by us from such sale. To date, no shares have been sold to Azimuth under the Facility.

Liquidity

Funding Requirements

We expect to continue to incur significant operating expenses and capital expenditures and anticipate that our expenses and losses may increase substantially in the foreseeable future as we:

- complete the ongoing clinical trials of ganetespib in solid tumors, including the GALAXY trial, and hematologic cancers and initiate additional clinical trials of ganetespib if supported by trial results;

- complete preclinical development of an additional Hsp90 inhibitor and initiate clinical trials of this compound, if supported by the preclinical data;
- complete the ongoing clinical trials of elesclomol in AML and ovarian cancers, and initiate additional clinical trials of elesclomol, if supported by trial results;
- complete preclinical development of STA-9584 and initiate clinical trials, if supported by preclinical data;
- advance our CRACM inhibitor compounds not licensed to Roche under the Roche Agreement into preclinical development and initiate clinical trials, if supported by preclinical data;
- discover, develop, and seek regulatory approval for backups of our current drug candidates and other new drug candidates;
- identify additional compounds or drug candidates and acquire rights from third parties to those compounds or drug candidates through licenses, acquisitions or other means; and
- commercialize any approved drug candidates.

Our funding requirements will depend on a number of factors, including:

- the progress and results of our ongoing clinical trials of ganetespib and elesclomol, and any additional clinical trials we may initiate in the future based on the results of these clinical trials;
- the results of our preclinical studies of any additional Hsp90 inhibitors we may develop, our CRACM inhibitor compounds not licensed to Roche under the Roche Agreement and STA-9584, and our decision to initiate clinical trials, if supported by the preclinical and other test results;
- Roche's ability to satisfy its obligations under the Roche Agreement, including payment of milestone and royalty payments;
- uncertainty associated with costs, timing, and outcome of regulatory review of our drug candidates;
- the scope, progress, results, and cost of preclinical development, clinical trials, and regulatory review of any new drug candidates we may discover or acquire;
- the costs of preparing, filing, and prosecuting patent applications and maintaining, enforcing, and defending intellectual property-related claims;
- our ability to establish additional strategic collaborations and licensing or other arrangements on terms favorable to us;
- the costs to satisfy our obligations under potential future collaborations; and
- the timing, receipt, and amount of sales or royalties, if any, from ganetespib, elesclomol, STA-9584, our CRACM inhibitors, our IL-12/23 inhibitors and our other potential products.

As of June 30, 2011, we had $62.9 million in cash, cash equivalents and marketable securities, an increase of $11.9 million from $51.0 million as of December 31, 2010. This increase principally reflects the $34.8 million in net proceeds from the sale of 7,191,731 shares of our common stock in an issuer-directed registered direct offering in April 2011 and $2 million in gross proceeds from the Oxford Term Loan that was executed in March 2011, offset by cash used in operations as discussed under "Cash Flows" above.

We do not anticipate that we will generate product revenue in the foreseeable future, if at all. We expect our continuing operations to use cash over the next several years and such cash use may increase significantly from year to year. While we are engaged in multiple preliminary partnership discussions for each of our currently unpartnered programs, including ganetespib, elesclomol, STA-9584, CRACM compounds not licensed by Roche under the Roche Agreement, and our IL-12/23 inhibitors, which could result in one or more new partnership agreements, that may include upfront payments and cost-sharing provisions, there is no

guarantee we will be successful in entering into any such partnership agreements on commercially reasonable terms, if at all, or that we will receive any other revenue through these partnership efforts in the future. Based on our current operating levels, we expect our cash resources will be sufficient to fund operations into the second half of 2012. This estimate assumes that certain activities contemplated for 2012 will be conducted subject to the availability of sufficient financial resources. We continue to evaluate additional potential sources of funding, including partnership agreements, cost or risk-sharing arrangements, equity financings, use of our $35 million equity line of credit facility or other sources.

We may require significant additional funds earlier than we currently expect in order to conduct additional clinical trials and conduct additional preclinical and discovery activities. Because of the numerous risks and uncertainties associated with the development and commercialization of our drug candidates, we are unable to estimate the amounts of increased capital outlays and operating expenditures associated with our current and anticipated clinical trials.

To the extent our capital resources are insufficient to meet our future capital requirements, we will need to finance our future cash needs through public or private equity offerings, collaboration agreements, debt financings or licensing arrangements. However, the credit markets and the financial services industry have recently been experiencing a period of turmoil and uncertainty that have made equity and debt financing more difficult to obtain. Additional funding may not be available to us on acceptable terms or at all. In addition, the terms of any financing may adversely affect the holdings or the rights of our stockholders. For example, if we raise additional funds by issuing equity securities or by selling convertible debt securities, further dilution to our existing stockholders may result. If we raise funds through collaboration agreements or licensing arrangements, we may be required to relinquish rights to our technologies or drug candidates, or grant licenses on terms that are not favorable to us.

If adequate funds are not available, we may be required to terminate, significantly modify or delay our research and development programs, reduce our planned commercialization efforts, or obtain funds through collaborators that may require us to relinquish rights to our technologies or drug candidates that we might otherwise seek to develop or commercialize independently. Conversely, we may elect to raise additional funds even before we need them if the conditions for raising capital are favorable. We currently have an effective shelf registration statement on Form S-3, under which we currently have up to $81.1 million in securities available for issuance, including up to $35.0 million in shares of common stock that we may offer and sell under the equity line of credit with Azimuth. This registration statement was declared effective by the SEC on August 28, 2008 and pursuant to the rules of the SEC is due to expire on August 28, 2011. On August 4, 2011, we filed a new shelf registration statement on Form S-3 to register up to $150 million of our securities for issuance. This new registration statement is subject to SEC review and must be declared effective by the SEC. However, under SEC rules, if the new registration statement is not declared effective by August 28, 2011, we will be able to continue to use our effective registration statement until the earlier of (1) the effective date of the new registration statement or (2) 180 days after August 28, 2011.

Recent Accounting Pronouncements

Refer to Note 2, "Summary of Significant Accounting Polices," in the accompanying notes to the consolidated financial statements for a discussion of recent accounting pronouncements.

Certain Factors That May Affect Future Results of Operations

The Securities and Exchange Commission, or SEC, encourages companies to disclose forward-looking information so that investors can better understand a company's future prospects and make informed investment decisions. This Quarterly Report on Form 10-Q contains such "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995.

Words such as "may," "anticipate," "estimate," "expects," "projects," "intends," "plans," "believes" and words and terms of similar substance used in connection with any discussion of future operating or financial performance, identify forward-looking statements. All forward-looking statements are management's present expectations of future events and are subject to a number of risks and uncertainties that could cause actual results to differ materially and adversely from those described in the forward-looking statements. These risks include, but are not limited to those set forth under the heading "Risk Factors" contained in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2010 that we have filed with the SEC.

In light of these assumptions, risks and uncertainties, the results and events discussed in the forward-looking statements contained in this Quarterly Report on Form 10-Q might not occur. Stockholders are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this Quarterly Report on Form 10-Q. We are not under any obligation, and we expressly disclaim any obligation, to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise. All subsequent forward-looking statements attributable to Synta or to any person acting on its behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Interest Rate Sensitivity. As of June 30, 2011, we had cash, cash equivalents and marketable securities of $62.9 million consisting of cash deposited in a highly rated financial institution in the United States and in a short-term U.S. Treasury money market fund, as well as high-grade commercial paper and government-agency securities that are guaranteed by the U.S. government. The primary objective of our investment activities is to preserve our capital for the purpose of funding operations and we do not enter into investments for trading or speculative purposes. We believe that we did not have material exposure to high-risk investments such as mortgage-backed securities, auction rate securities or other special investment vehicles within our money-market fund investments. We believe that we do not have any material exposure to changes in fair value as a result of changes in interest rates. Declines in interest rates, however, would reduce future investment income. During the six months ended June 30, 2011, our investment income was negligible.

Capital Market Risk. We currently have no product revenues and depend on funds raised through other sources. One possible source of funding is through further equity offerings. Our ability to raise funds in this manner depends upon capital market forces affecting our stock price.

Item 4. Controls and Procedures.

(a) *Evaluation of Disclosure Controls and Procedures*. Our principal executive officer and principal financial officer evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

(b) *Changes in Internal Controls*. There were no changes in our internal control over financial reporting, identified in connection with the evaluation of such internal control that occurred during our last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

We are currently not a party to any material legal proceedings.

Item 1A. Risk Factors.

There have been no material changes to the risk factors included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2010.

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

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. [Removed and Reserved].

Item 5. Other Information.

None.

Item 6. Exhibits.

(a) *Exhibits*

10.1	Form of Common Stock Purchase Agreement, dated April 14, 2011, by and among the Registrant and each of the Investors participating in the Registrant's Registered Direct Common Stock Offering (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed April 15, 2011 (File No. 001-33277)).
10.2	Third Amendment, dated April 19, 2011, to Commercial Lease by and between Duffy Hartwell LLC, as successor in interest to Duffy Hartwell Limited Partnership, and the Registrant, as successor in interest to Shionogi BioResearch Corp., dated November 4, 1996, as amended (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed April 22, 2011 (File No. 001-33277)).
10.3	Lease Agreement, dated as of June 9, 2011, by and between the Registrant and 125 Hartwell Trust.
10.4	First Amendment, dated as of June 23, 2011, to Lease Agreement, dated December 14, 2006, by and between ARE-MA Region No. 24, LLC and the Registrant.
10.5	Third Amendment, dated as of July 1, 2011, to Loan and Security Agreement, dated as of September 30, 2010, as amended, by and among the Registrant, Synta Securities Corp., General Electric Capital Corporation, and MidCap Funding III, LLC.
†10.6	Third Amendment, executed July 15, 2011, to Collaboration and License Agreement, dated December 23, 2008, as amended, by and between the Registrant and F. Hoffmann-La Roche Ltd, and its affiliate, Hoffmann-La Roche Inc. (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed July 21, 2011 (File No. 001-33277)).
31.1	Certification of principal executive officer under Section 302(a) of the Sarbanes-Oxley Act of 2002.
31.2	Certification of principal financial officer under Section 302(a) of the Sarbanes-Oxley Act of 2002.

32.1	Certifications of the principal executive officer and the principal financial officer under Section 906 of the Sarbanes-Oxley Act of 2002.
101*	The following materials from Synta Pharmaceuticals Corp.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2011, formatted in XBRL (eXtensible Business Reporting Language): (i) the Unaudited Condensed Consolidated Balance Sheets, (ii) the Unaudited Condensed Consolidated Statements of Operations, (iii) the Unaudited Condensed Consolidated Statements of Cash Flows, and (iv) Notes to Unaudited Condensed Consolidated Financial Statements, tagged as blocks of text.

† Confidential portions of this document have been filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

* Users of the XBRL data are advised pursuant to Rule 406T of Regulation S-T that this interactive data file is deemed not filed or part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.

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SIGNATURES

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

SYNTA PHARMACEUTICALS CORP.

Date: August 4, 2011

By /s/ SAFI R. BAHCALL, PH.D
Safi R. Bahcall, Ph.D.
President and Chief Executive Officer
(principal executive officer)

Date: August 4, 2011

By: /s/ KEITH S. EHRLICH
Keith S. Ehrlich
Vice President Finance and Administration,
Chief Financial Officer (principal
accounting and financial officer)

Exhibit 10.3

EXHIBIT 1

BASIC PROVISIONS
AND
LEASE REFERENCE DATA

Execution Date:	June 9, 2011
TENANT and Original Address:	SYNTA PHARMACEUTICALS CORP. (name) a Delaware corporation (description of business organization) 125 Hartwell Avenue, Lexington, MA 02421 (Principal place of business — original address)
LANDLORD and Original Address:	125 Hartwell Trust, under Declaration of Trust dated February 20, 1980 and filed with the Middlesex South Registry District of the Land Court as Document No. 600788, as amended; Mailing Address - c/o Lexington Management Incorporated, 24 Hartwell Avenue, Lexington, MA 02421, Attention: President.
BUILDING:	The building in the Town of Lexington, Middlesex County, Massachusetts known as and numbered 125 Hartwell Avenue.
PROPERTY:	The Building and the land parcel on which it is located (including adjacent sidewalks).
COMMENCEMENT DATE:	See Section 5
TERM:	The period commencing on the Commencement Date and expiring on November 30, 2016, as the same may be extended as hereinafter provided.
PREMISES DESCRIPTION AND AREA:	The entire rentable area of the Building containing approximately 38,400 rentable square feet and substantially as shown on Exhibit 2, comprised of the following: (i) effective as of and from and after December 1, 2011, approximately 27,992 rentable square feet on the first and second floors of the Building currently demised by Tenant under the Existing Lease (as defined below) (the "Existing

	Premises"), and (ii) effective as of and from and after the Commencement Date in respect of the Expansion Premises, approximately 10,408 rentable square feet on the first floor of the Building labeled on Exhibit 2 as the "Synta Expansion Space" (the "Expansion Premises"), which was previously demised by Landlord to IBS America, Inc. ("IBS"). For purposes hereof, the term "Premises" as used herein shall mean (a) the Expansion Premises for the period commencing on the Commencement Date in respect of the Expansion Premises and ending on November 30, 2011, and (b) both the Expansion Premises and the Existing Premises from and after December 1, 2011.
BUILDING RENTABLE AREA:	38,400 square feet.
BASIC RENT:	Commencement Date in respect of the Expansion Premises — November 30, 2011: $0.00 December 1, 2011 – November 30, 2014: $844,800.00 per year (i.e., $70,400.00 per month), which is based upon a Basic Rent rental rate of $22.00 per rentable square foot of the Premises December 1, 2014 – November 30, 2016: $883,200.00 per year (i.e., $73,600.00 per month), which is based upon a Basic Rent rental rate of $23.00 per rentable square foot of the Premises
PERMITTED USES:	Office, research and development (including, without limitation, use of a vivarium); engineering, education and training of Tenant's customers and employees; light assembly and manufacturing; processing, packaging, marketing, sales and all other uses or activities incidental or related thereto.
TENANT'S PROPORTIONATE SHARE:	For the period from the Commencement Date in respect of the Expansion Premises through November 30, 2011, 27.10%; and 100.00% thereafter
BUILDING EXPENSE BASE:	The amount of Building Expenses (as hereinafter defined) for calendar year 2011.
BROKER:	Richards Barry Joyce & Partners, LLC
LANDLORD'S AGENT:	Lexington Management Incorporated, 24 Hartwell Avenue, Lexington, MA 02421

LEASE

THIS INSTRUMENT IS A LEASE, dated as of the Execution Date stated in Exhibit 1, in which Landlord and Tenant are the parties named in said Exhibit, and which relates to space in the Building. The parties to this instrument hereby agree with each other as follows:

1. Reference Data. All Exhibits attached to this Lease are hereby incorporated herein and made a part hereof.

2. Lease of Premises. Landlord hereby demises and leases to Tenant for the Term of this Lease and upon the terms and conditions hereinafter set forth, and Tenant hereby accepts from Landlord, the Premises described in Exhibit 1 and shown on Exhibit 2. Excepted and excluded from the Premises are the ceiling, floor, perimeter walls and exterior windows, except the inner surfaces of each thereof, but the interior entry doors (and related interior glass and finish work) to the Premises are a part thereof; and Tenant agrees that Landlord shall have the right to place in the Premises (but in such manner so as to minimize interference with Tenant's use of the Premises) utility lines, pipes, equipment and the like, in, over, upon and through the Premises, provided that such items are located in the central core of the Building, above ceiling surfaces, below floor surfaces and within perimeter walls, no reduction in square footage of the Premises shall result, and Landlord shall provide Tenant with reasonable advance notice of the foregoing. Tenant shall install and maintain, as Landlord may reasonably require, proper access panels in any hung ceilings or walls as may be installed by Tenant in the Premises to afford access to any facilities above the ceiling or within or behind the walls. Tenant shall have as appurtenant to the Premises the exclusive use, subject to the exercise by Landlord of its rights and the performance by Landlord of its obligations hereunder, of the lobby, restrooms and hallways of the Building and the walks leading to and from the Building and the parking lot and loading dock serving the Building; provided, however, that such exclusive use shall not entitle Tenant to improve, alter, modify or otherwise change such lobby, restrooms, hallways, walks, parking lot, loading dock or any other portion of the Property (other than the Premises, and then only if the applicable provisions of this Lease are complied with) without Landlord's prior written consent. Notwithstanding the number of parking spaces that shall be made available to Tenant hereunder, Landlord hereby makes no representation or warranty that such spaces will be sufficient to satisfy Tenant's parking requirements in connection with Tenant's use of the Premises. Tenant shall have no other appurtenant rights or easements.

3. Basic Rent. Tenant agrees to pay to Landlord, commencing on the Commencement Date in respect of the Expansion Premises without offset, abatement (except as provided in Sections 13 and 20), deduction or demand, the Basic Rent set forth in Exhibit 1. Such Basic Rent shall be payable in equal monthly installments, in advance, on the first day of each calendar month during the Term of this Lease, c/o Lexington Management Incorporated, 24 Hartwell Avenue, Lexington, MA 02421 or to such other address as Landlord shall from time to time designate by notice. In the event that any installment of Basic Rent or Building Expense Escalation Charges is not paid within five (5) days after the same shall have become due, Tenant shall pay, in addition to

any charges under Section 30, at Landlord's request an administrative fee equal to 5% of the overdue payment. Basic Rent for any partial month shall be prorated on a daily basis.

4. Existing Lease. Reference is hereby made to that certain Lease dated October 26, 1992, as amended (the "Existing Lease") pursuant to which Landlord demises the Existing Premises to Tenant. The parties hereby acknowledge and agree that the Existing Lease shall terminate and come to an end as of its currently scheduled expiration date of November 30, 2011 (the "Existing Lease Termination Date"), and until then (and notwithstanding anything to the contrary contained herein) the demise of the Existing Premises shall continue to be governed by the terms and provisions of the Existing Lease; provided, however, that the terms and provisions of this Lease (including, without limitation, Section 8 hereof) shall apply to any Tenant's Work (as hereinafter defined) performed in the Existing Premises after the date hereof and prior to December 1, 2011. Rent and other charges payable under the Existing Lease shall be apportioned as of the Existing Lease Termination Date. As of and from and after December 1, 2011, the demise of the Existing Premises shall be governed by the terms and provisions of this Lease. For the avoidance of doubt, it is understood and agreed that (i) only the Expansion Premises shall be demised under and pursuant to the terms and provisions of this Lease for the period commencing on the Commencement Date in respect of the Expansion Premises and ending on November 30, 2011, and (ii) as of and from and after December 1, 2011, the entire Premises shall be demised under and pursuant to the terms and provisions of this Lease.

5. Commencement Date. The Commencement Date of this Lease shall be (i) with respect to the Expansion Premises, the Execution Date set forth in Exhibit 1, and (ii) with respect to the Existing Premises, December 1, 2011.

6. Condition of the Premises.

(a) Tenant acknowledges and agrees that it has had an opportunity to inspect the Premises and the Building and that it is taking and leasing the Premises "as-is", without any obligation on the part of Landlord to prepare or construct the Premises for Tenant's use or occupancy or to provide any allowance or contribution with respect thereto. Tenant further acknowledges and agrees that Landlord has made no representation or warranty as to the condition of the Premises or the Building and that it is relying upon its own inspection of the Premises and the Building in entering into this Lease. To the extent and insofar as there is any work required to prepare the Premises for Tenant's occupancy ("Tenant's Work"), the same shall be performed by Tenant at its sole cost and expense (subject to application of Landlord's Contribution, as hereinafter defined) in accordance with plans and specifications therefor prepared by Tenant and approved by Landlord and otherwise in accordance with the terms and provisions of this Lease, including, without limitation, Section 8 hereof.

(b) Notwithstanding the foregoing, provided that Tenant is not in default under this Lease and that there is no outstanding violation of law or lien affecting the Property by reason of Tenant's Work, Landlord shall contribute up to $192,000.00 (i.e., $5.00 per square foot of rentable area of the Premises) ("Landlord's Contribution") towards the following costs (the "Costs") incurred by Tenant to perform Tenant's Work: costs of space planning, design, engineering, project management services and construction, and costs to install the Nitrogen Storage Tanks (as

hereinafter defined). Landlord shall pay Landlord's Contribution within forty-five (45) days after receipt from Tenant of evidence of the completion of Tenant's Work (including, without limitation, an architect's certificate of completion), a certificate of occupancy and copies of paid bills and invoices (and related lien waivers and such other documentation as Landlord shall reasonably request) detailing all of the Costs of Tenant's Work. Notwithstanding anything to the contrary herein contained, (i) up to $7,500.00 of Landlord's Contribution may be applied by Tenant towards its costs to acquire IBS's cubicle system currently in the Expansion Premises, (ii) in no event shall Tenant be entitled to Landlord's Contribution if Tenant's requisition therefor is submitted after November 30, 2012, and (iii) in no event shall Tenant be entitled to any unused portion of Landlord's Contribution.

7. Use. Tenant agrees that it shall use and occupy the Premises during the Term only for Permitted Uses expressly described in Exhibit 1 and for no other purposes. Tenant shall, in its use of the Premises, comply with the requirements of all applicable federal, state and local laws, ordinances, regulations and codes, and shall obtain (and keep in full force and effect) all required licenses and permits therefor. Tenant shall not permit any use of the Premises which will make voidable any insurance on the Property, or on the contents of the Property, or which shall be contrary to any law or regulation from time to time established by the New England Fire Insurance Rating Association, or any similar body succeeding to its powers. Tenant shall within ten (10) days after demand reimburse Landlord for all extra insurance premiums caused by Tenant's use of the Premises other than for Permitted Uses. If any governmental license or permit shall be required for the proper and lawful conduct of Tenant's business, Tenant, at its expense, shall duly procure and thereafter maintain and comply with such license or permit and submit the same to inspection by Landlord. To the extent necessary to obtain such license or permit, Landlord agrees to cooperate with Tenant at Tenant's expense in procuring such license or permit.

8. Installations and Alterations by Tenant. Tenant shall make no alterations, additions or improvements ("Alterations", which term shall include Tenant's Work) in or to the Premises without Landlord's prior written consent in each instance, which consent shall not be unreasonably withheld, conditioned or delayed. Without limiting the foregoing, Landlord hereby agrees that Tenant shall have the right to convert the area of the Premises containing cubicles into offices, subject to the terms and provisions of this Section 8 and the other applicable provisions of this Lease. Tenant shall submit to Landlord plans and specifications of the proposed Alterations at the time of its request for Landlord's consent, and upon completion of such Alterations shall promptly deliver to Landlord "as-built" plans and specifications thereof certified as being true and correct by Tenant's architect or engineer. All Alterations shall conform to the plans and specifications approved by Landlord, and any deviations to such plans or specifications shall first be approved by Landlord. All contractors performing Alterations shall be subject to Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed; provided, however, that Landlord shall have the right to recommend that Tenant use contractors specified by Landlord to perform certain Alterations, but Tenant shall not be obligated to use such contractors (it being understood and agreed, however, that this proviso shall not be deemed to relieve Tenant of the obligation to obtain Landlord's prior written approval of the contractors performing Alterations, as aforesaid). Each such contractor(s) shall carry commercial general liability and property damage insurance, and such other insurance (including, without limitation, workmen's compensation insurance covering the employees of all such contractor(s)), in such form, amounts

and with such carriers as are reasonably acceptable to Landlord, and under which Landlord (and such other persons as Landlord may designate from time to time) are named as insureds. Tenant shall pay to Landlord from time to time upon demand any and all costs and expenses incurred by Landlord in connection with the review and supervision of any Alterations (including, without limitation, the cost and expenses of Landlord's architects and engineers). Any such Alterations shall become part of the Premises and the property of Landlord, unless Landlord, at its election, requests Tenant to remove such Alterations at the expiration of the Term of this Lease, in which event Tenant shall remove the same and repair any damage caused by such removal. Notwithstanding the foregoing to the contrary, (a) Landlord's request to remove any Alterations at the expiration of this Lease must be made at the time Landlord consents to such Alterations if Tenant's request for Landlord's consent to such Alterations also contained a request for Landlord to make such election at that time, provided, however, that in no event shall Landlord request Tenant to remove, nor shall Tenant be required to remove, at the expiration of this Lease any internal walls or offices constructed by Tenant in the Expansion Premises as part of Tenant's Work, and (b) unless otherwise agreed by Landlord and Tenant in writing, in no event shall articles of personal property, business fixtures, machinery, equipment or furniture owned or installed by Tenant become the property of Landlord (except that the Nitrogen Storage Tanks shall, if and to the extent provided in Section 40 below, remain in place and become the property of Landlord at the expiration of the Term of this Lease). Tenant shall promptly remove or bond over any mechanic's lien that may be filed against the Property based upon any such work in or to the Premises. If Tenant shall make or cause to be made any Alterations to the Premises which shall result in an increase in the real estate taxes upon the Building, then Tenant shall pay the entire increase in such taxes attributable to such Alterations. Tenant shall cause all Alterations to be performed in a good and workmanlike manner and in compliance with all applicable laws.

9. Assignment and Subletting.

(a) Tenant covenants and agrees that whether voluntarily, involuntarily, by operation of law or otherwise, neither this Lease nor the term and estate hereby granted, nor any interest herein or therein, will be assigned, mortgaged, pledged, encumbered or otherwise transferred 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, by anyone other than Tenant, or for any use or purpose other than a Permitted Use, or be sublet (which term, without limitation, shall include granting of concessions, licenses and the like) in whole or in part, or be offered or advertised for assignment or subletting, in each case without the prior written consent of Landlord which shall not be unreasonably withheld, conditioned or delayed if such assignee, subtenant or other occupant, in Landlord's reasonable opinion, (i) is (and shall be) financially sound and of good reputation, (ii) shall use the Premises for the Permitted Uses or any biotechnology use acceptable to Landlord, (iii) is not already an occupant of the Building, and (iv) is not then in (and has not within the previous six (6) month period been in) negotiations with Landlord for or otherwise been shown space in the Building.

(b) The provisions of paragraph (a) of this Section shall apply to a transfer (by one or more transfers) of a majority of the stock or partnership interests, or other evidences of ownership, of Tenant as if such transfer were an assignment of this Lease; but such provisions shall not apply to (and Landlord's consent shall not be required for) transactions (each, a "Permitted Transfer")

with an entity into or with which Tenant is merged or consolidated or to which all or substantially all of Tenant's assets are transferred or to any entity which controls or is controlled by Tenant or is under common control with Tenant, provided that in any of such events (i) no default of Tenant then exists under this Lease, (ii) reasonable prior written notice thereof is given to Landlord, (iii) the successor to Tenant has a net worth computed in accordance with generally accepted accounting principles at least equal to the greater of (A) the net worth of Tenant immediately prior to such merger, consolidation or transfer, or (B) the net worth of Tenant herein named on the date of this Lease, (iv) proof satisfactory to Landlord of such net worth shall have been delivered to Landlord at least ten (10) days prior to the effective date of any such transaction, and (v) in the event of an assignment of this Lease, the assignee agrees directly with Landlord, by written instrument in form reasonably satisfactory to Landlord, to be bound by all the obligations of Tenant hereunder arising on and after the date of such assignment, including, without limitation, the provisions of this Section 9.

(c) If this Lease be assigned, or if the Premises or any part thereof be sublet or occupied by anyone 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, but no such, assignment, subletting, occupancy (or Landlord's consent to any of the foregoing), collection or modification of any provisions of this Lease agreed to between Landlord and any assignee, or the listing of any name other than that of Tenant on the door of the Premises or on the exterior Building wall(s) or elsewhere, shall be deemed a waiver of this covenant, or the acceptance of the assignee, subtenant or occupant as a tenant or a release of the original named Tenant from the further performance by the original named Tenant hereunder. No assignment or subletting hereunder nor Landlord's consent thereto shall relieve Tenant from its obligations under this Lease and Tenant shall remain fully and primarily liable therefor. No assignment, subletting or occupancy shall affect Permitted Uses. Tenant hereby agrees to reimburse Landlord for the reasonable amount of any legal and other out-of-pocket expenses incurred by Landlord in connection with any request by Tenant for Landlord's consent required under this Section 9, whether or not such consent is granted, or in connection with any transfer or assignment permitted by paragraph (b) above. Without limiting any of the foregoing provisions of this Section 9, Landlord shall in all events, other than a Permitted Transfer, have the right to (i) terminate this Lease in its entirety in the event of any proposed assignment by Tenant of its interest in this Lease or any proposed subletting of the entire Premises for the remainder of the Term of this Lease, or (ii) terminate this Lease as to the proposed sublet space in the event of any proposed sublease of less than the entire Premises for the remainder of the Term of this Lease. In the event that Landlord shall exercise its right pursuant to the preceding sentence, Landlord and Tenant shall enter into an amendment to this Lease, in commercially reasonable form prepared by and acceptable to Landlord, implementing clause (i) or (ii) above, as applicable.

(d) In the event that Tenant assigns or transfers this Lease or subleases all or any part of the Premises, Tenant shall pay to Landlord (as additional rent) thirty-three percent (33%) of the Profits (as herein defined), if any, earned by Tenant in connection with such assignment, transfer or sublease, as and when received by Tenant. For purposes hereof, "Profits" shall mean the excess, if any, of (i) the rent and additional rent (including, without limitation, payments on account of escalation) and other consideration received by Tenant on account of or in connection with the

assignment, transfer or subletting in question over (ii) the rent and additional rent (including, without limitation, payments on account of escalation) payable by Tenant under this Lease in respect of the Premises or portion thereof in question (calculated on a square foot basis in the case of less than all of the Premises). Profits shall be calculated on a gross basis as aforesaid, without regard to the costs and expenses incurred by Tenant in connection with the assignment, transfer or subletting in question or in connection with entering into this Lease or preparing the Premises for occupancy by Tenant or by any assignee or sublessee.

10. Repairs and Maintenance by Landlord. Landlord shall maintain, make all repairs to and when necessary replace the following items, in each case so that they are at all times in good working and efficient order and condition throughout the Term: (i) the roof and gutters of the Building, including the two (2) existing fifty (50) ton McQuay roof-top units that service the Premises other than Tenant's laboratory areas (the "Main RTUs"), but specifically excluding any roof-top equipment serving the laboratory and/or other portions of the Premises installed prior to, on or after the date hereof by or on behalf of Tenant, which installation on or after the date hereof shall be subject to Landlord's prior written consent and to the other provisions of Section 8 above; (ii) all bathrooms and bathroom exhaust fans in the Building; (iii) the footings, foundations and structural support elements and exterior cladding (including glazing) of the Building, except to the extent that Tenant's roof-top or other equipment or Alterations requires additional structural support, in which event Tenant shall be responsible for same, including, without limitation, the costs thereof; (iv) the exterior windows of the Building (and framing thereto); (v) the heating, ventilation and air conditioning ("HVAC"), electrical and plumbing systems and related utility lines serving the Building, the Premises and the Property (specifically excluding any special or supplemental HVAC or other system and any related utility lines (including, without limitation, any system that is associated with the Nitrogen Storage Tanks and/or any of Tenant's generators) installed prior to, on or after the date hereof by or on behalf of Tenant, which installation on or after the date hereof shall be subject to Landlord's prior written consent and to the other provisions of Section 8 above); and (vi) the parking lot serving the Building and the lighting serving the same. Landlord's obligations under this Section 10 shall be subject to the provisions of Section 20. Notwithstanding the foregoing, Landlord shall not be obligated to make repairs which Landlord has undertaken to make under this Lease unless Tenant has given notice to Landlord or Landlord otherwise has actual knowledge of the need to make such repairs.

11. Repairs and Maintenance by Tenant. Tenant shall keep and maintain all items excluded from Landlord's maintenance and repair obligations under clauses (i), (iii) and (v) of Section 10 above and all portions of the Premises that are not Landlord's obligation to maintain under Section 10 above (including, without limitation, the interior surface of the walls, ceilings and floors of the Premises, the internal wiring and plumbing (other than sanitary plumbing) for Tenant's laboratory space and any Alterations installed in the Premises by or on behalf of Tenant) in a broom clean and orderly condition, free of accumulation of dirt, rubbish and other debris and otherwise in the same or better condition and repair as existed on the Commencement Date, reasonable wear and tear and damage by fire or other casualty excepted. Without limiting the foregoing, Tenant shall, at its expense, contract with a reputable contractor approved in advance by Landlord to perform annual spring inspections throughout the Term of all roof-top equipment serving the laboratory and/or other portions of the Premises installed prior to, on or after the date hereof by or on behalf of Tenant. Notwithstanding the provisions of Sections 10 and 20, but

subject to the provisions of Section 15, Tenant shall be responsible up to the amount of Landlord's commercially reasonable deductible (not to exceed $25,000.00) for the cost of repairs which may be made necessary by reason of damage to the Building caused by any act or neglect of Tenant or its agents, employees, contractors or invitees (including any damage by fire or any other casualty arising therefrom).

12. Services, Utilities, Supplies and Facilities.

(a) In addition to the repair and maintenance by Landlord as stated in Section 10 hereof, Landlord shall furnish the following services, utilities, supplies and facilities:

(i) Access to the Premises twenty-four (24) hours a day, seven (7) days a week, subject to such security system (if any) as Tenant may install therein with Landlord's prior written approval.

(ii) HVAC for the comfortable use and occupancy of the Premises on Mondays through Fridays (except legal holidays) from 8:30 a.m. to 5:30 p.m., and at such additional times as may be requested by Tenant from time to time upon at least forty-eight (48) hours advance notice to Landlord. Landlord's cost of supplying such additional service shall by paid be Tenant upon receipt of invoices therefor from Landlord.

(iii) Wash all exterior windows on the inside and outside surfaces no less than two (2) times per year.

(iv) Hot and cold running water as supplied by the city or town or other supplier. If the Tenant uses water for anything other than ordinary lavatory and drinking purposes, Landlord may install a water meter and thereby measure Tenant's water consumption for all purposes. In such event, Tenant shall pay the cost of the meter and the cost of the installation thereof and shall keep such meter and installation equipment in good working order and repair. Tenant agrees to pay for the water consumed, as shown on said meter, together with the sewer charges based on such meter charges, as and when bills are rendered, and in default of making such payment, Landlord may pay such charges and collect the same from Tenant as an additional charge.

(v) Electricity for the areas of the Building that are not part of the Premises and all walkway and parking area lighting.

(vi) Provision, installation, and replacement of all necessary light bulbs, tubes, lighting fixtures, and ballasts.

(vii) Keep all lawns and landscaped areas of the Property watered, fertilized and trimmed and shall provide for removal of snow and ice from, and sanding of, the sidewalks, parking lots, access driveways and walkways as necessitated by weather conditions and shall provide for parking lot lighting. Landlord shall also provide for the removal of trash and other debris from the parking lot serving the Building.

(b) Tenant shall arrange and pay for (i) any and all utility services (including, without limitation, electricity, gas, internet and telephone) necessary for Tenant's use of the Premises,

other than any utility services required to be provided by Landlord pursuant to Section 12(a) above, (ii) cleaning and janitorial services to all areas of the Building (including, without limitation, those services described on Exhibit 4), using a cleaning contractor(s) reasonably acceptable to Landlord, it being understood and agreed that Landlord shall have no obligation to provide any cleaning or janitorial services to the Premises or any other portion of the Building or to the parking lot serving the Building, and (iii) any security that it wishes to provide for the Premises or the Building so long as Landlord is provided access to such security, it being understood and agreed that Landlord shall have no obligation to provide any such security and may remove the existing card access system owned by Landlord serving the Building (Landlord hereby acknowledging and agreeing that the card access system currently used by Tenant is owned by Tenant and not by Landlord). Without limiting the foregoing, Tenant shall contract directly with the electric utility provider to furnish electricity to the Premises, and the consumption of such electricity shall be measured by a separate meter which Tenant shall install and maintain in good order and repair. Tenant shall pay all charges as reflected on such meter directly to the utility supplier.

13. Interruption or Curtailment of Building Services.

(a) Landlord shall have the right to interrupt, curtail, stop or suspend the operation of the Building's plumbing and electrical systems and any other Building services or utilities in the case of emergency or accident, or for the purpose of making any repairs, alterations, or improvements to the Building or Premises, or in the case of force majeure or other event beyond Landlord's reasonable control. There shall be no diminution or abatement of rent or other charges hereunder, nor shall this Lease be affected or any of Tenant's obligations hereunder reduced, by reason of, and Landlord shall have no responsibility or liability for, any such interruption, etc., except that Landlord shall exercise reasonable diligence to eliminate the cause of same.

(b) Notwithstanding anything to the contrary in this Lease contained, if, due to Landlord's failure to perform any repair or provide any service required to be performed or provided by Landlord under Section 10 or 12(a) of this Lease, the Premises or any portion thereof becomes untenantable for the Premises Untenantability Cure Period, as hereinafter defined (for purposes of this Section 13, the term "untenantable" shall mean that the continued operation in the ordinary course of Tenant's business in the Premises has been materially adversely affected), then, provided that such untenantability and Landlord's inability to cure such condition are not caused by the fault or neglect of Tenant or Tenant's agents, employees, contractors or invitees, Basic Rent and Building Expense Escalation Charges shall be abated in proportion to such untenantability commencing on the day following the expiration of the Premises Untenantability Cure Period and continuing until the day such condition is corrected. For the purposes hereof, the "Premises Untenantability Cure Period" shall be defined as five (5) 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 twenty-one (21) consecutive days after Landlord's receipt of written notice from Tenant of the condition causing untenantability in the Premises if either the condition was caused by force majeure or other event beyond Landlord's reasonable control (other than the fault or neglect of Tenant or Tenant's agents, employees, contractors or invitees) or Landlord is unable to cure such condition as the

result of force majeure or other event beyond Landlord's reasonable control (other than the fault or neglect of Tenant or Tenant's agents, employees, contractors or invitees).

(c) Notwithstanding anything to the contrary in this Lease contained, if, due to Landlord's failure to perform any repair or provide any service required to be performed or provided by Landlord under Section 10 or 12(a) of this Lease, the Premises or any material portion thereof becomes untenantable, and if (i) such untenantability continues for thirty (30) consecutive days (or forty-five (45) consecutive days if such failure was caused by force majeure or other event beyond Landlord's reasonable control (other than the fault or neglect of Tenant or Tenant's agents, employees, contractors or invitees)) after Landlord's receipt of written notice of such condition from Tenant, and (ii) such untenantability and Landlord's inability to cure such condition are not caused by the fault or neglect of Tenant or Tenant's agents, employees, contractors or invitees, then Tenant shall have the right to terminate this Lease exercisable by giving Landlord a written termination notice. Upon the giving of such notice, this Lease shall terminate as of the date which is thirty (30) days after Landlord's receipt thereof, unless Landlord shall have cured such condition on or before such thirtieth (30^{th}) day.

(d) The provisions of Sections 13(b) and (c) above shall not apply in the event of untenantability caused by fire or other casualty or taking (see Section 20).

14. Building Expenses.

(a) Definitions. For the purposes of this Section 14, the following terms shall have the following respective meanings:

(i) Year: Each calendar year in which any part of the Term of this Lease shall fall.

(ii) Operating Costs: The aggregate of all costs and expenses incurred by Landlord with respect to the administration, repair, maintenance, replacement, alteration, improvement, operation, management, cleaning and servicing of the Building and Property, including, without limitation, the following: Any and all costs and expenses incurred by Landlord for administrative and management services (including, without limitation, reasonable management fees not to exceed five percent (5%) of gross revenues from the Property for the period in question), sewer use and water charges, performance of Landlord's obligations under Sections 10 and 12(a), insurance, payroll and benefits of maintenance and management staff, pest control services, the cost of capital replacements, and the cost of new (i.e., as opposed to replacement) capital improvements which are intended in good faith or

reasonably designed to achieve a reasonably corresponding deduction in energy or other operating costs or which are required by any law not in effect on the date of this Lease (provided, however, that the cost of all capital expenditures, both for replacements and new improvements, shall be amortized over their useful life in accordance with generally accepted accounting principles, together with market interest on the unamortized balance, and only the annual amortized portion of such capital expenditures (to the extent of actual savings in Operating Costs in the case of new (i.e., as opposed to replacement) capital improvements which are intended in good faith or reasonably designed to achieve a reasonably corresponding deduction in energy or other operating costs) shall be included in Operating Costs for each Year); but there shall be excluded from Operating Costs (A) Taxes (i.e., "Taxes" as hereinafter defined in subclause (iii) of this Section 14(a) as well as income, estate, franchise, succession, inheritance, use, occupancy, gross receipts, rental, capital gains or profit taxes shall not be included in the definition of "Operating Costs" but shall be accounted for separately pursuant to the definition of "Taxes"); (B) special services rendered to other tenants; (C) costs incurred in connection with Landlord's preparation, negotiation and/or enforcement of leases; (D) financing and refinancing costs, and interest, points, fees, amortization, principal and other costs payable, in respect of any mortgage or other financing or debt placed upon the Property; (E) interest or penalties for any late payments by Landlord; (F) compensation paid to any Building employee to the extent the same is not fairly allocable to the work or service provided by such employee to the Property and salaries, expenses, fringe benefits and other compensation for executives above the level of building manager; (G) leasing and brokerage fees and commissions, advertising and promotional expenses, tenant improvement costs, build out allowances, moving expenses, assumption of rent under existing leases and other concessions incurred in connection with leasing space in the Building; (H) depreciation and capital expenditures (except as set forth above); (I) costs to acquire artwork or sculptures; (J) expenses for which Landlord is reimbursed by warranty, insurance, any tenant (other than through the operating cost escalation provisions of leases with tenants) or any third party (Landlord hereby agreeing to use commercially reasonable efforts to seek to obtain such reimbursement if Landlord determines, acting in good faith, that reasonable grounds exist therefor); (K) ground rent, if Landlord's interest in the Property is derived from a ground lease; (L) costs associated with the removal of hazardous materials or substances from the Property not placed there by Tenant or its agents, employees or contractors (other than those customarily handled and disposed of incident to the normal or routine operation, maintenance or repair of the Property, such as cleaning materials); (M) the cost of correcting defects (latent or otherwise) in the construction of the Building, except that conditions (not occasioned by construction defects) resulting from ordinary wear and tear shall not be deemed defects for purposes hereof; (N) costs resulting from the gross negligence or willful misconduct of Landlord or its agents or employees (provided, however, that if Landlord or its agents or employees acted with negligence [but not with gross negligence or willful misconduct] and such negligent act resulted in Landlord having incurred costs in addition to the costs that would have been incurred if Landlord had not acted with negligence, then such additional costs shall also be excluded from Operating Costs); (O) costs related to the sale of the Property; (P) general corporate overhead and costs directly and solely related to the maintenance and operation of the entity that constitutes Landlord, such as accounting fees incurred solely for the purpose of reporting Landlord's financial condition; and (Q) any cost or expense representing sums paid to an entity related to Landlord in excess of competitive charges which would be paid in the absence of such relationship. Notwithstanding anything to the contrary herein contained, if, during any portion of Year 2011 or any succeeding Year, less than the entire rentable area of the Building is occupied, then those Operating Costs for such Year which vary with occupancy shall be reasonably extrapolated by Landlord to reflect what such Operating Costs would have been if the entire rentable area of the Building had been occupied for the entire Year.

(iii) Taxes: The real estate taxes and other taxes, levies and assessments imposed upon the Building and the Property and upon any personal property of Landlord used in the operation thereof; betterment assessments apportioned over the longest payment period permitted by law (including interest thereon); charges, fees and assessments for police, fire or other governmental services or purported benefits to the Building; service or user payments in lieu of taxes; 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 having jurisdiction. As of the Execution Date, Taxes shall not include any income, estate, franchise, succession, inheritance, use, occupancy, gross receipts, rental, capital gains or profit tax, provided, however, that any tax, excise, fee, levy, charge or assessment, however described, that may in the future be levied or assessed as a substitute for or in 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 Property were the only real estate owned by Landlord. Taxes shall also include reasonable expenses of tax abatement or other proceedings contesting assessments or levies. Although Taxes in Massachusetts are payable on the basis of a July 1 - June 30 fiscal/tax year, for the purposes of this Section 14, Taxes shall be computed on a calendar year basis, based upon the sum of one-half (1/2) the Taxes payable in respect of one fiscal/tax year, plus one-half (1/2) the Taxes payable in respect of the next fiscal/tax year. (For example, Taxes for 2011 would be 1/2 the Taxes in respect of the 2011 fiscal/tax year, plus 1/2 the Taxes in respect of the 2012 fiscal/tax year.)

(iv) Building Expenses: The sum of Operating Costs plus Taxes.

(v) Building Expense Base: The amount set forth on Exhibit 1.

(vi) Building Expense Escalation Charges: Charges payable by Tenant under Section 14(b) below.

(vii) Tenant's Proportionate Share: The fraction or percentage set forth on Exhibit 1, being the rentable area of the Premises divided by the Building Rentable Area.

(b) Tenant's Payments.

(i) If in any Year Building Expenses shall exceed the Building Expense Base, Tenant shall pay to Landlord, as additional rent, a Building Expense Escalation Charge in an amount equal to the product of (i) such excess Building Expenses multiplied by (ii) Tenant's Proportionate Share, such amount to be apportioned for any Year in which the Commencement Date occurs or the Term of this Lease ends.

(ii) Estimated payments by Tenant on account of amounts due hereunder shall be made monthly in advance on the first day of each month during the Term. The monthly

amount so to be paid to Landlord shall be sufficient to provide Landlord by the end of each Year a sum equal to Tenant's required payments, as reasonably estimated by Landlord from time to time during each Year, on account of Building Expense Escalation Charges for such Year. Such estimate shall be based on the actual Building Expenses for the prior year. Landlord shall have the right from time to time during the course of the Year to adjust the amount of Tenant's estimated payments based upon most recent data with respect to Building Expenses then available (e.g. Landlord's receipt of a new Tax bill). After the end of each Year, Landlord shall submit to Tenant a reasonably detailed accounting of Building Expenses for such Year, and Landlord shall certify to the accuracy thereof. If estimated payments previously made for such Year by Tenant exceed Tenant's required payment on account thereof for such Year, according to such statement, Landlord shall either promptly refund such overpayment or credit such overpayment against Tenant's future obligations on account of Building Expense Escalation Charges; but, if the required payments on account thereof for such Year are greater than the estimated payments (if any) previously made on account thereof for such Year, Tenant shall make payment to Landlord within thirty (30) days after receipt of an invoice from Landlord. Landlord shall have the same rights and remedies for nonpayment by Tenant of any payments due on account of Building Expense Escalation Charges as Landlord has hereunder for the failure of Tenant to pay Basic Rent. Landlord's and Tenant's obligations with respect to adjusting Building Expense Escalation Charges for the Year in which the Term of this Lease ends shall survive the expiration or sooner termination of this Lease. In no event shall Tenant be entitled to receive a refund or credit if in any Year Building Expenses are less than the Building Expense Base.

15. Waiver of Subrogation. Landlord and Tenant shall each cause all policies of fire, extended coverage, and other physical damage insurance covering the Premises, the Building, and any property therein to contain a clause or endorsement denying the insurer any rights of subrogation against the other party. Notwithstanding any provisions of this Lease to the contrary, Landlord and Tenant respectively waive all claims and rights to recover against the other for injury or loss due to hazards covered by insurance containing said clause or endorsement carried (or required hereunder to be carried) by each such party.

16. Tenant's Indemnity.

(a) Subject to Section 15, Tenant agrees to defend, indemnify and save harmless Landlord, Landlord's Agent (identified on Exhibit 1) and any mortgagee or ground lessor of which Tenant is given notice from and against all loss, liability, damage, costs, expenses and claims of whatever nature arising: (i) from any accident, injury or damage whatsoever to any person, or to the property of any person, in or about the Premises, except to the extent caused by the negligence or willful misconduct of Landlord or its agents, employees or contractors; or (ii) from any accident, injury or damage to persons or property occurring outside of the Premises but in or about the Building or on the Property, to the extent such accident, damage or injury results from the negligence or willful misconduct of Tenant or Tenant's agents, employees, invitees or contractors.

(b) Subject to Section 15 hereof, Landlord agrees to defend, indemnify and save harmless Tenant from and against all loss, liability, damage, costs, expenses and claims of

whatever nature arising from any accident, injury or damage to persons or property occurring in or about the Property, to the extent such accident, damage or injury results from the negligence or willful misconduct of Landlord or its agents, employees, invitees or contractors.

(c) The provisions of this Section 16 shall survive the expiration or sooner termination of the Term of this Lease.

17. Public Liability Insurance.

(a) Tenant agrees to maintain throughout the Term of this Lease a policy of commercial general public liability and property damage insurance in such form, amounts and with carriers reasonably acceptable to Landlord, and under which Landlord and Landlord's Agent (and such other persons as Landlord may designate by notice to Tenant from time to time) and Tenant are named as insureds. Each such policy shall be noncancelable and non-amendable with respect to Landlord, Landlord's Agent and Landlord's said designees without thirty (30) days' prior notice to Landlord, Landlord's Agent and its designees; and a duplicate original or certificate thereof shall be delivered to Landlord, Landlord's Agent and its designees.

(b) Landlord shall maintain at all times during the Term of this Lease reasonable amounts of liability insurance covering the Building and the Property. Landlord's liability insurance is currently $1,000,000 per occurrence.

18. Tenant's Risk. Tenant agrees to use and occupy the Premises at Tenant's own risk. Tenant shall maintain insurance in respect of its personal property, business fixtures and leasehold improvements in an amount equal to 100% of the replacement cost thereof, and Landlord shall have no responsibility or liability for any loss of or damage to any of the same, except to the extent, but subject to Section 15 hereof, arising from the negligence or willful misconduct of Landlord or its agents, employees or contractors or breach of this Lease by Landlord (provided that Landlord shall bear such responsibility only for ordinary office property, as hereinafter defined), or for any inconvenience, annoyance, interruption or injury to business arising from Landlord's making any repairs or changes which Landlord is permitted by this Lease, or required by law, to make in or to any portion of the Premises or other sections of the Building or Property. For purposes hereof, "ordinary office property" shall mean such property as is customarily found in office facilities comparable to Tenant's Premises in the greater Boston area and shall exclude property of a rare or exotic nature, money, securities, works of art and the like. Tenant agrees that Landlord shall not be responsible or liable to Tenant, or to those claiming by, through or under Tenant, for any loss or damage that may be occasioned by or through the acts or omissions of persons occupying adjoining premises or any part of the premises adjacent to or connecting with the Premises or any part of the Building or Property.

19. Landlord's Access Rights. Landlord shall have the right to enter the Premises at all reasonable hours after reasonable prior notice to Tenant (except in an emergency or for normal maintenance or cleaning operations) for the purpose of inspecting or making repairs to the same, and to show the Premises to prospective or existing mortgagees, purchasers or, during the last twelve (12) months of the Term of this Lease, tenants of any part of the Property.

20. Fire, Eminent Domain, Etc.

(a) If the Premises shall incur minor damage by reason of fire or other casualty or by reason of a taking by eminent domain, Landlord will restore the Premises or (in the case of a taking) what may remain thereof (excluding any alterations and improvements installed in the Premises by or at the expense of Tenant) to substantially their condition prior to the fire or other casualty or taking for Tenant's use and occupancy as speedily as possible to the extent of the available insurance proceeds or condemnation award, as the case may be, and subject to zoning laws and building codes then in existence. If in Landlord's bona fide business judgment the damage or taking is not minor (meaning that Landlord in its bona fide business judgment determines that the Premises or (in the case of a taking) what may remain thereof cannot be restored to the condition required by the preceding sentence within two hundred seventy (270) days after the occurrence of the damage or taking), or the insurance proceeds or condemnation award is inadequate to perform the required restoration work, Landlord shall have the right to terminate this Lease by giving written notice to Tenant within sixty (60) days after the occurrence of such damage or taking. If the Premises are rendered untenantable by the damage or taking (for purposes of this Section 20, the term "untenantable" shall mean that the continued operation in the ordinary course of Tenant's business in the Premises has been materially adversely affected by such damage or taking), Tenant shall not be liable to pay Basic Rent or Building Expense Escalation Charges (or a proportionate part thereof, as appropriate) if and to the extent and for as long as the Premises remain untenantable. If and to the extent the Premises are tenantable, Tenant must continue to pay Basic Rent and Building Expense Escalation Charges. Landlord shall have and hereby reserves and excepts, and Tenant hereby grants and assigns to Landlord, all rights to recover for damages to the Property and the leasehold interest hereby created, and to compensation accrued or hereafter to accrue by reason of such fire, casualty or taking. Nothing contained herein shall be construed to prevent Tenant from prosecuting in any eminent domain proceedings a claim for the value of any of Tenant's personal property, business fixtures, machinery, equipment and furniture owned or installed by Tenant, and moving expenses, provided that such award shall not reduce the amount of Landlord's own proceeds awarded by the taking authority. Landlord shall maintain a policy of property insurance covering the Building against perils insured under a policy of so-called all risk insurance to provide for 100% replacement of damaged portions of the Building in the event of fire or other casualty and, upon Tenant's request, shall provide Tenant with evidence that such insurance is in effect, which evidence may be in the form of a certificate of insurance. Landlord's insurance shall not cover Tenant's property, furniture, furnishings or equipment, rare or exotic items Tenant keeps in the Premises or alterations and improvements installed by or at the expense of Tenant.

(b) If the Premises are damaged by fire or other casualty (other than as a result of Tenant's gross negligence or willful misconduct) or taking to such an extent so as to render the Premises untenantable, Landlord shall notify Tenant (the "Damage Notice") in writing within sixty (60) days of the occurrence of the damage as to whether the repair of such damage is reasonably likely to be substantially completed by Landlord within two hundred seventy (270) days after the occurrence of such damage (Landlord hereby agreeing to submit to Tenant with the Damage Notice an estimate of an architect, engineer or contractor as to the length of time necessary to substantially complete the repair of such damage, such estimated repair period being hereinafter referred to as the "Estimated Repair Period"). If the damage to the Premises or any

portion thereof shall materially adversely interfere with the conduct of Tenant's business in the Premises in the ordinary course as reasonably determined by Tenant, and the Estimated Repair Period is in excess of two hundred seventy (270) days after the occurrence of such damage, then Tenant may, by written notice to Landlord within fifteen (15) days after the giving of the Damage Notice to Tenant, terminate this Lease as of the date of occurrence of such damage. If the Estimated Repair Period is less than two hundred seventy (270) days after the occurrence of such damage, Tenant shall not have the right to terminate this Lease on account of such damage except as otherwise provided in Section 20(c) below and Landlord shall use commercially reasonable and diligent efforts to restore such damage within the Estimated Repair Period.

(c) If Tenant shall not terminate this Lease pursuant to Section 20(b) above, and if the Premises are damaged by fire or other casualty (other than as a result of Tenant's gross negligence or willful misconduct) or taking to such an extent so as to render the Premises untenantable, and if Landlord shall fail to substantially complete the repairs necessary to put the Premises or, in the case of a taking, what may remain thereof into the condition required by the first sentence of Section 20(a) above within the greater of the Estimated Repair Period or two hundred seventy (270) days after the date of such fire or other casualty or taking (the greater of such time periods, the "Restoration Period") for any reason other than the fault or neglect of Tenant or its agents, employees or contractors, Tenant may terminate this Lease by giving Landlord written notice as follows:

(i) Said notice shall be given after the Restoration Period.

(ii) Said notice shall set forth an effective date of termination which is not earlier than thirty (30) days after Landlord receives said notice.

(iii) If said repairs are substantially complete on or before the effective termination date set forth in said notice (which date shall be extended by the length of any delays caused by Tenant or Tenant's agents, employees or contractors), said notice shall have no further force and effect.

(iv) If said repairs are not substantially complete on or before the effective termination date set forth in said notice (which date shall be extended by the length of any delays caused by Tenant or Tenant's agents, employees or contractors), this Lease shall terminate as of said effective date.

21. Tenant's Default.

(a) Tenant shall be in default under this Lease in the event that Tenant (i) shall fail to make any payment of money (including, without limitation, Basic Rent and Building Expense Escalation Charges) when it is due hereunder and such failure shall continue for ten (10) days after notice from Landlord to Tenant, or (ii) shall fail or neglect to perform or observe any other covenant or obligation under this Lease and Tenant shall fail to remedy the same within thirty (30) days after notice from Landlord to Tenant specifying such failure or neglect, or if such failure is of such a nature that Tenant cannot reasonably remedy the same within such 30 day period, Tenant shall fail to commence promptly to remedy the same and to prosecute such remedy to completion

with diligence and continuity, or (iii) shall commence reorganization, bankruptcy or insolvency proceedings or, in case any such proceedings are brought against Tenant, if the same are not dismissed within sixty (60) days or if any assignment shall be made of Tenant's property for the benefit of creditors. Notwithstanding the foregoing, in the event of a failure or neglect of the type described in clause (ii) above which creates an emergency situation in the Premises, Tenant shall use commercially reasonable efforts to cure such failure or neglect as soon as reasonably practicable under the circumstances, but in no event shall Tenant be deemed in default under this Lease pursuant to said clause (ii) unless and until the expiration of the cure periods provided therein. If Tenant shall be in default under this Lease, Landlord shall have all rights and remedies as are available at law or in equity. Such remedies shall include, without limitation, the right to evict Tenant, take exclusive possession of the Premises, continue to collect Basic Rent, Building Expense Escalation Charges and other charges, terminate this Lease by notice, entry or otherwise, obtain a judgment for all damages that might flow from a breach or termination of this Lease, re-let the Premises or any part thereof and make any repairs or alterations to the Premises. Tenant shall pay Landlord's costs of enforcing this Lease after a default by Tenant beyond the expiration of applicable cure periods hereunder, including, without limitation, reasonable attorneys' fees and costs.

(b) Upon the termination of this Lease under the provisions of this Section 21, Tenant shall pay to Landlord the Basic Rent and other charges payable by Tenant to Landlord up to the time of such termination, shall continue to be liable for any preceding default hereunder and, in addition, shall pay to Landlord as damages, at the election of Landlord, either:

(i) the 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 clause (ii) below), (A) the aggregate of the Basic Rent and other charges projected over the period commencing with such termination and ending on the expiration date of the Term, exceeds (B) the aggregate projected rental value of the Premises for such period; or

(ii) amounts equal to the Basic 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 of the Term, provided, however, if Landlord shall re-let the Premises during such period, 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 (A) 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 (B) in no event shall Tenant be entitled in any suit for the collection of damages pursuant to this clause (ii) 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 prior to the commencement of such suit. 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.

(c) 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.

(d) 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.

(e) Notwithstanding anything to the contrary herein contained, in no event shall any of the officers, trustees, directors, partners, beneficiaries, stockholders or other principals or representatives (and the like) of Tenant, disclosed or undisclosed, ever be personally liable for any judgment or other liability or for the payment of any monetary obligation to Landlord. In no event shall Tenant ever be liable to Landlord for any lost profits or indirect or consequential damages suffered by Landlord from whatever cause; provided, however, that the provisions of this sentence shall not be deemed to limit Landlord's damages recoverable from Tenant under this Section 21 or Tenant's liability under Section 31 hereof.

22. Landlord's Default. Landlord shall be in default under this Lease in the event that Landlord shall have failed to perform any of its obligations hereunder and Landlord shall fail to remedy the same within thirty (30) days after receipt of notice of such failure from Tenant, or if such failure is of such a nature that Landlord cannot reasonably remedy the same within such thirty (30) day period, Landlord shall have failed to commence promptly to remedy the same and to prosecute such remedy to completion with diligence and continuity. Notwithstanding the foregoing, in the event such failure creates an emergency situation in the Premises or a condition in the Premises that materially adversely affects the continued operation in the ordinary course of Tenant's business in the Premises, Landlord shall use commercially reasonable efforts to cure such failure as soon as reasonably practicable under the circumstances, but in no event shall Landlord be deemed in default under this Lease unless and until the expiration of the cure periods provided in the preceding sentence. In no event shall Tenant have the right to terminate or cancel this Lease or to withhold or abate rent or to set-off any claim or damages against rent as a result of any default or breach by Landlord of any of its covenants, obligations, representations, warranties or promises hereunder, except as may otherwise be expressly set forth in this Lease. Landlord shall pay Tenant's costs of enforcing this Lease after a default by Landlord beyond the expiration of applicable cure periods hereunder, including, without limitation, reasonable attorneys' fees and costs.

23. Landlord's Liability.

(a) Notwithstanding anything to the contrary herein contained, Tenant specifically agrees to look solely to Landlord's then interest in the Property at the time owned for recovery of any judgment from Landlord; it being specifically agreed that in no event shall Landlord (original

or successor), or any of the officers, trustees, directors, partners, beneficiaries, stockholders or other principals or representatives (and the like), disclosed or undisclosed, thereof ever be personally liable for any such judgment or other liability or for the payment of any monetary obligation to Tenant. In no event shall Landlord (original or successor) or any such officers, etc., as aforesaid, ever be liable to Tenant for any lost profits or indirect or consequential damages suffered by Tenant from whatever cause.

(b) With respect to any services or utilities to be furnished by Landlord to Tenant or any other obligations to be performed by Landlord under this Lease, Landlord shall in no event be liable for failure to furnish or perform the same when prevented from doing so by reason of force majeure, or for any cause beyond Landlord's reasonable control, or for any cause due to any act or neglect of Tenant or Tenant's agents, employees or contractors or any person claiming by, through or under Tenant, but the foregoing shall not affect Tenant's abatement and termination rights set forth in Sections 13 and 20 hereof.

(c) In the event of any transfer of Landlord's interest in the Property, the party making such transfer shall be entirely freed and relieved from the performance and observance of all covenants and obligations hereunder arising from and after the date of such transfer, provided that the transferee has assumed the obligation to perform and observe all such covenants and obligations, Tenant agreeing to look solely to the holder of the Landlord's interest in this Lease from time to time, subject to the limitations set forth in paragraph (a) above.

24. Rules and Regulations. Tenant shall abide by rules and regulations from time to established by Landlord, provided such rules and regulations are reasonable, non-discriminatory, applied uniformly to and made for the benefit of all other tenants, cause no material cost or expenditure for Tenant, and do not deprive Tenant of any of the material benefits and rights provided for by this Lease. Landlord shall not be liable to Tenant for violation of the same by any other tenant or occupant of the Building, or persons having business with them. The current rules and regulations are attached to this Lease as Exhibit 5. In the event that there shall be a conflict between such rules and regulations and the provisions of this Lease, the provisions of this Lease shall control.

25. Notices. Whenever, by the terms of this Lease, notices, requests, consents and approvals shall or may be given either to Landlord or to Tenant, they shall be in writing and shall be delivered in hand or sent by nationally recognized overnight courier service or by express, registered or certified mail, postage prepaid:

If intended for Landlord, addressed to Landlord at Landlord's Original Address as stated in Exhibit 1 (or to such other address or addresses as may from time to time hereafter be designated by Landlord by like notice)), with a simultaneous copy to Goulston & Storrs, P.C., 400 Atlantic Avenue, Boston, MA 02110, Attention: Robert J. Mack, Esq.

If intended for Tenant, addressed to Tenant at Tenant's Original Address as stated in Exhibit 1 (or to such other address or addresses as may from time to time hereafter be designated by Tenant by like notice).

All such notices shall be effective (i) when hand-delivered, (ii) if sent by overnight courier, one (1) business day after being delivered to said overnight courier, or (iii) if mailed, two (2) business days after being deposited in the United States Mail within the Continental United States or upon receipt if sooner.

26. Headings. The Section and paragraph headings throughout this Lease are for convenience and reference only, and shall not be used to construe this Lease.

27. Rights of Mortgagee or Ground Lessor. Tenant acknowledges and agrees that this Lease shall be subject and subordinate to any mortgage or ground lease from time to time encumbering the Premises, whether executed and delivered prior to or subsequent to the date of this Lease, if the holder of such mortgage or ground lease shall so elect. If this Lease is subordinate to any mortgage or ground lease and the holder thereof (or successor) shall succeed to the interest of Landlord, at the election of such holder (or successor) Tenant shall attorn to such holder and this Lease shall continue in full force and effect between such holder (or successor) and Tenant. Tenant agrees to execute such instruments of subordination or attornment in confirmation of the foregoing agreement as such holder (or successor) may reasonably request. Notwithstanding anything to the contrary in this Section 27 contained, if any future mortgagee or ground lessor shall elect to make this Lease subject and subordinate to its mortgage or ground lease as aforesaid, then the herein provided subordination and attornment shall be effective only if such mortgagee or ground lessor, as the case may be, agrees, by a written instrument in the customary form of such mortgagee or ground lessor with such commercially reasonable changes thereto as Tenant and such mortgagee or ground lessor may agree to (a "Non-Disturbance Agreement"), that, as long as Tenant shall not be in terminable default of the obligation on its part to be kept and performed under the terms of this Lease, this Lease will be recognized and Tenant's possession hereunder will not be disturbed by any default under, or termination and/or foreclosure of, such mortgage or ground lease, as the case may be. In addition, Landlord shall use commercially reasonable efforts to provide a Non-Disturbance Agreement to Tenant from the holder of the existing mortgage on the Property.

28. Estoppel Certificate. Either party shall at any time and from time to time within ten (10) days of the other party's request execute and deliver an estoppel certificate affirming this Lease, indicating whether there are any defaults hereunder, and addressing such other matters as the requesting party, its lender(s) or prospective purchaser(s) or investors may reasonably require.

29. Recording. Tenant agrees not to record this Lease, but each party hereto agrees, on the request of the other, to execute a so-called notice of lease in form recordable under and otherwise complying with applicable law and reasonably satisfactory to the parties hereto and their respective counsel. In no event shall such document set forth the rent or other charges payable by Tenant under this Lease; and any such document shall expressly state that it is executed pursuant to the provisions contained in this Lease and is not intended to vary the terms and conditions of this Lease.

30. Remedying Defaults.

(a) Landlord shall have the right, but not the obligation, to pay such sums or take such action as may be necessary or appropriate by reason of a default by Tenant in the performance of any of the provisions of this Lease if the default remains uncured after the expiration of applicable notice and cure periods hereunder (except that no such notice or cure periods shall be required in an emergency), and in such event, Tenant agrees to reimburse Landlord within ten (10) days after demand for all reasonable costs and expenses so incurred by Landlord, together with interest thereon at a rate equal to 12% per annum, as an additional charge. Any payment of Basic Rent, Building Expense Escalation Charges or other sums payable hereunder not paid within five (5) days after the same shall have become due shall bear interest at the rate as aforesaid from the date thereof and shall be payable within ten (10) days after demand by Landlord, as an additional charge.

(b) If (i) Landlord shall fail to make any repair or perform any service required to be made or performed by Landlord under Section 10 or 12(a) of this Lease, and such failure if not corrected is reasonably likely to materially adversely affect the continued operation in the ordinary course of Tenant's business in the Premises, and (ii) either (x) Tenant shall be unable to contact Landlord within a reasonable period of time after the onset of such situation (which "reasonable period of time" shall be dictated by the type of situation which has occurred), or (y) Landlord shall fail to remedy the situation within a reasonable period of time (as defined above) after being contacted by Tenant or Tenant is otherwise instructed by Landlord to make the repair or provide the service itself, then Tenant may, but shall not be obligated to, perform such repair or provide such service on Landlord's behalf. If Tenant exercises such right, Landlord shall reimburse Tenant for the reasonable costs and expenses incurred by Tenant in making such repair or providing such service, and any sum so reimbursed by Landlord to Tenant may be included in Operating Costs to the extent the cost of the repair or service would have been included in Operating Costs if the repair or service were performed or provided by Landlord itself.

31. Holding Over. Any holding over by Tenant after the expiration or sooner termination of the Term of this Lease shall be treated as a daily tenancy at sufferance at a rate equal to one and one-half (1.5) times the sum of (i) Basic Rent then in effect plus (ii) Building Expense Escalation Charges and all other charges herein provided for (prorated on a daily basis). Tenant shall also pay to Landlord all damages, direct and/or indirect (including, without limitation, the loss of a tenant and of rental income), sustained by reason of any such holding over. Otherwise, such holding over shall be on the terms and conditions set forth in this Lease as far as applicable.

32. Surrender of Premises.

(a) Upon the expiration or earlier termination of the Term of this Lease, Tenant shall peaceably quit and surrender to Landlord the Premises in neat and clean condition and in the same or better order, condition and repair as on the Commencement Date, together with (i) all of the equipment and other personal property owned by Landlord and described on Exhibit 6 (collectively, "Landlord's Property"), (ii) any and all alterations, additions and improvements in the Premises as of the date hereof (except for Tenant's secured document storage system in the Existing Premises which Tenant shall remove upon the expiration or earlier termination of the Term of this Lease and repair any damage to the Premises or the Building caused by such installation or removal), and (iii) except as hereinafter provided, all Alterations to the Premises,

and otherwise in the same condition as Tenant is required to maintain the Premises under Section 11 above, excepting only reasonable wear and tear and damage by fire or other casualty. Tenant shall remove all of Tenant's personal property, business fixtures, machinery, equipment and furniture (except that the Nitrogen Storage Tanks shall, if and to the extent provided in Section 40 below, remain in place and become the property of Landlord at the expiration of the Term of this Lease) and, if and to the extent specified by Landlord in accordance with Section 8 above (but not otherwise), all Alterations made by Tenant; and Tenant shall repair any damages to the Premises or the Building caused by such installation or removal (it being understood and agreed that Tenant shall only be required to use reasonable efforts to paint or match existing finishes when patching holes).

(b) Without limiting the foregoing, to the extent that chemical, biological or radioactive substances have been used in the Premises or any equipment, fixtures or property therein (including, but not limited to, Landlord's Property), then the Premises and/or such equipment, fixtures or property, as applicable, shall be decommissioned by Tenant in accordance with all applicable laws, rules and regulations and with the standards set forth in Exhibit 7 (the "Decommissioning Standards") upon surrender of the Premises to Landlord.

33. Hazardous Material. Tenant shall not use, release, generate, transport, handle, store or dispose of any oil, hazardous or toxic materials, hazardous or toxic wastes or biological, medical, pharmaceutical or radioactive wastes or materials as regulated in, under or pursuant to any applicable laws, rules or regulations relating to the environment or the protection of human health (collectively, "hazardous materials") in or about the Property, except those materials which are customarily used in the ordinary course of Tenant's business and then only in compliance with all applicable laws, rules and regulations, and industry standards and manufacturers' specifications and recommendations therefor. If the transportation, storage, handling, release, generation, use or disposal of any hazardous materials anywhere on the Property in connection with the Tenant's use of the Premises results in (x) contamination or claim of contamination of soil, surface or ground water, air or building materials or (y) loss or damage to person(s) or property, then Tenant agrees to respond in accordance with the following paragraph:

> Tenant agrees (i) to notify Landlord as soon as practicable upon Tenant's obtaining knowledge of such contamination, claim of contamination, loss or damage, (ii) after consultation with and approval by Landlord (not to be unreasonably withheld or delayed), to clean up the contamination in compliance with all applicable statutes, regulations, rules and standards and, unless otherwise approved by Landlord in writing (which approval may be granted or withheld in Landlord's sole discretion), without implementation of any activity and use limitation or other environmental deed restriction, and (iii) to indemnify, defend and hold Landlord and its agents harmless from and against any claims, obligations, suits, causes of action, costs and fees, including reasonable attorneys' fees, arising from or connected with any such contamination, claim of contamination, loss or damage. This provision shall survive the expiration or termination of this Lease. No consent or approval of Landlord shall in any way be construed as imposing upon Landlord any liability for the means, methods, or manner of removal, containment or other compliance with applicable law for and with respect to the foregoing.

Tenant shall notify Landlord as soon as practicable upon Tenant's receipt of any inquiry, notice or threat to give notice by any governmental authority or any other third party with respect to any hazardous materials in or about the Property. If any governmental agency shall ever require testing to ascertain whether or not there has been any release or that there exists the threat of any release of hazardous materials as a result of the act or omission of Tenant (or anyone claiming by, through or under Tenant), its (or their) agents, employees or contractors, then the reasonable costs thereof shall be paid by Tenant. In addition, Tenant shall execute affidavits, representations and the like from time to time at Landlord's reasonable request (which request shall only be made for a legitimate business purpose, including, without limitation, if Landlord has a reasonable belief that hazardous materials have contaminated or caused damage to the Premises) concerning Tenant's best knowledge and belief regarding the presence of hazardous materials on the Premises.

34. Brokerage. The parties warrant and represent that neither has dealt with any broker in connection with the consummation of this Lease other than the Broker(s) listed in Exhibit 1. Each party ("Indemnitor") shall defend, indemnify and hold harmless the other party for the Indemnitor's breach of the foregoing warranty and representation.

35. Governing Law. This Lease shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts.

36. Covenant of Quiet Enjoyment. Tenant, subject to the terms and provisions of this Lease and to the mortgages and/or ground leases to which this Lease is subject and subordinate as hereinabove set forth, on payment of the Basic Rent and all other sums payable hereunder, and observing, keeping and performing all of the other terms and provisions of this Lease on Tenant's part to be observed, kept and performed, shall lawfully, peaceably and quietly have, hold, occupy and enjoy the Premises during the Term hereof, without hindrance or ejection by any person lawfully claiming under Landlord to have title to the Premises superior to Tenant; the foregoing covenant of quiet enjoyment is in lieu of any other covenant, express or implied.

37. Signage.

(a) No signage shall be installed by Tenant without Landlord's prior written consent (not to be unreasonably withheld, conditioned or delayed). Notwithstanding the foregoing, Tenant may continue to keep and maintain Tenant's signage that exists on the Property as of the Commencement Date. For so long as Tenant continues to maintain such signage, Tenant shall, at its expense, maintain such signage in good order and condition (Tenant hereby assuming all risk and liability with respect thereto) and remove such signage no later than the expiration or sooner termination of the Term of this Lease.

(b) Landlord shall, at its expense, use commercially reasonable efforts to obtaining the necessary governmental permits and approvals to, and, upon receipt thereof shall, modify the existing monument sign at the entrance to the Property to indicate that Tenant is the sole tenant of the Building. Any additional changes to such signage shall be at Tenant's cost and expense.

38. Tenant's Option to Extend the Term of Lease.

(a) 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 this Lease beyond the expiration of applicable cure periods hereunder and that Synta Pharmaceuticals Corp. itself is occupying at least fifty percent (50%) 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 terms, Tenant shall have the option to extend the Term of this Lease for two (2) consecutive additional five (5) year terms, the first such additional term commencing as of the day following the expiration date of the initial Term of this Lease, and the second such additional term commencing as of the day following the expiration date of the first such additional term. Tenant may exercise each such option to extend by giving Landlord written notice on or before the date nine (9) months prior to the expiration date of the then current Term of this Lease. Upon the timely giving of such notice, the Term of this Lease shall be deemed extended for the additional term in question upon all of the terms and conditions of this Lease in effect immediately preceding the commencement of such additional term, except that (i) the Basic Rent payable during each such additional term shall be as hereinafter set forth, (ii) the Building Expense Base during the first such additional term shall be the Building Expenses for calendar year 2016 and the Building Expense Base during the second such additional term shall be the Building Expenses for calendar year 2021, and (iii) Landlord shall have no obligation to reconstruct or renovate the Premises for Tenant's occupancy during such additional term or to provide any allowance or contribution with respect thereto. If Tenant fails to give timely notice, as aforesaid, Tenant shall have no further right to extend the Term of this Lease, time being of the essence of this Section 38(a).

(b) The Basic Rent payable during each such additional term shall be based upon ninety-five percent (95%) of the Fair Market Rental Value, as defined in Section 39(a) below, as of the commencement of such additional term, of the Premises then demised to Tenant; provided, however, that in no event shall the sum of the Basic Rent and Building Expense Escalation Charges to be payable for any year during such additional term be less than the sum of Basic Rent and Building Expense Escalation Charges which were payable for the twelve (12) month period immediately preceding the commencement of such additional term.

(c) Tenant shall have no further option to extend the Term of this Lease other than the two (2) additional five (5) year terms herein provided.

(d) Notwithstanding the fact that upon Tenant's exercise of the herein option(s) to extend the Term of this Lease such extension(s) shall be self-executing, as aforesaid, the parties shall promptly execute a lease amendment reflecting the applicable additional term after Tenant exercises the option in question and the Basic Rent payable in respect of such additional term has been determined. The execution of such lease amendment shall not be deemed to waive any of the conditions to Tenant's exercise of its rights under Section 38(a), unless otherwise specifically provided in such lease amendment.

39. Definition of Fair Market Rental Value. For the purposes of this Lease:

(a) "Fair Market Rental Value" shall be computed as of the date in question at the then current annual rental charge (i.e., the sum of Basic Rent plus escalation and other charges),

including provisions for subsequent increases and other adjustments, for leases and agreements to lease then currently being negotiated or executed for comparable space located in commercial buildings aged and equipped comparably with the Building located within a two (2) mile radius of the Building. In determining Fair Market Rental Value, the following factors, among others, shall be taken into account and given effect: size, condition and location of premises, lease term, condition of building, tenant incentives and inducements, amenities and services provided by the landlord, and the applicable Building Expense Base for the additional term set forth above.

(b) After Landlord's receipt of Tenant's notice to extend (if Tenant shall timely exercise such right), Landlord shall designate Fair Market Rental Value and Landlord shall furnish data in support of such designation. If Tenant, acting in good faith, disagrees with Landlord's designation of such 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 submit such Fair Market Rental Value to arbitration. If Tenant fails to timely exercise such right, Tenant shall be deemed to have accepted Landlord's designation of Fair Market Rental Value for the additional term in question. If Tenant timely exercises such right, 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 Landlord, one to be chosen by Tenant, and a third to be selected, if necessary, as below provided. 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 fifteen (15) 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 President of the Boston Bar Association (or such organization as may succeed to said Boston Bar Association) and request him or her to select an impartial third arbitrator, to determine Fair Market Rental Value as herein defined. Each arbitrator shall be an experienced real estate broker dealing with like types of properties. 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 arbitrators shall be final and binding on the parties and judgment thereon may be entered in the Superior court having jurisdiction over the Premises; 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 Basic 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.

40. Nitrogen Storage. Tenant shall have the right to purchase and install, at its sole cost and expense, two (2) 1,500 liter nitrogen storage tanks (the "Nitrogen Storage Tanks") on a concrete pad outside of the Building substantially in the location shown on Exhibit 3, which concrete pad shall be constructed by Tenant. The size, design, screening and installation of or for the Nitrogen Storage Tanks and the concrete pad shall be subject to Landlord's prior written approval. In addition, the work required to install the Nitrogen Storage Tanks and the concrete pad shall be performed by Tenant in accordance with plans and specifications therefor (including plans and specifications detailing the method of connection of the Nitrogen Storage Tanks to the Premises) prepared by Tenant and approved by Landlord and otherwise in accordance with the terms and provisions of this Lease (including, without limitation, Section 8 hereof). Without limiting the foregoing, Tenant shall provide to Landlord (i) an engineering report verifying that the Nitrogen Storage Tanks (including the installation thereof and emissions therefrom) complies and will comply with all applicable legal requirements, (ii) copies of any licenses and permits for the use of such Nitrogen Storage Tanks, and (iii) specifications for the Nitrogen Storage Tanks themselves. Tenant hereby assumes all risk associated with the use of the Nitrogen Storage Tanks and the concrete pad and Tenant shall, at its sole cost and expense, maintain and repair such Nitrogen Storage Tanks and concrete pad in good order and condition throughout the Term of this Lease, reasonable wear and tear and damage by fire or other casualty excepted. Tenant shall not be obligated to remove the Nitrogen Storage Tanks or concrete pad at the end of the Term of this Lease unless the Nitrogen Storage Tanks are not owned by Tenant on an unencumbered basis at the end of the Term, in which event Tenant shall remove the Nitrogen Storage Tanks and concrete pad at the end of the Term and restore the portion of the Property where the Nitrogen Storage Tanks and concrete pad were located to the condition it was in prior to the installation thereof, reasonable wear and tear excepted. Tenant acknowledges and agrees that Landlord has made no representation or warranty as to the condition of the Property and that it is accepting the applicable portion thereof in "as-is" condition. Tenant's indemnification and insurance obligations set forth in this Lease (as well as the provisions of Section 33 above) shall also apply to the use and operation of the Nitrogen Storage Tanks and the portion of the Property where it is located.

41. Miscellaneous. This Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, subject to the provisions of this Lease. No consent or waiver, express or implied, by Landlord or Tenant to or of any breach of any agreement or duty to the other shall be construed as a consent or waiver to or of any other breach of the same or any other agreement or duty. 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, 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. This Lease contains all of the agreements of the parties with respect to the subject matter thereof, supersedes all prior dealings between the parties with respect such subject matter and may be amended only by instruments in writing executed by the parties hereto. This Lease may be signed in any number of counterparts, all of which together shall constitute one instrument; and may be signed by faxed copies, which shall be deemed to be originals.

42. Parties' Authority. Each of Tenant and Landlord hereby represents and warrants to the other that (i) it has the full right, power and authority to enter into this Lease upon the terms and conditions herein set forth, (ii) each of the persons signing this Lease on its behalf has the requisite authority to bind it by his/her signature, and (iii) the Lease, upon the full execution and

delivery thereof, shall constitute its legal and binding obligations enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). Tenant hereby further represents and warrants to Landlord that it is duly and validly organized and existing and in good standing in the State of Delaware and qualified to do business in the Commonwealth of Massachusetts.

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be duly executed, under seal, by persons hereunto duly authorized, as of the Execution Date stated in Exhibit 1.

LANDLORD:	TENANT:
	SYNTA PHARMACEUTICALS CORP.
/s/ Steven Colangelo	By: /s/ Keith Ehrlich
Steven Colangelo, as Trustee of 125 Hartwell Trust and not individually	Name: Keith Ehrlich Title: CFO Hereunto Duly Authorized

EXHIBIT 2

PLANS SHOWING LOCATION OF PREMISES

EXHIBIT 3

PLAN SHOWING LOCATION OF EXTERIOR PAD
FOR NITROGEN STORAGE TANKS

EXHIBIT 4

CLEANING SECIFICATIONS

A. OFFICE AREAS:

Daily *(Monday through Friday, inclusive, holiday excepted):*

1. Empty and clean all waste receptacles and ash trays and remove waste material from the premises; 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, chair rails, convector tops, door ledges, base boards, and grill work, within normal reach.

5. Wash clean all water fountains and adjacent floor areas.

6. Upon completion of cleaning, all lights will be turned off and all doors locked, leaving the premises in an orderly condition.

Weekly:

1. Brush and hand dust all carpet edges or other areas non-accessible to vacuum attachments.

2. Remove all finger marks from private door entrances, light switches and doorways.

3. Dust all ventilating, air conditioning, louvers and grills.

Every Month or When Needed:

1. All resilient tile floors to be washed or cleaned with dry system cleaner.

Quarterly:

1. Dusting of accessible surfaces not reached by daily cleaning.

2. Move and vacuum clean underneath all furniture that can reasonably be moved.

3. Clean inside of all windows as needed. Clean outside of all windows weather permitting.

B. LAVATORIES:

Daily *(Monday through Friday, inclusive, holiday excepted):*

1. Sweep and wash floors.
2. Wash and polish all mirrors, powder shelves, bright work, flushometers, piping and toilet seat hinges.
3. Wash both sides of all toilet seats.
4. Wash all basins, bowls and urinals.
5. Dust all partitions, tile walls, dispensers and receptacles.
6. Dust and clean all powder room fixtures.
7. Empty and clean paper towel and sanitary disposal receptacles.
8. Remove waste paper and refuse from the premises.
9. Refill tissue holders, soap dispensers, towel dispenser, sanitary dispensers, materials to be furnished by Landlord.

Monthly:

1. Machine scrub lavatory floors.
2. Wash all partitions and tile walls in lavatories.

EXHIBIT 5

RULES AND REGULATIONS

Tenant shall comply with the following Rules and Regulations and with such other reasonable Rules and Regulations as Landlord may promulgate for the Building and the Property:

(1) The sidewalks, entrances, driveways, stairways and halls shall not be obstructed or encumbered by any tenant or used for any purpose other than for ingress to and egress from the leased premises and for delivery of merchandise and equipment in a prompt and efficient manner using loading docks and passageways designated for such delivery by Landlord. There shall not be used in any space, either by any tenant or by jobbers or others in the delivery or receipt of merchandise, any hand trucks, except those equipped with rubber tires and sideguards.

(2) The water and wash closets and plumbing fixtures shall not be used for any purposes other than those for which they were designed or constructed and no sweepings, rubbish, rags, acids or other substances shall be deposited therein, and the expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the tenant who, or whose agents, employees or visitors, shall have caused it.

(3) No carpet, rug or other article shall be hung or shaken out of any window of the Building; and no tenant shall sweep or throw or permit to be swept or thrown from the leased premises any dirt or other substances out of the doors or windows or stairways of the Building and no tenant shall use, keep or permit to be used or kept any foul or noxious gas or substance in its leased premises or permit or suffer its leased premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Building by reason of noise, odors and/or vibrations, or interfere in any way with other tenants or those having business therein, nor shall any animals or birds be kept in or about the Building.

(4) No awnings or other projections shall be attached to the outside walls of the Building without the prior written consent of Landlord.

(5) No sign, advertisement, notice or other lettering shall be exhibited, inscribed, painted or affixed by any tenant on any part of the outside of the leased premises or the Building or on the inside of the leased premises if the same is visible from the outside of the leased premises 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(s) violating this rule.

(6) No tenant shall mark, paint, drill into, or in any way deface any part of the leased premises or the Building of which they form a part. No boring, cutting or stringing of wires shall be permitted, except with the prior written consent of Landlord, and as Landlord may direct. No tenant shall lay linoleum, or other similar floor covering, so that the same shall come in direct contact with the floor of the leased premises, and, if linoleum or other similar floor covering is desired to be used, an interlining of builder's deadening felt shall be first affixed to the floor, by a

paste or other material, soluble in water, the use of cement or other similar adhesive material being expressly prohibited.

(7) 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 mechanism thereof. Each tenant must, upon the termination of its tenancy, restore to Landlord all keys of stores, offices and electrical 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.

(8) Freight, furniture, business equipment, merchandise and bulky matter of any description shall be delivered to and removed from the leased premises only on loading dock(s) in the rear of the leased premises.

(9) Canvassing, soliciting and peddling in the Building and the Property is prohibited and each tenant shall cooperate to prevent the same.

(10) Landlord shall have the right to prohibit any advertising by any tenant which, in Landlord's opinion, tends to impair the reputation of the Building or its desirability as a building for offices and research and development, and upon written notice from Landlord, such tenant shall refrain from or discontinue such advertising.

(11) No tenant shall bring or permit to be brought or kept in or on the leased premises, any inflammable, combustible or explosive fluid, material, chemical or substance, without the prior written consent of Landlord, which consent will not be unreasonably withheld or delayed, or cause or permit any odors, of cooking or other processes, or any unusual or other objectionable odors, to permeate in or emanate from the leased premises.

EXHIBIT 6

LIST OF LANDLORD'S PROPERTY

12) Laboratory 217 — (5) Fume Hoods, (1) six foot BioSafety Cabinet, (1) Scottsman Ice Machine, (2) Cold Rooms, (1) Warm Room, and over 300' linear feet of epoxy top Laboratory Benches with integral desks. Lab and desk chairs included.

13) Wash 219 — (1) American Sterilizer Autoclave, and (1) Better Built Glassware Washer.

16) Equipment 233 — Fluid Solutions Reverse Osmosis DeIonization Pure Water System, Electro Steam Generator for Autoclave.

17) Electric 232 — Kohler Standby Generator Transfer Switch connected to a Kohler 80 kW, Natural Gas Fired Generator.

18) IT 231 — Telephone System including integrated Voicemail System.

31) Lunch 251 — (5) rectangular dining tables, (2) round dining tables, (32) dining chairs, refrigerator, dishwasher, (2) microwaves, 16 linear feet of cabinet space and 8 feet of upper cabinet space.

32) Lab 254 — 90 linear feet of bench space, (1) 4' Fume Hood

33) Lab 252 — 30 linear feet of bench space, (1) 4' Baker BioSafety Cabinet.

34) Lab 256 — 60 linear feet of bench space, (1) 4' Fume Hood.

36) Facility Wide — Safety Equipment such as (20) Fire Extinguisher, Fire Blankets, Safety Showers and Eye Wash Stations. Standby power outlets distributed throughout major laboratory areas, connections for equipment alarms connected to central station monitoring, and perimeter alarm system independent of card access system also covered by central station monitoring.

The above items are based upon the architectural floor plan numbering scheme attached hereto.

EXHIBIT 7

DECOMMISSIONING STANDARDS

Standards for Decommissioning of Space at 125 Hartwell Avenue

Section 1 - Purpose

The purpose of decommissioning of space is to make safe the decommissioned space and to provide assurances of proper cleaning and decontamination of said space for the next occupant. The purpose of setting forth actions taken with respect to decontamination of space is to document the actions taken and to allow the owner or the next occupant to make their own judgment with respect to the sufficiency of such actions.

Section 2 - Activities & Schedule

The following are the specific actions to be taken with respect to the decommissioning of said space.

Chemicals - (Removal & Disposal)

- All hazardous or toxic chemicals are to be removed from the space before the expiration or earlier termination of the Lease or other mutually agreed deadline except for any cleaning materials under the control of the landlord's or tenant's cleaning contractor.

- The decommissioner shall hire a licensed contractor to pack, remove, and transport to a new location all usable chemicals. *Process and/or results are to be documented*.

- The decommissioner shall hire a licensed contractor to pack, remove, and transport for proper disposal all unusable chemicals. *Process and/or results are to be documented*.

- The decommissioner shall hire a licensed contractor to remove and dispose properly all limestone chips in the Wastewater Neutralization Tank. The contractor will clean the tank and replace with fresh limestone. *Process and/or results are to be documented*.

Biological Materials - (Removal & Disposal)

- All biological materials will be removed from the space before the expiration or earlier termination of the Lease or other mutually agreed deadline.

- The decommissioner shall hire a licensed contractor to pack, remove, and transport to a new location all usable biological materials. *Process and/or results are to be documented*.

- The decommissioner shall hire a licensed contractor to pack, remove, and transport for proper disposal all unusable biological materials. *Process and/or results are to be documented*.

- Decontamination of Storage Equipment and Work Surfaces detailed below.

Radioactive Materials - Disposition

- The decommissioner shall hire a licensed contractor to perform wipe tests and provide count results to the extent required by applicable law.

- Wipe tests will be performed prior to the expiration or earlier termination of the Lease or other mutually agreed deadline. *Process and/or results are to be documented*.

Equipment -

- All Equipment listed on Exhibit 6 will be decontaminated prior to the expiration or earlier termination of the Lease or other mutually agreed deadline.

- Chemical Fume Hoods will be steam cleaned using an organic peroxide vapor on the outside and inside of the cabinet by a licensed contractor. *Note: Steam cleaning will be performed to all exposed surfaces. No ductwork or elements above the suspended ceiling will be treated*. Each Fume Hood will have attached a decontamination sheet signed by the contractor. *Process and/or results are to be documented*.

- Biological Safety Cabinets will be decontaminated by a licensed contractor using paraformaldehyde gas and post-treatment cleaning. *No ductwork or elements above the suspended ceiling will be treated. Process and/or results are to be documented*.

- Warm and Cold Room Interiors and Door Fronts will be steam cleaned using an organic peroxide vapor. *Process and/or results are to be documented*.

General Laboratory Space

- The decommissioner shall hire a licensed contractor to wipe down all Laboratory Floors and Countertops with a 10% bleach solution or equivalent. *Process and/or results are to be documented*.

- All Laboratory space to be wiped down prior to the expiration or earlier termination of the Lease or other mutually agreed deadline.

Exhibit 10.4

FIRST AMENDMENT TO LEASE

This First Amendment to Lease (the "**First Amendment**") is made as of June 23, 2011, by and between **ARE-MA REGION NO. 24, LLC**, a Delaware limited liability corporation ("**Landlord**"), and **SYNTA PHARMACEUTICALS CORP.**, a Delaware corporation, ("**Tenant**").

RECITALS

A. Landlord and Tenant have entered into that certain Lease Agreement dated December 14, 2006 (the "**Lease**"), wherein Landlord leased to Tenant certain premises (the "**Premises**") located at 45-47 Wiggins Avenue, Bedford, Massachusetts and more particularly described in the Lease. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Lease.

B. Subject to the provisions hereof, Tenant desires to extend the Base Term of the Lease for a period of 5 years, and Landlord is willing to extend the Base Term of the Lease on the terms herein set forth.

C. Accordingly, Landlord and Tenant desire to amend the Lease to, among other things, extend the Term of the Lease to expire on October 31, 2016.

AGREEMENT

Now, therefore, the parties hereto agree that the Lease is amended as follows:

1. **Extension of Term.** The definition of Base Term in the Basic Lease Provisions on page 1 of the Lease is deleted in its entirety and replaced with the following**:**

"**Base Term:** Beginning on December 15, 2006 ("**Commencement Date**") and ending October 31, 2016."

2. **Base Rent**. The first sentence of Section 4 of the Lease is hereby deleted in its entirety and replaced with the following:

"Base Rent shall be increased on November 1, 2011 and on each annual anniversary thereafter during the Term of this Lease (each an "**Adjustment Date**") by multiplying the Base Rent payable immediately before such Adjustment Date by the Rent Adjustment Percentage and adding the resulting amount to the Base Rent payable immediately before such Adjustment Date."

3. **Base Rent Abatement.** Provided that Tenant is not then in Default, Base Rent shall be abated for the period commencing on November 1, 2011 and ending on January 31, 2012.

4. **No Right of First Offer; No Right to Terminate.** For purposes of clarification, Section 39 (Right of First Offer) and Section 40 (Right to Terminate) of the Lease have expired by their terms and are hereby deleted in their entirety and are of no further force and effect.

5. **Right to Extend Term**. For purposes of clarification, Section 41 (Right to Extend Term) of the Lease shall remain in full force and effect.

6. **OFAC**. Tenant, and all beneficial owners of Tenant, are currently (a) in compliance with and shall at all times during the Term of the Lease remain in compliance with the regulations of the Office of Foreign Assets Control ("**OFAC**") of the U.S. Department of Treasury and any statute, executive order, or regulation relating thereto (collectively, the "**OFAC Rules**"), (b) not listed on, and shall not during the term of the Lease be listed on, the Specially Designated Nationals and Blocked Persons List maintained by OFAC and/or on any other similar list maintained by OFAC or other governmental authority pursuant to any authorizing statute, executive order, or regulation, and (c) not a person or entity with whom a U.S. person is prohibited from conducting business under the OFAC Rules.

7. **Asbestos**.

(a) Notification of Asbestos. Landlord hereby notifies Tenant of the presence of asbestos-containing materials ("**ACMs**") and/or presumed asbestos-containing materials ("**PACMs**") within or about the Premises in the location identified in Exhibit A attached hereto.

(b) Tenant Acknowledgement. Tenant hereby acknowledges receipt of the notification in paragraph (a) of this Section 7 and understand that the purpose of such notification is to make Tenant, and any agents, employees, and contractors of Tenant, aware of the presence of ACMs and/or PACMs within or about the Building in order to avoid or minimize any damage to or disturbance of such ACMs and/or PACMs.

/s/ KE
Tenant's Initials

(c) Acknowledgement from Contractors/Employees. Tenant shall give Landlord at least 14 days' prior written notice before conducting, authorizing or permitting any of the activities listed below within or about the Premises, and before soliciting bids from any person to perform such services. Such notice shall identify or describe the proposed scope, location, date and time of such activities and the name, address and telephone number of each person who may be conducting such activities. Thereafter, Tenant shall grant Landlord reasonable access to the Premises to determine whether any ACMs or PACMs will be disturbed in connection with such activities. Tenant shall not solicit bids from any person for the performance of such activities without Landlord's prior written approval. Upon Landlord's request, Tenant shall deliver to Landlord a copy of a signed acknowledgement from any contractor, agent, or employee of Tenant acknowledging receipt of information describing the presence of ACMs and/or PACMs within or about the Premises in the locations identified in Exhibit A prior to the commencement of such activities. Nothing in this Section 7 shall be deemed to expand Tenant's rights under the Lease or otherwise to conduct, authorize or permit any such activities.

(i) Removal of thermal system insulation ("**TSI**") and surfacing ACMs and PACMs (i.e., sprayed-on or troweled-on material, e.g., textured ceiling paint or fireproofing material);

(ii) Removal of ACMs or PACMs that are not TSI or surfacing ACMs or PACMs; or

(iii) Repair and maintenance of operations that are likely to disturb ACMs or PACMs.

8. **Miscellaneous**.

(a) This First Amendment is the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral and written agreements and discussions. This First Amendment may be amended only by an agreement in writing, signed by the parties hereto.

(b) This First Amendment is binding upon and shall inure to the benefit of the parties hereto and their respective permitted successors in interest.

(c) This First Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto except having additional signature pages executed by other parties to this First Amendment attached thereto.

(d) Landlord and Tenant each represents and warrants that it has not dealt with any broker, agent or other person (collectively, "**Broker**") (other than Richards, Barry, Joyce & Partners), in connection with this transaction, and that no Broker brought about this transaction (other than Richards, Barry, Joyce & Partners). Landlord and Tenant each hereby agree to indemnify and hold the other harmless from and against any claims by any Broker (other than Richards, Barry, Joyce & Partners) claiming a commission or other form of compensation by virtue of having dealt with Tenant or Landlord, as applicable, with regard to this leasing transaction.

(e) As amended and/or modified by this First Amendment, the Lease is hereby ratified and confirmed and all other terms of the Lease shall remain in full force and effect, unaltered and unchanged by this First Amendment. In the event of any conflict between the provisions of this First Amendment and the provisions of the Lease, the provisions of this First Amendment shall prevail. Whether or not specifically amended by this First Amendment, all of the terms and provisions of the Lease are hereby amended to the extent necessary to give effect to the purpose and intent of this First Amendment.

(Signatures on Next Page)

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the day and year first above written.

TENANT:

SYNTA PHARMACEUTICALS CORP., a Delaware corporation

By: /s/ Keith Ehrlich
Its: Vice President and Treasurer, CFO

LANDLORD:

ARE-MA REGION NO. 24, LLC, a Delaware limited liability company

By: ALEXANDRIA REAL ESTATE EQUITIES, L.P., a Delaware limited partnership, managing member

By: ARE-QRS CORP., a Maryland corporation, general partner

By: /s/ Eric S. Johnson
Its: Eric S. Johnson
Vice President
Real Estate Legal Affairs

EXHIBIT A

NOTIFICATION OF THE PRESENCE OF ASBESTOS CONTAINING MATERIALS

This notification provides certain information about asbestos within or about the Premises at 45-47 Wiggins Avenue, Bedford, MA ("Building").

Historically, asbestos was commonly used in building products used in the construction of buildings across the country. Asbestos-containing building products were used because they are fire-resistant and provide good noise and temperature insulation. Because of their prevalence, asbestos-containing materials, or ACMs, are still sometimes found in buildings today.

Asbestos surveys of the Building have determined that ACMs and/or materials that might contain asbestos, referred to as presumed asbestos-containing materials or PACMs, are present within or about the Premises. ACMs located in the 47 Wiggins portion of the Premises include 12" x 12" purple floor tile and associated mastic in the production area and shipping area, 12" x 12" blue floor tile and associated mastic in the lunch room and electrical room, and carpet adhesive in the office and laboratories. The ACMs were observed to be in good condition and may be managed in place.

Because ACMs or PACMs may present and may continue to be present within or about the Building, we have hired an independent environmental consulting firm to prepare an operations and maintenance program ("O&M Program"). The O&M Program is designed to minimize the potential of any harmful asbestos exposure to any person within or about the Building. The O&M Program includes a description of work methods to be taken in order to maintain any ACMs or PACMs within or about the Building in good condition and to prevent any significant disturbance of such ACMs or PACMs. Appropriate personnel receive regular periodic training on how to properly administer the O&M Program.

The O&M Program describes the risks associated with asbestos exposure and how to prevent such exposure through appropriate work practices. ACMs and PACMs generally are not thought to be a threat to human health unless asbestos fibers are released into the air and inhaled. This does not typically occur unless (1) the ACMs are in a deteriorating condition, or (2) the ACMs have been significantly disturbed (such as through abrasive cleaning, or maintenance or renovation activities). If inhaled, asbestos fibers can accumulate in the lungs and, as exposure increases, the risk of disease (such as asbestosis or cancer) increases. However, measures to minimize exposure, and consequently minimize the accumulation of asbestos fibers, reduce the risks of adverse health effects.

The O&M Program describes a number of activities that should be avoided in order to prevent a release of asbestos fibers. In particular, you should be aware that some of the activities which may present a health risk include moving, drilling, boring, or otherwise disturbing ACMs. Consequently, such activities should not be attempted by any person not qualified to handle ACMs.

The O&M Program is available for review during regular business hours at Landlord's office located at One Innovation Drive, Worcester, MA 01605.

Exhibit 10.5

EXECUTION COPY

THIRD AMENDMENT TO
LOAN AND SECURITY AGREEMENT

THIS THIRD AMENDMENT TO LOAN AND SECURITY AGREEMENT (this "**Amendment**") is dated as of July 1, 2011, by and among **SYNTA PHARMACEUTICALS CORP.**, a Delaware corporation ("**Borrower**"), **SYNTA SECURITIES CORP.**, a Massachusetts corporation ("**Guarantor**"); Borrower and Guarantor each a "**Loan Party**" and, collectively, the "**Loan Parties**"), **GENERAL ELECTRIC CAPITAL CORPORATION**, a Delaware corporation acting in its capacity as agent ("**Agent**") for the lenders under the Loan Agreement (as defined below) ("**Lenders**"), and the Lenders.

W I T N E S S E T H:

WHEREAS, the Loan Parties, Lenders and Agent are parties to that certain Loan and Security Agreement, dated as of September 30, 2010 (as amended, restated, supplemented or otherwise modified from time to time, the "**Loan Agreement**"; capitalized terms used herein have the meanings given to them in the Loan Agreement except as otherwise expressly defined herein), pursuant to which Lenders have agreed to provide to Borrower certain loans and other extensions of credit in accordance with the terms and conditions thereof; and

WHEREAS, the Loan Parties, Agent and Lenders desire to amend certain provisions of the Loan Agreement in accordance with, and subject to, the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises, the covenants and agreements contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Loan Parties, Lenders and Agent hereby agree as follows:

1. **Acknowledgment of Obligations.** Borrower hereby acknowledges, confirms and agrees that all Term Loans made prior to the date hereof, together with interest accrued and accruing thereon, and fees, costs, expenses and other charges owing by Borrower to Agent and Lenders under the Loan Agreement and the other Debt Documents, are unconditionally owing by Borrower to Agent and Lenders, without offset, defense or counterclaim of any kind, nature or description whatsoever except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting creditor's rights generally.

2. **Amendments to Loan Agreement.** Subject to the terms and conditions of this Amendment, including, without limitation, the conditions to effectiveness set forth in Section 5 below, the Loan Agreement is hereby amended as follows:

(a) Section 2.3(b), Payments of Principal and Interest, of the Loan Agreement is hereby amended by deleting clauses (ii) and (iii) thereof in their entirety and by inserting, in lieu thereof, the following:

"(ii) Principal Payments.

(A) If the Interest Only Extension Conditions (as defined below) have not been satisfied, then Borrower shall repay principal on the Term Loan to the Agent, for the ratable benefit of the Lenders, in thirty (30) equal consecutive monthly installments of $500,000.00 on each Scheduled Payment Date, commencing on February 1, 2012.

(B) If the Interest Only Extension Conditions have been satisfied, then Borrower shall repay principal on the Term Loan to the Agent, for the ratable benefit of the Lenders, in (x) twenty-six (26) equal consecutive monthly installments of $555,555.56 on each Scheduled Payment Date, commencing on May 1, 2012 and (y) one monthly installment of $555,555.44 on July 1, 2014.

As used herein, the term "Interest Only Extension Conditions" means evidence reasonably satisfactory to Agent of Borrower's receipt, on or before December 30, 2011, of $30,000,000.00 in net cash proceeds from one or a combination of the following (i) a collaboration or partnership agreement consistent with Borrower's existing business and (ii) the sale of additional securities of Borrower, which net cash proceeds, in any case, shall be fully earned (subject to revenue recognition over time in accordance with GAAP) and non-refundable when received by Borrower.

(iii) Payments Generally. Notwithstanding the foregoing provisions of this Section 2.3(b), all unpaid principal and accrued interest with respect to the Term Loan is due and payable in full to Agent, for the ratable benefit of Lenders, on the earlier of (A) July 1, 2014 or (B) the date that the Term Loan otherwise becomes due and payable hereunder, whether by acceleration of the Obligations pursuant to Section 8.2 or otherwise (the earlier of (A) or (B), the "Term Loan Maturity Date"). Each scheduled payment of interest or principal hereunder is referred to herein as a "Scheduled Payment." The parties hereto hereby agree that, as of July 1, 2011 (the "Third Amendment Effective Date"), the aggregate outstanding principal balance of the Term Loan is **$**15,000,000.00. Without limiting the foregoing, all Obligations shall be due and payable on the Term Loan Maturity Date."

(b) Section 2.4, Prepayments, of the Loan Agreement is hereby amended by deleting the second sentence thereof in its entirety and by inserting, in lieu thereof, the following:

"Upon the date of (a) any voluntary prepayment of the Term Loan in accordance with the immediately preceding sentence or (b) any mandatory prepayment of the Term Loan required under this Agreement (whether by acceleration of the Obligations pursuant to Section 8.2 or otherwise), Borrower shall pay to Agent, for the ratable benefit of the Lenders, a sum equal to (i) all outstanding principal plus accrued interest with respect to the Term Loan, plus (ii) the Final Payment Fee (as such term is defined in Section 2.7(c)) for the Term Loan, and plus (iii) a prepayment premium (as yield maintenance for the loss of a bargain and not as a

penalty) equal to: (i) 4% of the prepayment amount, if such prepayment is made on or before the one year anniversary of the Third Amendment Effective Date, (ii) 2% of the prepayment amount, if such prepayment is made after the one year anniversary of the Third Amendment Effective Date but on or before the two year anniversary of the Third Amendment Effective Date, and (iii) 1% of the prepayment amount, if such prepayment is made after the two year anniversary of the Third Amendment Effective Date but before the Term Loan Maturity Date."

(c) Section 2.7, Lender Fees, of the Loan Agreement is hereby amended by deleting paragraph (c) thereof in its entirety and by inserting, in lieu thereof, the following:

"(c) Final Payment Fee. On the date upon which the outstanding principal amount of the Term Loan is repaid in full, or if earlier, is required to be repaid in full (whether by scheduled payment, voluntary prepayment, acceleration of the Obligations pursuant to Section 8.2 or otherwise), Borrower shall pay to Agent, for benefit of the Lenders on such date in accordance with their Pro Rata Shares, a fee equal to $525,000.00 (the "Final Payment Fee"), which Final Payment Fee shall be deemed to be fully-earned on the Third Amendment Effective Date, and which Final Payment Fee shall not be reduced by the $112,500.00 payment made pursuant to Section 5(e) of that certain Third Amendment to Loan and Security Agreement dated as of July 1, 2011, which Final Payment Fee shall be deemed to be fully-earned on the Third Amendment Effective Date."

3. No Other Amendments. Except for the amendments and agreements set forth and referred to in Section 2 above, the Loan Agreement and the other Debt Documents shall remain unchanged and in full force and effect. Nothing in this Amendment is intended, or shall be construed, to constitute a novation or an accord and satisfaction of any of Borrower's or Guarantor's Obligations or to modify, affect or impair the perfection or continuity of Agent's security interests in, security titles to or other liens, for the benefit of itself and the Lenders, on any Collateral for the Obligations.

4. Representations and Warranties. To induce Agent and Lenders to enter into this Amendment, each Loan Party does hereby warrant, represent and covenant to Agent and Lenders that after giving effect to this Amendment (i) each representation or warranty of the Loan Parties set forth in the Loan Agreement is hereby restated and reaffirmed as true and correct in all material respects on and as of the date hereof as if such representation or warranty were made on and as of the date hereof (except to the extent that any such representation or warranty expressly relates to a prior specific date or period), (ii) no Default or Event of Default has occurred and is continuing as of the date hereof and (iii) each Loan Party has the power and is duly authorized to enter into, deliver and perform this Amendment and this Amendment is the legal, valid and binding obligation of each Loan Party enforceable against each Loan Party in accordance with its terms.

5. Condition Precedent to Effectiveness of this Amendment. This Amendment shall become effective as of the date (the "**Amendment Effective Date**") upon which:

(a) Agent shall notify Borrower in writing that Agent has received one or more counterparts of this Amendment duly executed and delivered by the Loan Parties, Agent and Lenders, in form and substance satisfactory to Agent and Lenders;

(b) Both before and after giving effect to this Amendment, no Default or Event of Default shall have occurred and be continuing;

(c) Agent shall have received from Borrower a completed updated Perfection Certificate, duly executed by each Loan Party, updated to reflect any changed or additional information since the Closing Date, which updated Perfection Certificate Borrower hereby represents shall be true, accurate, and complete as of the Amendment Effective Date (provided, no such updates shall constitute a waiver or consent by Agent or Lenders of any Default or Event of Default that may have occurred as a result of such new information being disclosed on such updated Perfection Certificate;

(d) Agent shall have received current UCC lien, judgment, tax and intellectual property lien search results demonstrating that there are no other security interests or liens on the Collateral, other than Permitted Liens;

(e) Agent shall have received a fee in immediately available funds in the amount of $112,500.00, for benefit of the Lenders in accordance with their Pro Rata Shares, which fee shall be fully earned and non-refundable, and which fee represents a portion of the Final Payment Fee under the Loan Agreement prior to giving effect to this Amendment (which, for the avoidance of doubt, shall not offset or reduce in any way the Final Payment Fee set forth in Section 2.7(c) of the Loan Agreement (as amended by this Amendment);

(f) Agent shall have received an amendment fee in immediately available funds in the amount of $75,000.00, for benefit of the Lenders in accordance with their Pro Rata Shares, which fee shall be fully earned and non-refundable when paid;

(g) Agent shall have received from Borrower an executed Officer's Certificate in form and substance satisfactory to Agent, dated as of the date hereof, certifying that (A) after giving effect to this Amendment, no Default or Event of Default has occurred and is continuing and (B) all representations and warranties of Borrower or any Loan Party stated in the Debt Documents (including, without limitation, this Amendment), as amended by this Amendment, are true and correct in all material respects on and as of the Amendment Effective Date, except to the extent such representations or warranties (x) contain materiality qualifiers, in which case such representations and warranties are true and correct in all respects or (y) expressly relate to an earlier date, in which case such representations and warranties were true and correct in all respects on and as of such earlier date;

(h) Agent shall have received from Borrower a supplement to the Intellectual Property Security Agreement, in form and substance satisfactory to Agent, executed by each Loan Party and Agent, to be held in escrow in accordance with Section 3.4 of the Loan Agreement;

(i) Agent shall have received from Borrower a certificate executed by the Secretary or Assistant Secretary of each Loan Party, in form and substance satisfactory to Agent, providing

verification of incumbency and attaching (i) such Loan Party's board resolutions approving the transactions contemplated by this Amendment and the other Debt Documents and (ii) such Loan Party's governing documents;

(j) Agent shall have received from Borrower a certificate of good standing of each Loan Party from the jurisdiction of such Loan Party's organization and a certificate of foreign qualification from each jurisdiction where such Loan Party's failure to be so qualified could reasonably be expected to have a Material Adverse Effect, in each case as of a recent date acceptable to Agent; and

(k) Agent shall have received all other documents and instruments as Agent or any Lender may reasonably deem necessary or appropriate to effectuate the intent and purpose of this Amendment.

6. Release.

(a) In consideration of the agreements of Agent and Lenders contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each Loan Party, on behalf of itself and its successors, assigns, and other legal representatives, hereby absolutely, unconditionally and irrevocably releases, remises and forever discharges Agent and each Lender and their respective successors and assigns, and their respective present and former shareholders, affiliates, subsidiaries, divisions, predecessors, directors, officers, attorneys, employees, agents and other representatives (Agent, Lenders and all such other persons being hereinafter referred to collectively as the "**Releasees**" and individually as a "**Releasee**"), of and from all demands, actions, causes of action, suits, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills, reckonings, damages and any and all other claims, counterclaims, defenses, rights of set-off, demands and liabilities whatsoever (individually, a "**Claim**" and collectively, "**Claims**") of every name and nature, known or unknown, suspected or unsuspected, both at law and in equity, which any Loan Party or any of its respective successors, assigns, or other legal representatives may now or hereafter own, hold, have or claim to have against the Releasees or any of them for, upon, or by reason of any circumstance, action, cause or thing whatsoever which arises at any time on or prior to the Amendment Effective Date, including, without limitation, for or on account of, or in relation to, or in any way in connection with the Loan Agreement or any of the other Debt Documents or transactions thereunder or related thereto.

(b) Each Loan Party understands, acknowledges and agrees that its release set forth above may be pleaded as a full and complete defense and may be used as a basis for an injunction against any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of such release.

(c) Each Loan Party agrees that no fact, event, circumstance, evidence or transaction which could now be asserted or which may hereafter be discovered shall affect in any manner the final, absolute and unconditional nature of the release set forth above.

7. Covenant Not To Sue. Each Loan Party, on behalf of itself and its respective successors, assigns, and other legal representatives, hereby absolutely, unconditionally

and irrevocably, covenants and agrees with and in favor of each Releasee that it will not sue (at law, in equity, in any regulatory proceeding or otherwise) any Releasee on the basis of any Claim released, remised and discharged by the Loan Parties pursuant to Section 6 above. If any Loan Party or any of its respective successors, assigns or other legal representatives violates the foregoing covenant, each Loan Party, for itself and its successors, assigns and legal representatives, jointly and severally agrees to pay, in addition to such other damages as any Releasee may sustain as a result of such violation, all attorneys' fees and costs incurred by any Releasee as a result of such violation.

8. **Advice of Counsel.** Each of the parties represents to each other party hereto that it has discussed this Amendment with its counsel.

9. **Severability of Provisions.** In case any provision of or obligation under this Amendment shall be invalid, illegal or unenforceable in any applicable jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

10. **Counterparts.** This Amendment may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which when taken together shall constitute one and the same instrument.

11. **GOVERNING LAW.** THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE WITHOUT REGARD TO THE PRINCIPLES THEREOF REGARDING CONFLICTS OF LAWS.

12. **Entire Agreement.** The Loan Agreement as and when amended through this Amendment embodies the entire agreement between the parties hereto relating to the subject matter thereof and supersedes all prior agreements, representations and understandings, if any, relating to the subject matter thereof.

13. **No Strict Construction, Etc.** The parties hereto have participated jointly in the negotiation and drafting of this Amendment. In the event an ambiguity or question of intent or interpretation arises, this Amendment shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Amendment. Time is of the essence for this Amendment.

14. **Costs and Expenses.** Loan Parties absolutely and unconditionally agree, jointly and severally, to pay or reimburse upon demand for all reasonable fees, costs and expenses incurred by Agent and the Lenders that are Lenders on the Closing Date in connection with the preparation, negotiation, execution and delivery of this Amendment and any other Debt Documents or other agreements prepared, negotiated, executed or delivered in connection with this Amendment or transactions contemplated hereby.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Third Amendment to Loan and Security Agreement to be duly executed and delivered as of the day and year specified at the beginning hereof.

BORROWER:

SYNTA PHARMACEUTICALS CORP.

By: /s/ Keith Ehrlich
Name: Keith Ehrlich
Title: CFO

GUARANTOR:

SYNTA SECURITIES CORP.

By: /s/ Keith Ehrlich
Name: Keith Ehrlich
Title: Director

AGENT AND LENDER:

GENERAL ELECTRIC CAPITAL CORPORATION

By: /s/ Alan Silbert
Name: Alan Silbert
Title: Its Duly Authorized Signatory

LENDER:

MIDCAP FUNDING III, LLC

By: /s/ Luis Viera
Name: Luis Viera
Title: Managing Director

Exhibit 31.1

CERTIFICATIONS UNDER SECTION 302

I, Safi R. Bahcall, Ph.D., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Synta Pharmaceuticals Corp.;

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

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

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

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

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

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

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

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

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

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

Date: August 4, 2011

/s/ SAFI R. BAHCALL, PH.D
Safi R. Bahcall, Ph.D.
President and Chief Executive Officer
(principal executive officer)

Exhibit 31.2

CERTIFICATIONS UNDER SECTION 302

I, Keith S. Ehrlich, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Synta Pharmaceuticals Corp.;

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

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

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

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

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

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

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

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

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

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

Date: August 4, 2011

/s/ KEITH S. EHRLICH
Keith S. Ehrlich
Vice President, Finance and Administration,
Chief Financial Officer
(principal accounting and financial officer)

Exhibit 32.1

CERTIFICATIONS UNDER SECTION 906

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Synta Pharmaceuticals Corp., a Delaware corporation (the "Company"), does hereby certify, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the period ended June 30, 2011 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 4, 2011

/s/ SAFI R. BAHCALL, PH.D
Safi R. Bahcall, Ph.D.
President and Chief Executive Officer
(principal executive officer)

Dated: August 4, 2011

/s/ KEITH S. EHRLICH
Keith S. Ehrlich
Vice President, Finance and Administration,
Chief Financial Officer
(principal accounting and financial officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.